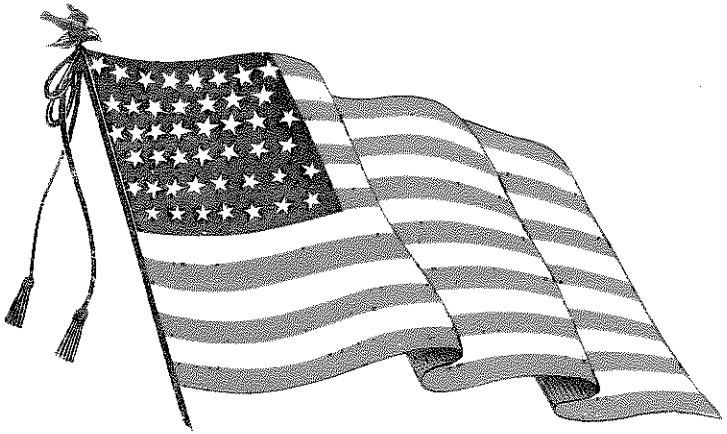
# LEST WE FORGET

The Appeal for "Party Harmony"

(From the Portland Journal, May 31, 1910)



GOVERNMENT has always been the business of taxing the many by the few for the benefit of the ruling class.

This pamphlet advocates increase of the people's power, and especially adoption at the November election of three constitutional amendments removing restrictions on that power and making the referendum obligatory on all laws regulating taxation and exemptions, that the voters may thereby abolish private profit in the public business of taxation.

Approval of these amendments will give the people of Oregon the constitutional right, in their business of government for the equal benefit of all the people, to collect a just share of the taxes from every person in proportion to the value of the opportunities he enjoys under the people's laws.

Thus, Lincoln's hope of a government of the people, by the people, and for the people, under this flag, will be realized by the people of Oregon when they regulate all taxation and exemptions by direct legislation and enact only such laws as are morally right.

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THIRD EDITION

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UNION PRINTING TRADES LABOR COUNCIL PORTLAND, ORE.

# People's Power and Public Taxation

THIS PAMPHLET advocates an increase of the People's Power in Oregon, especially by approval of three proposed constitutional amendments relating to taxation. Two of these amendments were submitted by the legislature at the request of the Oregon State Grange, and one is proposed by the Oregon State Federation of Labor and the Central Labor Council of Portland and Vicinity by initiative petition.

Just taxation is a matter of pocketbook interest to every citizen of Oregon. If the voters approve these amendments at the next election, they will take into their own hands the sole power to say by law:

1. What property shall be taxed and how it shall be taxed.

2. What property shall be exempt from taxation and how such exemption shall be made.

3. They will allow to the people of each county limited home rule in using these powers within their own county.

Among other reasons for voting YES on these three constitutional amendments, we shall show:

That the power to make the laws that regulate taxation and exemptions is worth more money to every individual citizen than any other right or power in our government, and that this power belongs of right to all the people and not to any class of the people.

This power to regulate taxation and exemptions is also worth more to the political bosses and the Franchise Interests back of them than all other powers combined. To get and keep this power to take great profits from taxes, the political bosses and some of their masters, owners of special privileges, franchise corporations and agents, have bought votes, stuffed ballot boxes, bought judges, juries and legislators, and committed all possible crimes against the people and their laws.

We shall give the facts in the two attempts of Mayor Joseph Simon to get into the Portland City Charter a water-main amendment that would tax not less than two million dollars out of the pockets of the water-users into the pockets of Mayor Simon and a few of his friends, some of whom are public officers of the city of Portland.

Under the form of a charter amendment for the public good, Mayor Simon asked the people of Portland to consent to public taxation for private profit, and now asks it again.

We shall show that the demand for party conventions to "select and recommend candidates" is a scheme to break down

the direct primary law and restore the political machine. It is rank hypocrisy to speak of such part conventions as "assemblies." The owners of Special Privileges know from experience that they can control political machines and thereby control public taxation and exemptions. The story of the Simon water-main amendment shows how some men have made private fortunes by using public trusts and public taxing powers for their own benefit.

As a further purpose of the "party conventions to select and recommend candidates" plan, its managers hope to restore the legislative hold-up auction-block method of choosing their own United States senators The owners of Special Privileges need the Senators because the United States senate has power to prevent control by the people of railroad, express and telegraph rate taxing powers, as well as other forms of National taxation and exemptions.

We shall show that the bill for a constitutional convention is part of a scheme to take away the People's Power, by making a new Constitution and "proclaiming" it without permitting the people to vote on it. This was done by constitutional conventions in Delaware, Virginia and other states. We shall cite supreme court decisions sustaining such proclaimed constitutions. In this way a constitutional conv ntion could take away from the people of Oregon the Initiative and Referendum, the Recall and the right to instruct members of the legislature, and could make Statement No. 1 and other political pledges to the people by candidates unlawful.

We shall show that the struggle for the power to select candidates for public office, for control of all political power and of the government of the United States, from the Revolution to this day, is, and always has been, in fact a struggle for control of the power to regulate taxation and exemptions.

We shall show something of the enormous profits of the power to regulate taxation and exemptions, and how that power enables a very few to pick the pockets of the very many under the protection of laws heretofore made by the very few, through their control of political power. The owners of Special Privilege control the taxing power by controlling political power, and they are fighting in Oregon to regain political power, so that they may regain and keep control of the power to regulate taxation and exemptions.

We shall show, further, that to be successful, self-government must give better bread and butter results for all the people. No government controlled by a class has ever made just laws for taxation and exemptions. The people of Oregon will prove that they can do their public business better than it can be done by any government of less than all the people



when they regulate taxation and exemptions by just laws instead of by official favor. Then they will prove by pocketbook results that government of all the people, for all the people and by all the people is better than any government by a class.

The next common-sense step in Oregon is for the people to take power to govern their own purses by taking from Special Privilege all its power to regulate taxation and exemptions. With this power used by the people for the common good, it will be possible for the producer, whether business man, farmer or wage-worker, to make a better living for his family.

We shall state briefly and impartially the claims made by the advocates of the two principal systems of taxation.

Reasonable county Home Rule in taxation and exemptions is a natural step toward just regulation of taxation and exemptions, and therefore a natural step towards the best pocketbook results from self-government.

We shall state who pay for this pamphlet, why they pay for it and what it costs.

# PUBLIC TAXES FOR PRIVATE POCKETS

## MONEY TRAP SET BY MAYOR SIMON AND HIS ASSEMBLY. CITY ADMINISTRATION OF PORTLAND TO CATCH THE WATER USERS

The owners of Franchise Big Business, which is Special Privilege, know that if they can control the laws regulating taxation and exemptions, they can not only exempt themselves from taxation, but can govern the distribution of wealth, and tax money from the people into their own pockets. The two attempted water-main grabs of Mayor Simon and the Portland City Administration, for private profit, is an example of the way in which Special Privilege owners scheme to rob the people. But it is not often that such men ask the voters to go to the polls and consent to be robbed, as they did in the attempted water-main charter amendment graft in Portland—and from which the City Administration quickly backed down when the plot was exposed. Now, again, they come with the same scheme.

Until June, 1907, water mains in the city of Portland were paid for out of the water fund, which was kept up by the rates charged to water users. That was so clearly a private graft for the lot speculators that in 1907 the system was changed by an initiative amendment to the city charter, by which water mains must be paid for by the property benefited.

But that fair system does not suit Mayor Simon and his friends, for he and they own thousands of vacant lots and hundreds of acres of idle land, which they are "holding for higher prices." They want the people of Portland to carry water to these idle lots and acres, and then pay the increased value due to the water mains.

So, on December 8, 1909, Mayor Simon and the City Council proposed an amendment to the Portland charter, which would give Mayor Simon, seven members of the City Council, eight members of the Executive Board, three members of the Water Board and other land and lot speculators a license to reach into the pocketbooks of the people. They wanted an "open door" to the pocketbook of each individual water user in Portland. In order to get their hands on the money, they asked the voters to approve a charter amendment with this provision:

"**All water mains,** including laterals, distributing mains and mains for reinforcement hereafter laid or constructed **shall be paid for out of the water fund, and not otherwise.** There shall also be **paid out of said water fund and refunded to all persons who have paid to the City Treasurer** assessments for the laying of water mains in front of or adjacent to their property, in accordance with the provisions of Section 227 of the Charter of the city of Portland, as amended by the act adopted by the electors of said city on the 3rd day of June, 1907, as aforesaid, the moneys so paid, or that may be paid by them to the City Treasurer **for the laying of water mains in front of or adjacent to their property,** such refund to be made by warrants drawn by the Mayor and attested by the Auditor when attested by a vote of the Water Board."

**The so-called "new" water main amendment, to be voted on at the November election, contains that same provision.**

The $40 cost per lot of water mains is to be paid by all the water users; but the speculator is to get the $40 back from the lot buyer and put it into his own pocket. There is no pretense of giving it back to the water users who pay it in the first place.

The Initiative amendment of June 3, 1907, changed the system of assessing the cost of water mains upon all water users and assessed the cost upon the property benefited. Mayor Simon and his friends want the cost put back on all the water users. Next, they propose to go into the pockets of the water users and tax out, for the benefit of speculators, all the money paid for laying water mains at the expense of the property benefited, under the amendment of June 3, 1907.

Individual voters may approve or disapprove of land speculators; but no honest man approves of the increase of the People's taxes by public servants for the private gain of land speculators. Are not such public officers false to their trust when they themselves are land speculators seeking to increase the



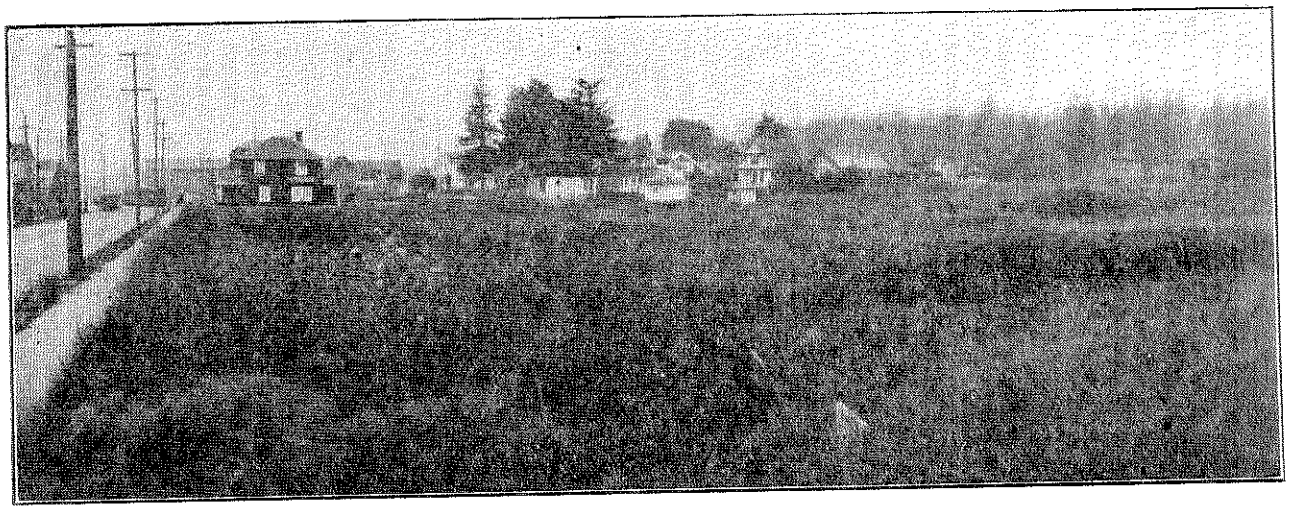
water tax for their own private profits? Yet, that is what Mayor Simon and some other officers of the city of Portland asked the voters to approve, and fixed February 15, 1910, as the date for them to vote to make that graft legal. It is not a legal crime to make a tax law to pick taxpayers' pockets if the owners of the pockets consent to it, believing that something is being done for their benefit. Now, again, they ask the voters to approve of their graft.

Mayor Simon and the City Council cancelled the order for the special election and withdrew the amendment as soon as the graft was exposed by the Portland Central Labor Council. They did not even argue the matter nor make any explanation. This shows that these public officers knew all the time that it was a scheme for putting public tax money into private pocketbooks.

The amendments proposed by Mayor Simon and his Special Privilege friends last winter and now, would, if approved by the voters, tax the cost of all water mains upon the people who use the water, instead of on the men who own the lots. How that would work for the benefit of Mayor Simon and his speculating friends is easily seen. The records of Multnomah county and the city of Portland show that the Mayor, eight members of the Executive Board, seven members of the City Council and three members of the Water Board owned and were interested in lots, or idle acres available for lots, about February 1, 1910, as follows:

| | Lots |
|---|---|
| Mayor Joseph Simon | 3,380 |
| Eight members of the Executive Board | 5,833 |
| Seven members of the City Council | 1,683 |
| Three members of the Water Board | 2,434 |
| Total | 13,330 |
| Lots or acres available for lots, owned by Ladd interests and represented on the Water Board by Theodore B. Wilcox | 10,144 |
| Total | 23,474 |

In addition, Mayor Simon and others of these public servants have interests in corporations organized to speculate in lots and acre property, and one member of the Water Board is trustee for a large amount of such lots and acres. Some of these men have corporate interests that we have not been able to trace; but the records show that Mayor Simon and the other eighteen members of the Portland City government named above owned or were interested in lots and idle acres available for lots amounting to 23,474 lots. The records show also that most of these lots and acres are vacant. Almost all of them are held for speculation until Portland's increase in population and industry shall make them far more valuable.



## ONE OF MAYOR SIMON'S WATER SNAKE TRACTS.

Mayor Simon's five vacant acres in Paradise Springs Park; tract runs from Belmont to E. Stark, just east of E. Thirty-ninth street; no streets cut through; no improvements; tract covered wih high weeds. 1909 assessment on tract, $9,000, or $1,800 an acre. Owner has recently refused $3,000 an acre. 1910 assessment is $13,000, or $2,600 an acre. Adjoining lots are worth $1,000 or $1,500, or at rate of $8,000 to $12,000 an acre. Does it seem from the picture that Mayor Simon has done anything in the last year to increase the value of that tract $800 an acre.

These five acres will cut up into 40 building lots. It will cost $1,600 to lay water mains for 40 lots, but each lot is worth at least $100 more when the water main is laid. So if the water users of Portland can be made to pay the $1,600 for carrying water to these 40 lots, and thus add at least $4,000 to the walue of the five acres, that would be a nice Christmas present for Mayor Simon. He and his machine city council now ask the water users to vote for a water main amendment that will take out of the water users' pockets the cost of laying water mains to lots owned by speculators.

This five-acre tract is but a small part of Mayor Simon's "cold storage" lots and lands that would be benefited by the new water main amendment.

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## WHERE THE SPECULATORS HOLD UP THE WATER USERS.

Another part of Laurelhurst, looking west from E. Glisan and E. 45th streets. The whole tract contains 445 acres, assessed in 1909 at $733,000, or $1,649 an acre. Lots average 7,000 square feet, or seven lots to the acre. They are advertised at "$1,000 and up."

The 445 acres will make about 2,670 lots; laying water mains at $40 a lot will cost $106,800; water mains will add at least $100 to the value of each lot, or $267,000 to the value of the tract. If the new Simon water main amendment is adopted the water users will have to pay the Laurelhurst speculators $373,800 as a gift. Is that right? Do the speculators ever make Christmas presents to the water users?

More than that, the amendment would give back to the lot speculators all they have paid for laying water mains in the last three years. Is that fair?

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Their owners hold them in "cold storage"—as the Beef Trust is holding meat and eggs, for which crime against the public a New Jersey grand jury has recently brought indictments against more than a dozen members of the Meat Trust.

If it is a crime for a few men to corner food, is it not a greater crime for a few men to corner the land that others must have for homes and business houses and to produce food? Is it a greater crime to hold food in "cold storage," waiting for famine prices, than to hold homes and business sites in "cold storage," and wait for famine prices? Would a few men be able to corner food **illegally** if other men could not legally corner land from which all food must be got?

It costs about $40 to lay a water main for a 50-foot lot; so, to lay water mains for twenty-three thousand four hundred and seventy-four (23,474) lots would cost about nine hundred and thirty-eight thousand, nine hundred and sixty dollars ($938,-960). Under the Portland charter, the cost of laying water mains must be paid by the owners of the lots benefited. But Mayor Simon and his speculating friends want to tax the water users forty dollars for each family to lay water mains, and this tax would benefit the lots owned by the public officers. In that way the Mayor and his friends, as they sell their lots for higher prices caused by the city water, will also be able to collect for themselves on every lot practically all the tax money it costs the water users to carry water to that lot.

City water supply adds at least $100 to the value of a 50-foot lot. So, water supply for twenty-three thousand four hundred and seventy-four lots means an added value of two million, three hundred and forty-seven thousand dollars ($2,347,-000). That is worth picking up if the voters are looking the other way. It would be a very nice little "profit," but there is a shorter and uglier old word that is better. If it were merely a profit, Mayor Simon and his friends wouldn't have cancelled the special election last winter when the committee of the Portland Central Labor Council reported the facts given above. They ran because they knew it was a steal. If the light had been not turned on, and if the voters of Portland had approved of the water-main graft amendment, Mayor Simon and other owners of "cold storage" acres and lots would have easily put into their pockets, on account of the Water Fund bond issue, at least a quarter of a million dollars more than the three million dollars bond issue.

**The amendment proposed last winter limited the issue of water bonds to $3,000,000. The new amendment does not limit the issue, but the amount of water bonds to be sold to lay water mains for speculators is left to the "discretion" of the Water Board and the City Council, ten members of which are land and lot speculators.**



Suppose Oregon had not given the people of the city the referendum, and that Mr. Simon was the State and City Boss, as he was before the Referendum amendment; he could easily have amended the charter in the legislature without consulting the people of Portland. The Referendum saved the water users of Portland at least two million dollars last winter. The Mayor and Council of Philadelphia gave away a gas franchise for which John Wanamaker offered two and a half million dollars. Is it any greater crime for some public servants to give away a franchise worth two and a half million dollars than for other public servants to try to get for themselves, under false pretense of benefiting the people, a water-main tax worth more than two million dollars?

Even with the referendum in the hands of the voters, Mayor Simon and the City Council were and are bold enough to ask the people to tax themselves more than two million dollars for the benefit of a few "cold storage" land speculators. Yet under the plea that Oregon needs a new constitution, the voters are asked to approve of a constitutional convention that will be able to take from the people the initiative and referendum powers by which they can govern themselves and stop some forms of tax robbery.

The plain intent of the proposed water-main amendments to the Portland Charter was and is to tax upon the public the cost of laying water mains to some vacant lands held out of use by Mayor Simon and other land and lot speculators. The value of these lots and lands is being constantly increased by Portland's rapid growth in population and industry. That is, the vacant lot speculators have capitalized Portland's growth and count it as one of their assets. This imposes an enormous burden of taxation upon business, upon home builders and upon capital and labor. In addition to this, the speculators obtained the help of Mayor Simon and the City Council to get still more power to tax capital and labor in order to increase the value of their vacant lots and idle acres. This is well shown by the cartoon on the next page reproduced from the Daily Oregonian of November 10, 1906.

As an example of the graft profits to speculators when water mains are paid for by the water users, instead of by the owners of the lots directly benefited, take the Prescott Street, Portland, water main. It was constructed in 1904-5 and cost the water users two hundred and forty thousand dollars ($240,000). It immediately added $150 apiece to the value of more than fifteen thousand lots, or a total of two and a quarter million dollars ($2,250,000) to the fifteen thousand lots. That is, every 24 cents of the water users' taxes spent on the water main added $2.25 to the value of the speculators' lots.

**The Plutocrat—"Just to Think That It's Through the Frugality, Industry and Love of Home of the Small Householder That I Get My Enormous Wealth."**

**From Oregonian of Saturday, November 10, 1906. (Reproduced.)**

Of the fifteen thousand lots thus increased in value by the laying of that water main, Joseph Simon owned almost twelve hundred; say eleven hundred, to give him the benefit of the doubt. His profits from that water main probably amounted to more than half the cost of the main. Nearly twenty thousand dollars of this profit was legally taxed directly from the water users' pockets to pay for that water main.



Mayor Simon's proposed amendment to the Portland Charter was and is a plan to regulate taxation and exemption so as to exempt land speculators from their just burden for laying water mains, by levying a heavy tax upon home builders and business, upon capital and labor. For no one will pretend that the speculator creates the increased value given to a lot by a water main paid for by public taxes.

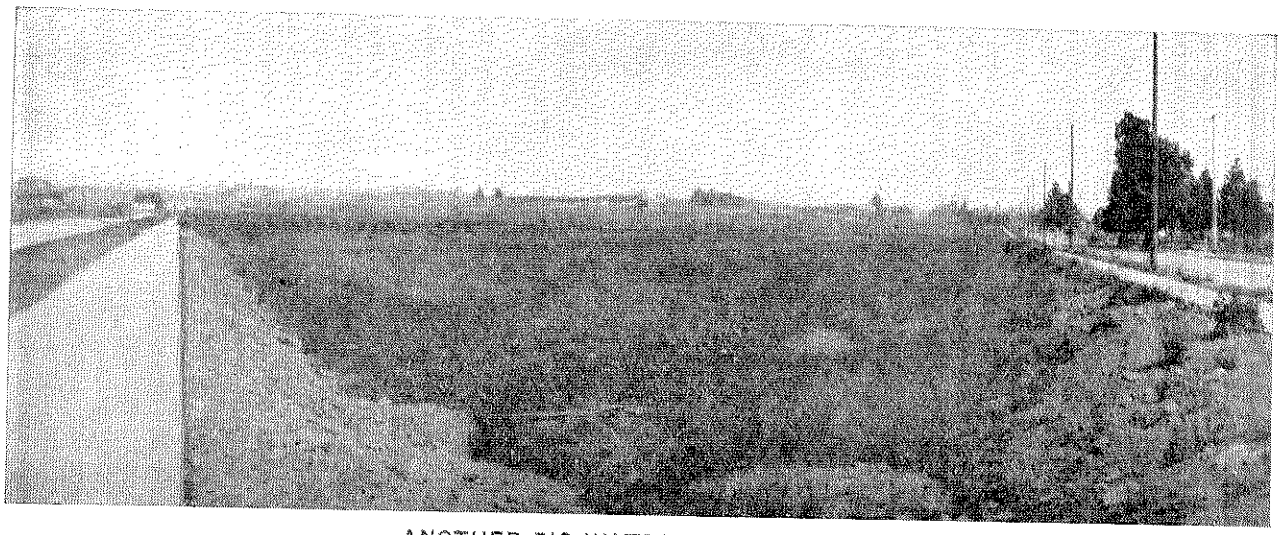
The effort of Mayor Simon and the Portland City Council to induce the people to vote taxes upon themselves for the benefit of the speculators is merely a hint of what is actually done by the Special Privilege or Franchise Big Business taxing class, where the people do not have direct initiative and referendum power. When the amendment was proposed last winter there were between a quarter of a million and a half million dollars in the water fund, and the adoption of Mayor Simon's amendment would have turned that legally and quickly into the pockets of the speculators.

Last December Mayor Simon and other public officers of Portland proposed the above amendment to the city charter and ordered a special election for its approval. They said nothing about having any personal or selfish interest in the amendment. If it had been approved by the people it would have taxed nearly a million dollars out of the pockets of the water users of Portland into the pockets of Mayor Simon and some other officers of the city government of Portland. A public officer holds a public trust for the benefit of the people. Did Mayor Simon and these other public officers do right morally in proposing this amendment without stating their own interest in its adoption?

**Are they doing right now when they ask the people to adopt the new "Water Snake" amendment without saying that Simon, eight members of the Executive Board, seven members of the City Council and three members of the Water Board would profit by the amendment.**

The City Council, on December 8, 1909, at Simon's request, ordered a special election for February 15, 1910, to vote on the Mayor's water-main amendment to the city charter. About January 4, the city auditor informed members of the Central Labor Council of Portland that he would not print any pamphlet of arguments for or against the amendment, to be delivered to the voters before the special election.

Friday night, January 7, the Labor Council's committee reported on the water-main amendment, setting out most of the facts given above, and the next day the Portland newspapers published parts of the report. The Labor Council authorized its committee to employ attorneys to bring mandamus proceedings and compel the city auditor to print and circulate a pamphlet of arguments and explanations as required by law, and



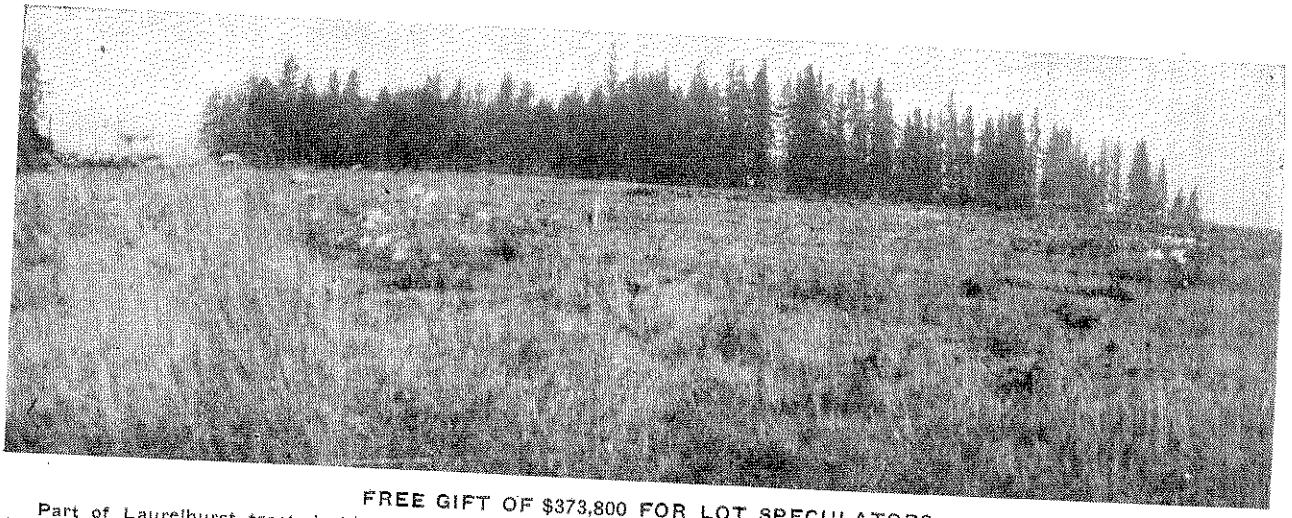
## ANOTHER BIG WATER SNAKE TRACT.

Looking east from E. 14th and Division streets. The picture shows part of the Ladd Addition and many idle acres and vacant lots as far east as 29th street, or about 1,200 lots. At least eight out of every ten lots are vacant and owned by speculators who produce nothing.

The Simon water main amendment will, if adopted by Portland voters at the November election, pay back to the speculators the $40 a lot cost for laying water mains for these lots, or a total of at least $48,000. That money would come out of the pockets of the water users and go into the pockets of speculators.

Besides, water adds at least $100 to the value of a lot. If the water users pay for water mains, they should have that $100—or the $120,000 added to the value of the 1,200 lots. But the speculators will get that $120,000 and the $48,000—or $168,000 in all. Why should the water users, the home owners and renters, tax themselves for the profit of speculators?





## FREE GIFT OF $373,800 FOR LOT SPECULATORS.

Part of Laurelhurst tract, looking west from near E. Stark where E. Thirty-ninth street should be but has not been cut through. Tract contains 445 acres, assessed in 1909 at $733,000, or $1,649 an acre. Lots average about 7,000 square feet; 40 lots sold late in August to one man at $953 apiece, equal to $7,928 an acre; 1909 taxes, $14,776, or $33.20 an acre. Land Value taxes would have been $20,907 or $46.98 an acre.

The 445 acres of Laurelhurst will make about 2,670 lots; laying water mains at $40 a lot out of the Water Fund will cost the water users at least $106,800; each lot will be worth at least $100 more when the mains are laid—or $267,000 to the whole tract. If the new Simon Water snake amendment is adopted, the water users will give to the Laurelhurst speculators $373,800 for nothing.

In addition to that, the Simon amendment would give back to the lot speculators all the money they have paid for laying water mains in the last three years!

# SIMON, "ASSEMBLY" MANAGER

## EX-BOSS OF OREGON IS USING HIS OFFICIAL POSITION TO BREAK DOWN THE PEOPLE'S POWER IN ORDER TO HELP THE BIG CORPORATIONS

Mayor Joseph Simon is leader of the scheme to destroy the primary law by conventions, or "assemblies," in which delegates controlled by the big corporations "select and recommend" candidates for public office. Simon was "selected and recommended" for the office of mayor of Portland by the same kind of "assembly" that "selected and recommended" Jay Bowerman for governor, George H. Burnett and Wallace McCamant for the supreme court, Ellis and Hawley for Congress, Cleland for judge in Multnomah county, and Hoff for Labor Commissioner.

Simon's water-main amendment is merely one example of what he and other "assembly" advocates think government is for—to enable the few to rule and tax the many, to give Franchise Big Business perpetual power to control the laws regulating taxation and exemptions, to put into public office men who will serve the big corporations at the expense of the people. Under Mayor Simon the Portland city government is in the interest of Franchise Big Business, and under an "assembly" governor and other "assembly" state officers, the government of Oregon would be in the interest of the railroads, express companies and other big corporations.

The "assembly" machine won in Portland last year when Joseph Simon was "selected and recommended" by an "assembly," because the anti-assembly votes were divided between several candidates, while the Big Business Franchise corporations, the liquor interests, the gamblers and bawdy-house keepers concentrated for Joseph Simon all the votes they could control.

In the same way, by uniting all their votes for Jay Bowerman for governor at the September primaries, and with the anti-assembly forces divided between three candidates, the enemies of the initiative and referendum, of the direct primary law, of the recall and corrupt practices act, were able to nominate their candidate, and succeeded in nominating George H. Burnett for the supreme court. If they can elect some of their candidates this year and a few more in 1912, the men who would break down the people's rule in Oregon will soon be again in possession of the state government. Then the government of Oregon will be once more a government of the people by political bosses and machines, for the benefit of the owners and buyers of special privilege in taxation and exemptions.



These men would turn the political clock back to the old days, when Joseph Simon was "Boss" of Oregon and did not have to consult the voters of Portland about amending the city charter to pay private profits to speculators out of the pockets of water users. In those days, all that Mr. Simon had to do was to prepare the kind of charter he wanted for Portland and order the legislature to pass it; and the taxpayers of Portland would know nothing of it until the charter went into effect. If the big corporations wanted a franchise, or a public street or some other "good thing" in those days, they did not care what the voters might say; for all they had to do was to see the "Boss" and the job was done.

Most of the "assembly" men are opposed to the initiative and referendum, to the direct primary and Statement No. 1, to proportional representation and other progressive legislation that has put power into the hands of the people. November 13, 1909, the Oregonian said:

> **"All republicans of Oregon intend to repudiate Statement No. 1. They intend to suggest in assembly or convention candidates for the primary and put the knife into each and all who declare for Statement No. One."** (See cartoon on back of this pamphlet.)

M. C. George, who was made chairman of the Republican State Central Committee by the "assembly" combination, said in a recent interview:

> **"I would never sign Statement No. 1. I would never sign it. Members of the legislature violate their oath of office when they bind themselves to vote according to the dictates of others ond not according to their own minds. I would never vote for a man who signed Statement No. 1. I don't know what other people will do, but I won't. It is not a part of the direct primary law anyway. It is simply a suggestion thrown in that a man may do as he pleases. I don't believe in it, I don't like it, and I would not vote for any man who did sign it. People have no right to dictate to a member of the legislature how he will vote for United States senator. Legislators have no right to bind themselves to vote according to the dictates of other men."**

The "assembly" movement, then, is not only for the purpose of taking from the people of Oregon the powers they have to regulate their own public affairs, but also to restore the old auction-block method of electing United States senators. It is designed to restore in Oregon the conditions under which the Lorimer scandal in Illinois may be the rule in this state, the rule of legislative "jackpots" and slush funds at Salem.

Deep down in the heart of every "assembly" leader is the desire once more to have the power to make laws, city charters, grant franchises, nominate candidates in both parties, grant favors to friends in the execution or breaking of laws, and to control and regulate taxation and exemptions without interference from the people by such "freak laws" as the initiative

and referendum, direct primary, recall or corrupt practices laws. That is the purpose of the "assembly." That is the hope of the men who went into the "assembly" for their nominations instead of trusting the voters to do as they thought best.

At the session of the Oregon State Grange in Oregon City on May 17, 1910, the following report from the committee on legislation was enthusiastically endorsed: **"It is impossible for the people to have too great or too direct power in their government, or to become too perfect in its practice."** But the "assembly" leaders and candidates act on the theory that it is impossible for the people to have too little or too indirect power in their government and that the people are too ignorant to choose their own public servants or to govern themselves. Judge M. C. George and Judge Cleland are two of the four circuit judges who declared the initiative and referendum amendment to be void and unconstitutional. Both are opposed to Statement No. 1, both hope for office under the "assembly" scheme, both are opposed to people's rule.

Many of those who endorse the "assembly" scheme do not hesitate to say that they voted for Chamberlain for United States senator in 1906, and against Statement No. 1 candidates for the legislature, so as to give Chamberlain the popular vote and then have him defeated in the legislature. That is an admission that they wished to restore the auction-block method of choosing United States senators in Oregon.

To clearly understand the old conditions under the delegate convention system in Oregon, read the following quotations from a speech to the Portland Republican Club by the Hon. Henry E. McGinn, November 24, 1909:

"You all know that I believe in the primary law, in Statement No. 1, in the initiative and referendum, in all methods of progress in politics, and that I am opposed, strongly opposed, to the assembly and the reversion to old conditions.

"The direct primary law came to us in Oregon as a result of the most corrupt politics any state had known in the Union, bar none. If there ever was an honest election for United States senator, an uncontrolled convention, or decent politics of any kind under the old system, there would have been no direct primary law, no Statement No. 1 and no initiative and referendum. These things came to us as the protest of the people against the rottenness of the old plan, old politics and old leaders of the state without regard to faction. **When the pendulum swung from old conditions it went way over to new and clean ones.** I know this, you know, because I was a part of it, be it said to my shame. As a young man I was trained in the school of this old corrupt system and I trust that no young man of the present day may ever have to go through the same experience that I went through before the passing of the regime and the coming of the new. For this reason, if for no other, I am against the assembly and all that it means. **We all know that people used to be bought on the streets of the city for $2.50 apiece. We know that men high in life were engaged in the work.**



"I remember the scene in Woodmen's hall when Joseph Simon and Charles H. Carey came to blows over the control of a Republican convention being held there. I remember when Larry Sullivan and his shot-gun kept the voters from the polling place. I remember when George H. Williams was not allowed to cast his ballot, though he remained in line during the whole afternoon. Because of these conditions we got a primary law, because no one could name a convention that was not corrupt and not controlled for the selfish interests of some man or set of men.

**"You say that you are going to have an assembly. I ask you who will be there, who will oppose it? I will tell you. The agents of the electric light company will be there, the agents of the street railways and the gas companies and of the predatory trusts, and combinations and of the big railroad companies will all have seats. The men who have franchises to guard, the men who fatten off the fruits of the red light district, the men who own saloons, they will all be there. But the wage-earner, the small taxpayer, the merchant and business man, the honest people of the state, will not be present. How in God's name could they be? What chance would they have to be selected?"**

## McGINN'S PROPHECY FULFILLED.

**"You say that you are going to have an assembly. I ask you who will be there, who will compose it? I will tell you. The agents of the electric light company will be there, the agents of the street railways and of the gas companies and of the predatory trusts, and combinations and of the big railroad companies will all have seats The men who have franchises to guard, the men who fatten off the fruits of the red light district, the men who own saloons, they will all be there. But the wage-earner, the small taxpayer, the merchant and business man, the honest people of the state, will not be present. How in God's name could they be? What chance would they have to be selected?"**—Judge McGinn to the Portland Republican Club, November 24, 1909.

Those words were uttered eight months before the state and county "assemblies" met. You read in the three afternoon papers of Portland, from July 15 to July 21, the reports of the Multnomah county "assembly" and the state "assembly." Did not Judge McGinn tell the exact truth?

July 15, the day before the Multnomah county "assembly" met, the Telegram said the ticket was **"fixed up,"** that **"Corporations Meet and Look Over Prospective Legislative Timber"**; and speaking of the delegates the Telegram said:

These delegates were selected at precinct meetings held July 9, **many of the delegates being picked out by candidates. Most of the delegates are pledged to one aspirant or another.**

**Much of the work to be done tomorrow is all cut and dried.**

The Telegram then published the "slate" of men "selected and recommended" by the corporations for the "assembly" to "select and recommend" to the voters; and the Telegram's list was almost man for man as the "assembly" made the nominations. On that same day, before the county "assembly" met, the Telegram said:

**There was a meeting of men representing the railroads, banks and other interests** held in the Electric building, Tuesday afternoon, at which time the

legislative timber was canvassed. Several prominent Republicans were asked by this self-appointed committee to become candidates for the legislature, but they declined with thanks.

One of the men who has been conferring on the legislative ticket explained that **unless they had a list of names to submit to the assembly the members of the assembly would not know what to do and would not know who to indorse, therefore, to help the assembly the legislative ticket was being prepared.**

The Journal of July 16, before the "assembly" made any nominations, said in its head lines: "**Slate Is Selected Succeeding Night of Conferences.**" It spoke of "**secret sessions**" held to make the slate, printed the slate almost exactly as it was nominated, with photographs of the typewritten list of men agreed upon at the secret sessions, and said:

**The foregoing slate is the product of repeated conferences between representatives of large financial and commercial interests in this city and was finally framed after midnight last night, with the expectation and understanding that the men named will be put forward as the nominees of the Republican assembly.**

**At the secret conferences which resulted in this slate, it was agreed that only the county nominations which are of especial concern to the large business interests, in this campaign, are the nominations for the state legislature. It was further agreed that men must be named who would look out for these interests and who would as far as possible shape legislation in their behalf. Three of these conferences have been held within the past eight days. The first took** place a week ago yesterday at the First National Bank, the second was held last Tuesday in the Portland General Electric building, and the third was at the Imperial last evening, and was protracted until 3 o'clock this morning.

The representation at these meetings was not identical in all cases. But among those participating in one or more of these conferences were **A. L. Mills, president of the First National Bank; B. S. Josselyn, president of the Portland Railway, Light & Power Co.; T. B. Wilcox, president of the Portland Flouring Mills; Guy W. Talbot, president of the Portland Gas & Coke Co.; C. W. Hodson, ex-state senator; S. C. Beach, census supervisor and ex-state senator.**

At these conferences S. C. Beach figured as the mouthpiece and representative of the Oregonian. It was understood that the various interests represented were to name the legislative ticket and that the slate thus named would be put through the assembly today without serious opposition.

The S. C. Beach named above is the same Seneca C. Beach who knew the "slate" so well before Bowerman was nominated for governor that he was able to say: "**Mr. Bowerman will get 648 votes on the first ballot,**" and Bowerman actually received 645. So Beach knew that the slate-makers were not playing fair with Andrew C. Smith, J. H. Ackerman and other candidates for governor.

### Secret "Assemblies" Admitted.

Monday, Sept. 26, two days after the primary nominations, the Oregonian admitted, for the first time, that there was a "**secret meeting in the offices of a local corporation for the preparation of a slate.**" The Oregonian said that secret meeting—which was really a corporation "assembly" to instruct the "assembly"—was a "gross blunder and a grave injustice to the delegates to



the assembly, who were all, or mostly, free citizens who were beholden to no corporation and to no special interest, and who never desired or approved of machine dictation or corporation suggestion.

Then how did it happen that those free men accepted without question the "slate" prepared by the corporations? They knew what they were doing; two afternoon papers had told of the "assembly" in the corporation offices and had printed the slate to be accepted by those "free men." Free men in Oregon don't often act in that way.

The Daily News, in its report of the "assembly" on July 16, told how representative it was and how free the delegates were. It said:

It was a "representative "assembly" all right; representative of the special interests, the corporations, the liquor people, the defeated office-seekers, and all those elements that are being welded into one grand whole to play the game of the big moneyed men and the corporations.

**The Southern Pacific Railroad Co., the O. R. & N. Co., the Portland Railway, Light & Power Co., the breweries, the telephone companies, and all the other public-service corporations were ably represented by their attorneys and other employes who were there to join hands with the political has-beens and the parasites for one purpose—to help take away the political power that the common people of this state have won, and to put men in office who will do the bidding of their masters.**

July 19, after the Multnomah "assembly" had finished "selecting" the legislative ticket prepared at the secret session of the corporations, the Telegram said that "with the exception of E. L. Rayburn **the men selected last night were on the slate prepared by the Interests.**" Was Judge McGinn mistaken in his prediction of November 24, 1909?

## THE STATE "ASSEMBLY"

The state "assembly" to nominate—or to "select and recommend"—candidates for Congress, governor, judges of the Supreme Court and other state officers, was merely the Multnomah "assembly" on a larger scale. There was a "slate," and it is evident that the free and independent delegates who, according to the Oregonian, "never desired or approved of machine dictation or corporation suggestion," were ready to stand and be voted in the interest of the corporations; for Seneca C. Beach, who never gets so far from a corporation that he can't hear the orders, said before Bowerman was nominated for governor:

"**Mr. Bowerman will get 648 votes on the first ballot.**"

Bowerman got 645 votes on the first ballot. How did Beach know? The Journal of July 20, before Bowerman was nominated, said:

"**Bowerman's friends believe that they have enough delegates pledged to their chief to nominate him on the first ballot.**"

As to the freedom of the delegates from corporation control, the Telegram of July 21, under the head, "Bowerman Has Control So Far," said that "**with the Multnomah delegation, especially, are delegates who represent the several 'Interests,' the leading corporations.**"

The Daily News of July 21, in its report of the state "assembly," said:

> Every Republican machine boss and party worker from the California line to the Columbia, and from the Pacific Ocean to the eastern extremes of Baker county, is a delegate to the so-called Republican assembly, and every man who has a seat and a vote is three for one purpose—**to help the old crowd back into power and put the knife into the direct primary law.**
>
> A noticeable feature of the assembly, which is composed of about 800 men, is the absence of representatives of the farming interests of the state. Less than a dozen men who could call themselves tillers of the soil are in attendance at the convention.

## How They Were Picked

When one candidate of a convention, or "assembly," is nominated by fraud, every candidate nominated by the convention is under suspicion of having been nominated by fraud. The Daily News, of July 21, told how J. N. Hart, the corporation candidate for attorney-general, was nominated by stuffing the ballot box. That statement has not been denied; and the News is a responsible paper. It said that when the third ballot for attorney-general was being taken, "**Multnomah delegates, like Max C. Cohen, could be seen, and there are witnesses enough to this, shoving in handfuls of ballots marked for the slate candidate. There were about 175 Multnomah delegates present. Some 368 votes were publicly counted from them.**" That statement has not been denied. The News said further that "there were 1,225 votes cast on the third ballot that nominated Hart, that there were only 1,076 cast on the first ballot and that no delegates had arrived to vote in the meantime." Besides, said the News, "the biggest vote cast was during the contest for governor nomination when the full assembly was present, and then but 1,209 votes were polled."

**So, in order to protect the people from their own "ignorance" and "unfitness," and to "select and recommend good men," the corporation "assembly" stuffed the ballot box. Was Hart the only candidate nominated in that way? The slate was prepared before the "assembly" met. Hart was on the slate; Bowerman was on the slate; McCamant and Burnett were on the slate. Hoff and Hawley were on the slate. All these men were nominated. The slate had to be put through. Seneca C. Beach knew within three votes of how many votes Bowerman would get on the first ballot. Before the delegates met, Bowerman had been "selected" as the "assembly" candidate for governor to be recommended" to the republican voters for their endorsement; and no sooner did**



**the "assembly" adjourn than every political tool of the corporations fell into line for him.**

## "Assembly" Rule or People's Rule?

As the "assembly" candidate for governor, Mr. Bowerman is a political product and helper of the corporation crowd that is now before the Supreme Court of the United States trying to break down the initiative and referendum in Oregon and other states that have adopted direct legislation; and he is a political product and helper of the same corporation crowd in its effort to break down the direct primary law, the recall, the corrupt practises act and Statement No. 1; he has joined and allied himself with the band of corporation bosses and politicians that are trying to take Oregon back to the days of auction-block elections of United States senators.

All that is true of Mr. Bowerman as the "assembly" candidate for governor; and what is true of him is equally true of Congressman Hawley, of Mr. George H. Burnett, the "assembly" candidate for the Supreme Court, of Mr. Hoff, the "assembly" candidate for labor commissioner; and it is true also of every candidate for the legislature or other public office who went to an "assembly" for his nomination instead of relying solely upon the fairness and good sense of the republican voters.

None of this is true of Judges McBride and Moore. They filed their nominating petitions before the state "assembly" met. The state "assembly" hoped to add strength to its "slate" by endorsing andd nominating these judges when it knew they could not be defeated; and it hoped to deceive the people by endorsing them.

## NON-POLITICAL SUPREME COURT

The corporations and their machine politicians desire, above all other things now, to elect their "assembly" candidates for Congress and the legislature, for governor and judge of the Supreme Court. It is true that the "assembly" endorsed Judges Moore and McBride, in spite of their liberal construction of laws and constitutional amendments that give power to the people; but they were endorsed only because the "assembly" bosses knew there was no possibility of defeating these two judges at the November election.

In order to defeat the two democratic judges, King and Slater, and to begin to make the Supreme Court a party court instead of a people's court, the corporations had their "assembly" nominate George H. Burnett to run against Judge Will R. King and Wallace McCamant to run against Judge Woodson T. Slater. McCamant was defeated at the primaries, but George H. Burnett was nominated for the supreme court and Judge Cleland, though defeated for nomination at the primaries, will

be on the ballot in Multnomah county because he has the nomination of a lawyer's convention.

Burnett and Cleland do not believe the people of Oregon are capable of making their own laws or of selecting their candidates for public office, but believe that work can be done better and more wisely for the people by men selected for that purpose by the corporation machines that make and manage political "assemblies." Therefore, Burnett and Cleland went to an "assembly," or a convention, for their nominations rather than submit their claims to the voters at the primary electons.

**If the people of Oregon wish to retain the control of their government that they have obtained during the last ten years, they will defeat every candidate who sought an "assembly" nomination. They can do this by voting for**

X T. A. McBride
X W. T. Slater

**for supreme court judges for the four-year term, and by voting for**

X Will R. King
X F. A. Moore

**for supreme court judges for the six-year term.**

**Let us have People's judges, not party judges.**

On page 17 of this pamphlet, immediately preceding this chapter, we quote from a speech made by the Hon. Henry E. McGinn before the Portland Republican Club, November 24, 1909. Read again the quotation from that speech, and see if Judge McGinn's prophecy in regard to the conduct of the "assembly" and its control by corporations was not fulfilled in the Multnomah and other county "assemblies" and in the state "assembly." To complete the record, we quote here from an interview with Judge McGinn published in the Portland Journal of August 11, 1910, three weeks after the state "assembly" nominated its slate:

**Would Defeat Assembly.**

"What do you regard as the most important one thing in the coming campaign?"

"I regard the defeat of the assembly ticket as the most important."

"What then?"

"The defeat of the assembly ticket," he answered.

"Well, then, what after that?"

**"Again! The defeat of the assembly ticket; but if you want to know what, in my judgment, would be the greatest misfortune which could come to Statement No. 1, to the initiative and referendum, and to the direct primary my answer would be, the nomination and election of George H. Burnett and Wallace McCamant to the supreme court of Oregon. Judge Burnett and Mr. McCamant are both men of character and ability, but they are unalterably opposed to popular government and are strong believers in 'machine government,' as opposed to popular government. I regard the election of these men as the one great misfortune which could come to the cause of popular government in Oregon."**



# PUBLIC TAXATION AND EXEMPTIONS

## SHOULD THE PEOPLE HAVE POWER TO REGULATE? SHOULD ANY PROPERTY BE EXEMPT FROM TAXATION AND, IF SO, WHAT CLASS OR KINDS OF PROPERTY, AND FOR WHAT REASON?

"If a given scheme is proposed, look at it on its merits, and in considering it disregard formulas. It does not matter in the least who proposes it. If it seems good, try it."—Theodore Roosevelt, speech before the Academy of the Sorbonne, Paris. April 23, 1910.

"We do most earnestly urge the members of our Order and the voters of Oregon, under all circumstances and at all times, to advocate and vote for every measure which will increase the power of the people of Oregon to control every department of their government, especially in applying just methods of taxation and the prudent spending of public money. The voters can never get too much or too direct power of self-government, nor become too perfect in its practice."—Oregon State Grange resolution, 1910.

By public taxation we mean money collected by the government and spent only for the common good, as distinguished from private taxation which includes the rates charged by the owners of special privileges and Franchise Big Business corporations.

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The legislative assembly, at the request of the Grange legislative committee, submitted the first two of the following constitutional amendments, and the Oregon State Federation of Labor and the Central Labor Council of Portland and Vicinity proposed the third by initiative petition. These are to be voted on next November. Many conservative men objected to the amendments proposed by the legislature, through fear of the tax or exemption laws that might be made with the emergency clause; also, many believe each county should have home rule in determining what property shall be taxed and what property shall bt exempt from taxation. The reasons for this demand are made plain in these pages, which show what would be the effect on the farming, business and labor world of applying the land-value system in collecting the public revenue in the counties of Oregon.

Following are the proposed amendments with their ballot numbers:

Be it resolved by the House of Representatives, the Senate concurring:

That Section 32 of Article I of the Constitution of the State of Oregon be, and the same is, abrogated, and in lieu thereof shall be inserted the following:

"Sec. 32. No tax or duty shall be imposed without the consent of the people or their Representatives in the Legislative Assembly. Taxes shall be levied and collected for public purposes only, and the power of taxation shall never be surrendered, suspended, or contracted away."

The ballot number to vote "Yes" on the above amendment is:

308. X Yes.

Be it resolved by the House of Representatives, the Senate concurring:

Section 1. That Section 1, of Article IX, of the Constitution of the State of Oregon, be, and the same is, abrogated, and in lieu thereof shall be inserted the following:

"Section 1. The legislative assembly shall, and the people through the initiative may, provide by law a uniform rule of taxation, except on property specifically taxed. Taxes shall be levied on such property as shall be prescribed by law. The legislature, or the people through the initiative, may provide for the levy and collection of taxes for state purposes, and for county, and for other municipal purposes, upon different classes of property, and may provide for the ascertainment, determination, and application of an average rate of levy and taxation upon property taxed for state purposes."

The ballot number to vote "Yes" on the above amendment is:

Yes. X 312.

The following amendment is **proposed by Initiative Petition**:

Article IX of the Constitution of the State of Oregon shall be, and hereby is, amended by inserting the following Section in said Article IX, after Section 1 and before Section 2, and it shall be designated as Section 1a of Article IX:

ARTICLE IX.

"Section 1a. No poll or head tax shall be levied or collected in Oregon; no bill regulating taxation or exemption throughout the state shall become a law until approved by the people of the state at a regular general election; none of the restrictions of the constitution shall apply to measures approved by the people declaring what shall be subject to taxation or exemption and how it shall be taxed or exempted whether proposed by the legislative assembly or by initiative petition; but the people of the several counties are hereby empowered and authorized to regulate taxation and exemptions within their several counties, subject to any general law which may be hereafter enacted."

The ballot number to vote "Yes" on the above amendment is:

Yes. X 326.

The following are in truth the only questions involved in these amendments:

Do you believe it would be wise to increase the power of the people of the state by removing the constitutional restrictions on their power to make laws declaring what property shall be taxed and what property shall be exempt throughout the state?

Do you believe it is wise and safe for you to deny to the legislative assembly the power to make any law declaring what property shall be taxed and what property shall be ex-



empt from public taxation, throughout the state, until such law shall have been approved by a majority of the electors voting on the question?

Are you willing to trust yourself and your fellow-citizens of your own county with power to decide for your county, by a majority vote, what property shall be taxed and what property, if any, shall be exempt from taxation in your county?

Is it possible to injure the people of any county, and if so in what way, by granting to the people of every county the power to decide for their own county what property shall be taxed for public revenues and what property shall be exempt from public taxation within the county, subject always to the general laws passed by the people of the state?

The farmers, business men and workers of Multnomah county would save nearly a million dollars every year by levying all their public taxes on the land values only, including Franchise Corporations, abolishing all poll and head taxes and all taxes on improvements and personal property of every kind. Suppose a majority of the Multnomah county voters should decide to try the experiment for their own county. Is there any way in which their action would injure the citizens of Malheur, Clackamas, or any other county?

The general laws provide for apportionment of the state taxes so that every county must pay its fair share of the state tax, regardless of what property the people of the county may tax or exempt from taxation. If a majority of the voters of Hood River county would rather pay higher taxes on their orchards, buildings and other improvements, and not tax the owners of land quite so high, why should any other county object? Would not such an experiment be in the nature of a local business venture by the people of Hood River county? Is there any good reason why the voters of one county should care how the voters of another county support their local government and pay their share of the state taxes?

Advocates of the general property tax say that everything protected by the goverment should be taxed and that every citizen should pay in proportion to the value of his property; that the harder a man works and the more he saves the more taxes he should pay; that the more a citizen has, the more protection he gets from the government, and that if any property is exempted its owner is not paying for the protection he gets.

The present tax laws of Oregon are based upon this policy, and everyone knows that a very large part of the personal property is not assessed and wholly escapes taxation. The statements of the national and private banks of Oregon in No-

vember, 1909, showed more than ninety million dollars on deposit subject to check, and at the same time the banks had on hand more than eight million dollars in cash; but in the same year the assessors were able to find only twelve million, eight hundred and one thousand, nine hundred and thirty dollars ($12,801,930) of money for taxation in all Oregon. The banks loaned more than sixty million dollars on votes and accounts, but the assessors were able to find only seven million, three hundred and sixty-nine thousand, one hundred and sixty-one dollars ($7,369,161) of notes and accounts in the whole state, and they were probably for the most part notes and accounts held by merchants. In all of Clatsop county there were only eight hundred dollars of money, notes and accounts assessed in 1909. There is much complaint that the assessment of merchandise, machinery, household furniture, jewelry and every other form of personal property that can be hidden, is not fair to honest men, because the tax dodger hides his property or lies about its value. The Oregon Tax Commission is now trying to invent laws, oaths and penalties to compel owners of personal property to tell the assessor truly what they have and its value. Such laws have heretofore had but one result—they have made perjury more prevalent and more profitable.

Since the death of W. K. Vanderbilt some years ago there has been a great effort in New York to exempt personal property from taxation. For about twenty-five years previous to his death, Vanderbilt had been paying taxes on $400,000 worth of personal property, but when he died his will showed that during all that time he had more than fifty-six million dollars ($56,000,000) worth of revenue-producing personal property. The Merchants' Association of the City of New York, by the unanimous action of its Board of Directors, recently endorsed the bill for the exemption of personal property in the City of New York, introduced at the request of Mayor Gaynor. We quote from the statement issued by the Board of Directors:

"The tax cannot be fairly levied and hence bears most heavily and unjustly upon the few people who are unable to evade it. The majority of business men believe they are justified in adopting measures to relieve them of the tax or reduce it to the minimum, and some of them regularly employ accountants and lawyers for this purpose. There is the same lack of compunction in the concealment from the assessor of the various forms of private property, such as jewels, valuable works of art, vehicles, horses, etc. No man likes to pay the taxes of other people, and since every man feels morally certain that nobody will fully reveal his property to the view of the assessor, each feels abundantly justified in concealing his own.

"New York City's experience with the personal property tax is not exceptional. It has been tried in every state of the Union, and



in some of them most drastic and inquisitorial measures have been adopted in order to secure a just assessment and levy. Everywhere it has resulted in failure and been a source of fiscal confusion, and everywhere, both by economists and by practical men responsible for its administration, it has been condemned as an unwise, unjust, ineffective tax.

"Of all English-speaking countries, the United States is the only one in which this tax is still retained. Canada within the last decade has in province after province shaken off this wore than useless tax and substituted forms of taxation more certain in their results and less liable to check the growth of her industries.

"Experience has proved that it is the easiest of all taxes to evade, and that the rich contribute far less to it than the poor."

As a rule, advocates of the general property tax also favor the poll or head tax, and occupation, income and inheritance taxes, so that some of those who have no property or savings may be forced to pay taxes directly from their earnings. The advocates of the general property tax say that the possession of wealth and the right to work are protected by the government, and therefore that every owner of property and every worker should pay taxes in proportion to what he has or what he earns, or both. They especially favor the two constitutional amendments on taxation submitted by the legislature, because if these are adopted the state revenues can be collected from one class of property and the county and local revenues from a different class. Some of them oppose the amendment offered by initiative petition to add Section 1a to Article IX of the constitution, because they do not want the people of each county to have home rule in regulating taxation and exemptions, and they do not want the people of the state to have a vote on all general laws regulating taxation and exemptions.

The advocates of the general property tax believe that if they can have a free hand in assessments and tax levies, they can get much more from income, inheritance and poll txes, and that if the people approve of the necessary laws for search and examination by the assessors, the taxes on real property will be greatly reduced. They estimate that if they can do all these things, the owners of land values will not pay more than one-third of the county and local taxes, the owners of improvements will pay one-third and the other third will be paid by personal property and the income, inheritance and poll taxes. They plan to have the franchise public service corporationr pay all the state taxes.

Political economists of the Land Value tax school say the Golden Rule of taxation is: "Never tax anything movable that would be of value to your community, that could or would run away, or that could or would come to you."

Hon. B. D. Sigler, assessor of Multnomah county, tried a

few years to collect taxes for something that could be moved away. Mr. Sigler a sessed the O. R. & N. Co.'s surplus. He caaught part of it once, but never again. In 1907, the corporation's annual report showed a surplus and undivided profit of nearly twenty-two million dollars. Mr. Sigler assessed this to the corporation for about sixteen million dollars. The county had to sue to collect the tax. It would be difficult to beat this tax-dodging case for hard swearing. The corporation's lawyers contended that the money should not be taxed because they said it never was in Oregon, that it was simply a matter of bookkeeping. When this story was proved untrue, they said the money was invested in Seattle tide flats and other property on which the company paid taxes. Mr. Sigler was ready for this also, and made them dodge and tell still other stories.

In the end, the court authorized a compromise for one-half. The county finally got a tax on three-eighths of the value of the surplus. But before the next assessment came around, the corporation declared a big dividend that took all these millions of surplus forever beyond the assessor's reach. Such a dividend is called "cutting a melon," the melon in this case being made of taxes in the form of excessive freight and passenger rates charged the people of Oregon by the owners of this Franchise Big Business corporation Is it fair to honest, truthful men, to try to tax property that can run away or be hidden by dishonest and untruthful men?

Years ago, Mr. Enoch Ensley, a pioneer in improved methods of taxation, gave a rule that is called "The Golden Rule of Taxation" by the Hon. Lawson Purdy, President of the department of taxes and assessment of New York City. That rule is:

> Never tax anything movable
> that would be of value to your community,
> that could or would run away, or
> that could o would come to you.

The more movable property we attract to Oregon, and the more of it we have in every community in the state, the better off we shall be. Movable property never has been equitably taxed, because the most valuable movable property is easily hidden. It is well to ascertain the amount of licenses and taxes on movable property and improvements on land in Oregon, in violation of the Golden Rule of Taxation. What effect would the abolition of these licenses and taxes have in pushing Oregon to the front?

The public taxes collected from personal property and improvements on land in Oregon for the year 1910, were four



million, four hundred and forty-two thousand and eighty-three dollasr ($4,442,083). Occupation and poll taxes brought the amount up to about five million dollars; and every dollar of this was taken from the savings of farmers, business men and wage workers. Would the abolition of this tax burden of about five million dollars a year upon the business and industrries of the state be a powerful influence in pushing Oregon to the front? Would it not invite thousands of persons to bring their movable property to Oregon, where their savings and homes would be free from taxation? Would not our banks and trust companies, with money and other personal property untaxed, be filled to overflowing, so that Oregon would become a great financial and commercial center?

The Land Value taxers base their theory on the moral ground that what a man creates by his own labor belongs by right to him. They say the divine law for an individual man is, "In the sweat of thy face shalt thou eat bread." They claim that the same divine law applies to the community and is the only just rule by which a government can levy the public taxes that must be collected to pay the community expenses. They say it would be right for the people of Oregon, and for the people of any county in the state, to pay all the expenses of their government from a tax on the values created by the community, and to wholly exempt all the values created and saved by the personal labor and self-denial of the individual citizen. The Land Value taxers say that no piece of land can be sold until either:

Two or more men want to use that particular location; or, one man is willing to speculate on his belief that he can hold the land and prevent other men from using it, until one or more men do want that particular location, and one of them will pay the speculator his price and a profit for the privilege. The result is the same whether the payment is in the form of monthly or yearly ground rents, or a lump sum as the purchase price; and as the men who want that particular location increase in numbers and the speculators believe they will increase yet more, the price goes up. Sometimes the individual speculator loses, but as a class, they always win in the long run; and always whether the particular location be held by an idle speculator or by a working farmer or business man, the community by its public government protects him in his rightful possession.

Is the value of bare land, separate and apart from any improvements placed upon it by man, a value created by the presence of the community? If not, the Land Value taxers ask, how and by whom is the separate value of the land

created? There are productive lands in Oregon so far from settlements and the advantages of community life that they have almost no selling value, and will not rent for more than ten cents an acre a year. There are other lands in Oregon, near to the center of settlement and population, that are worth more than two million dollars an acre and actually rent for more than four dollars a square foot a year. This is an annual rent at the rate of more than one hundred and seventy-four thousand dollars an acre. The tenants furnish the improvements and buildings at their own expense, and give the buildings to the landlords when the leases expire.

A few months ago the Portland school district paid one hundred and fifteen thousand dollars for a block containing less than one acre. The block was assessed for taxation at forty-one thousand dollars. Not one day's labor had ever been done on this tract to make it valuable for use, and there were not and never had been any improvements.

In 1859, John W. Severson gave a man a week's board and an old short gun for the single lot at the northeast corner of Morrison and Fifth streets, Portland. For many years before he sold it, Mr. Severson received thousands of dollars a year in ground rent for that lot, the renter putting up his own buildings. In January, 1910, Mr. Severson sold the lot, fifty by one hundred feet, and containing five thousand square feet or less than one-eighth of an acre, for two hundred and fifty thousand dollars, or at fifty dollars a square foot. That is at the rate of two million, one hundred seventy-eight thousand dollars ($2,178,000) an acre, and one acre of such land is worth as much as 21,780 acres of farm land worth $100 an acre.

The Land Value taxers say the community creates all these great land values by the growth and increase of population in Portland and Oregon. Is it true? If these land values whether great or small, are created by the presence of the community as a whole and not by the labor of the persons who own the land, would it be wrong to collect all the public taxes for the support of the government from the land values? Is it true that the individual worker is justly entitled to keep for his own use all the value produced by his day's labor?

Is it right for the people to support their own government by compelling every useful, working citizen to give up, for the public taxes, a part of the product of every day of his labor; and to give up every year, a part of his life savings in public taxes, while at the same time the people's government allows land owners to collect for their own private fortune, from the land users, all these great and small land values.

Should the man who owns a million dollars worth of land



value pay a higher rate of tax than the small farmer or home owner who owns a thousand dollars of land value?

Should every land owner be allowed an exemption from taxation of a small amount of land value, say not exceeding two hundred dollars?

All the foregoing issues are live, practical qusetions of right and wrong, as well as of dollars and days work for every voter. These tax amendments are especially worthy of study by the people of Oregon this year, not only because the issue of county home rule in regulating taxation and exemption is to be voted on at the November election; but also because at the November election in 1912 the voters will very probably have an opportunity to choose between the two systems of taxation. It is generally expected that the State Tax Commission's inventions, and other devices of the general property taxers for more effective search for personal property, will be submitted to the voters in November, 1912. The Land Value taxers say they will certainly submit the measures in 1912 that are necessary to fully apply their system for the total exemption from public taxation of all useful business and labor, the savings and industry of every person in Oregon, and to collect all the public revenues from the value of land and other natural resources.

The mere question of what classes of property owners would pay more taxes and what classes would pay less taxes under The Land Value tax system is easily answered, add fully set forth in this pamphlet from the official assessments and tax levies. This is shown in detail for every county in the state and for the state at large for the year 1909.

The proposed Section 1a, initiative amendment, to Article IX, was unsparingly condemned at a meeting of the State Bar Association on May 17, 1910, when about 35 of the 500 members were present. The committee that reported against the amendment was appointed by a director of the Portland Railway, Light & Power Company, wbo is also chief counsel of the same company and of the Portland General Electric Company and their subsidiary corporations. He appointed another corporation attorney as chairman of the committee to report on initiative measures, and the report of the committee was especially severe on the proposed Section 1a amendment and also on the bill proposed by the People's Power League to establish an Official Gazette.

If the Land Value Tax System should be adopted by the people of Multnomah county it would add about $22,000 of the tax to be paid by the above-mentioned public service corporations. If the Land Value Tax should also be adopted by the people of Clackamas county it would probably add at

least $75,000 to the tax paid by the above corporations, because the water powers they control would be assessed at a fair rate. The tax would be increased $364 on one tract of 220 acres, which one of the corporations is holding as a speculation near Oregon City. This increase of their corporation's tax is sufficient reason for the opposition of the franchise corporation attorneys to the proposed tax amendment.

The fact that the public service corporations cannot control the news that would be published by the State Official Gazette fully explains the opposition of the corporation attorneys to the bill to establish such a magazine.

## TWO TAX SYSTEMS COMPARED

### ASSESSMENTS AND TAX LEVIES IN OREGON IN 1909 UNDER THE GENERAL PROPERTY TAX SYSTEM, AND WHAT THEY WOULD HAVE BEEN UNDER THE LAND VALUE TAX SYSTEM

There are two systems of taxation: The General Property tax system and the Land Value tax system. The first is the one used in this country. The Land Value tax system is commonly known as the Henry George, or the Single Tax or the Ground Rent tax system, and is much used in cities and towns in Germany, Australia, New Zealand and Canada for an ever increasing percentage of the municipal taxes. Since 1895 the Land Value tax has been adopted in some degree by more than 400 municipalities in Prussia, ranging downward from Berlin to small villages. When the German government took possession of Kiao Chau, China, it adopted the Land Value tax for that port, and the result is that Kiao Chau has arisen from the thirty-sixth to the seventh place among the ports of China.

In this comparison between the two systems for the state of Oregon and for each county, the figures for the General Property tax system are based on the actual assessments and tax levies of 1909. The assessments are taken from the tables of the State Board of Tax Commissioners; the tax levy for each county was given by the county clerks, and from those figures the state and county rates of taxation have been figured. The figures for the Land Value tax system were obtained by taking the assessments given, but exempting all buildings and other improvements upon the land and in it, and all personal property, and then finding the rates that would give approximately the amounts levied under the General Property tax.

The assessment tables of the State Board of Tax Commis-



sioners are not strictly accurate, but they are used because they are official records. In 32 counties the "tillable" and "non-tillable" lands are listed separately, but in Marion and Multnomah counties all lands, except town and city lots, are listed as "tillable lands," while in 1907 all the lands of Multnomah county, execpt town and city lots, were listed as "non-tillable."

Thus, it appears from the tables that in 1909 all the country land in these two counties—545,001 acres in Marion and 187,518 acres in Multnomah—was in actual cultivation by farmers, and that no land was held by speculators. But in the rest of the state there are five acres of uncultivated or "non-tillable" lands to one acre of cultivated or tillable land. On that basis, instead of the two counties having 732,519 acres of tillable lands, thy probably have about 146,000 acres of tillable lands and about 586,000 acres of non-tillable lands. By using the official figures, it will be necessary to assume that in Marion and Multnomah counties the farmers have in cultivation about thirty million dollars' ($30,000,000) worth of land more than they really have, and that much more than they should be assessed and taxed for; and that the owners of lands held for speculation are assessed four and a quarter million dollars ($4,250,000) too low. But the figures are official, and it is best to use them as they stand.

Lands are assessed in Oregon as "tillable" and "non-tillable." Tillable lands are those actually in cultivation. Non-tillable lands are those not in cultivation, and include timber lands and the wood lots and pastures of farms. Under the General Property tax system as soon as a farmer clears a piece of uncultivated land and begins to put it to good use, he is taxed more for that piece of land. Under the Land Value tax the farmer is not taxed more for putting land into use.

In 1909, the 4,548,533 acrs of tillable lands were assessed at $135,460,183, or an average of a fraction of a cent more than $29.78 an acre; while the 19,233,598 acres of non-tillable lands were assessed at $139,815,983, or a fraction of a cent more than $7.27 an acre. The tillable lands were assessed $6.48 an acre h gher in 1909 than in 1907, but the non-tillable lands were assessed 43 cents an acre lower in 1909. In that way millions of acres of valuable timber lands and lands held by speculators were reduced 43 cents an acre. The assessment of lands cultivated by farmers was increased 27 per cent, but the timber and speculative lands were reduced 5½ per cent for taxation. By the increased assessment of $6.48 an acre on farm lands, the farmers had to pay $520,675 more in taxes than they would have paid under the 1907 assessment. But by the lower assessment of 43 cents an acre on uncultivated lands, the speculators paid $141,529 less than they would have paid under the 1907 assessment.

The difference of $22.51 an acre between the average assessment of cultivated and uncultivated lands represents the improvements of the soil, or the labor that the farmers have added to or put into the land. The State Board of Tax Commissioners estimates that, taking the average of all the cultivated lands in Oregon, the farmers have by their labor added $22.51 an acre to the value of their lands for farming purposes—or a total of one hundred and two millions, three hundred and eighty-seven thousand, four hundred seventy-seven dollars ($102,387,477) in fences, fruit trees, drains, clearings, fertilizers, etc. But this does not include houses and barns, which are assessed as "improvements on land."

Under the General Property tax system, the improvement value of the land itself—the $102,387,477 of value added by the farmers' toil and industry—is assessed and taxed. But under the Land Value tax system the improvement value of the land is exempt from taxation; so that over the whole state, on an average, the assessment of cultivated lands would have been $7.27 an acre in 1909, or the same as the assessment of uncultivated lands. That is, under the Land Value tax system, the 4,548,533 acres of tillable lands would have been assessed at $33.067,835 instead of $135,460,183, as they werea ssessed under the General Property tax system in 1909.

It is fair to estimate that each actual farmer has, on an average, about as many acres in preparation for cultivation, and in wood lots and pasture, as he has in cultivation; so that the farmers have 4,548,533 acres of non-tillable land, assessed at $7.27 an acre, or a total of $33,067,835 worth of non-tillable lands. So the total assessed value of all farm lands probably used by actual farmesr, counting tillable and non-tillable lands and not counting any improvements, would be sixty-six million, one hundred and thirty-five thousand, six hundred seventy dollars ($66,135,670) under the Land Value tax system. That would leave fourteen million, six hundred and eighty-five thousand and sixty-five (14,685,065) acres of non-tillable lands, assessed at one hundred and six million, seven hundred and forty-eight thousand and fifty-eight dollars ($106,748,058), held mostly by speculators. So we may make this comparison between lands owned by farmers and those owned by speculators, as to the effect of the two systems:

No money or other valuable thing has been asked or received for any picture or reading matter published in this pamphlet. Some of the pictures and reading matter in connection with them are "good advertising" for the firms mentioned, but none of them has been asked to pay for it in any way.

The cost of printing and mailing this pamphlet is about 7 cents a copy. The cost is paid out of "The Joseph Fels Fund of America," as is explained on pages 125-128. A copy has been sent to every registered voter in Oregon. One will be sent, while the edition lasts, to any person who sends 10 cents in coin or stamps.



| | General Property Tax System. | | Land Value Tax System. | |
|---|---|---|---|---|
| | Assessment. | Tax. | Assessment. | Tax. |
| Farmers' lands... | $168,523,147 | $2,883,980 | $ 66,135,670 | $1,941,493 |
| Speculators' lands.. | 106,748,058 | 1,826,743 | 106,748,058 | 3,133,719 |
| Totals..... | $275,271,205 | $4,710,723 | $172,883,748 | $5,075,214 |

The speculators' lands were assessed at $106,748,058 and the tax levy was $1,826,743 under the General Property tax, but in the same year, at the same assessment, the Land Value tax on the speculators' lands would have been $3,133,719, or $1,306,976 more than under the General Property tax system. Compare the taxes in this way:

| | Farmers' Lands. | Speculators' Lands. |
|---|---|---|
| General Property tax..... | $2,883,980 | $1,826,743 |
| Land Value tax..... | 1,941,493 | 3,133,719 |
| Farmers save on land taxes alone by Land Value tax..... | $ 942,487 | |
| Increase tax on speculators by Land Value tax..... | | $1,306,976 |

The figures show that under the General Property tax the lands of the farmers pay 61 per cent of the taxes on lands—not counting town and city lots—though the farmers own but 38 per cent of the land values; while under the Land Value tax system the farmers' lands would have paid only 38 per cent of the taxes on lands.

Counting all lands, including town and city lots, and franchises and rights of way of railroads, telegraph and telephone lines, street railroads and power lines—for these are all land values—the lands of the farmers pay 42 per cent of the land taxes, while under the Land Value tax they would pay only 21 per cent at present values. Under the General Property tax system, the speculators' lands actually paid 38½ per cent of the land taxes for 1909, while under the Land Value tax system they would have paid 61½ per cent.

The assessed value of town and city lots, not counting improvements, was $158,522,202 in 1909. It is fair to estimate that the assessed value of improved lots is about one-half the value of all lots; so that the owners of improvements on town and city lots own one-half of $158,522,202; that is, they own $79,261,101 worth of lots, not counting improvements. In 1909 they were assessed $68,119,859 for improvements, which made their total assessment for lots and improvements $147,380,960. The assessed value of the speculators', or unimproved, lots is, then, one-half the value of all lots without improvements, which is $79,261,101. So we have this comparison, the improvements being exempt under the Land Value tax system·

| | General Property Tax System. Assessment. | Tax. | Land Value Tax System. Assessment. | Tax |
|---|---|---|---|---|
| Improved lots and improvements..... | $147,380,960 | $2,522,080 | $79,261,101 | $2,326,806 |
| Speculators' city lots | 79,261,101 | 1,356,368 | 79,261,101 | 2,326,806 |
| Total taxes..... | | $3,878,448 | | $4,653 612 |

| | Improved Lots and Improvements. | Speculators' City Lots |
|---|---|---|
| General Property tax..... | $2,522,080 | $1,356 368 |
| Land Value tax..... | 2,326,806 | 2,326,806 |
| Owners of improved lots and improvements would have saved by Land Value tax system. | $ 195,274 | |
| Speculators would have paid under Land Value tax system increase of..... | | $ 970,438 |

It is fair to estimate that the official assessments of railroad bed and right of way, telegraph and telephone lines and street railroad bed are not more than the true valuation of their franchises and rights of way. In fact, they are much less. So we have this comparison:

| | Railroads. | Telegraph & Telephone | | Street Railroads. |
|---|---|---|---|---|
| Land Value taxes..... | $1,326,881 | $75,651 | | $123,182 |
| General Property taxes..... | 773,480 | 44,099 | | 76,309 |
| Increase under Land Value system..... | $ 553,401 | $31,552 | | $46,873 |
| Total increases under Land Value System..... | | | $631,906 | |

According to the assessment tables, the counties of Crook, Linn, Multnomah and Umatilla were the only ones that in 1909 had any irrigation canals and ditches or rights of way or power lines. There are such kinds of property in other counties, but they do not appear in the assessment tables. In the four counties named, these classes of property were assessed at $4,339,190, on which they paid $76,012 in taxes. But under the Land Value tax system the canals and ditches would not be assessed because they are improvements, and for the same reason the machinery, poles and wires and other improvements of power companies would not be taxed; but the rights of way and franchises would be taxed.

According to the official figures, the $3,478,350 assessment under the head of canals, ditches, rights of way and power lines in Multnomah county was for "franchises," which would be assessed and taxed under the Land Value tax system. Since we do not know all the facts, it is fair to assume that the $850,840 of assessments for canals and ditches and rights of way and power lines in Crook, Linn and Umatilla do not represent anything but improvements, which are not taxable under the Land Value tax system. Leaving them out of account we have the franchises assessed in Multnomah county, and may make this comparison for canals, ditches, rights of way and power lines under the two tax systems:



| | Assessment | Tax |
|---|---|---|
| Land Value tax system (Multnomah only)..... | $3,478,350 | $99,098 |
| General Property tax system (four counties)..... | 4,339,190 | 76,012 |
| Increased tax under Land Value tax system..... | | $23,086 |

We have seen that under the General Property tax system the farmers pay on their lands alone, under the 1909 assessment, $2,883,980, while under the Land Value tax system they would have paid only $1,941,493, or $942,487 less than their land taxes under the General Property tax. That $1,941,493 is all that the farmers would have paid under the Land Value tax system, while under the General Property tax system they actually paid, under the 1909 assessment, these amounts:

| | |
|---|---|
| Farmers' lands..... | $2,883,980 |
| Farmers' buildings, implements, stock and other property..... | 846,170 |
| Total General Property taxes on farmers..... | $3,730,150 |
| Farmers would have paid under Land Value tax system..... | 1,941,493 |
| Farmers would have saved by Land Value tax system..... | $1,788,657 |

This shows that the money saved by farmers on land taxes alone under the Land Value tax system would have paid 48½ per cent of all their Land Value taxes, which are the only taxes they would pay under that system. For every dollar that they would have paid under the Land Value tax system, the farmers actually paid $1.48 in taxes on their lands alone under the General Property tax system.

In addition to the $942,487 that the farmers would have saved in land taxes under the Land Value tax system, they would have saved the $846,170 of taxes on farm buildings, implements, stock and other personal property; so that their total savings under the Land Vaine tax system would have been $1,778,657. For every dollar that they would have paid under Land Value tax system, they actually paid $1.92 under the General Property tax system.

In regard to other improvements, products of labor and all classes of personal property not owned by farmers, we have this comparison, using the official figures of the State Board of Tax Commissioners:

| | General Property System. Assessment. | Tax. | Land Value System. | |
|---|---|---|---|---|
| Improvements on city lots.... | $68,119,859 | $1,165,712 | Exempt | No tax |
| Railroad rolling stock..... | 4,210,395 | 72,051 | Exempt | No tax |
| Furniture, watches, etc..... | 10,492,508 | 179,555 | Exempt | No tax |
| Boats, stationary engines, manufacturing machinery, etc.. | 14,423,600 | 246,825 | Exempt | No tax |
| Merchandise and stock in trade..... | 24,884,403 | 425,837 | Exempt | No tax |
| Money, notes and accounts whose owners were conscientious enough to declare them to assessors..... | 20,171,091 | 345,181 | Exempt | No tax |
| Shares of stock, whose owners were conscientious enough to declare them to assessors..... | 12,754,476 | 218,265 | Exempt | No tax |
| Totals..... | $155,056,332 | $2,653,426 | | |
| Farmers would have saved under Land Value tax system..... | | 1,788,657 | | |
| Farmers, business and labor would have saved under Land Value tax system.... | | $4,442,083 | | |

Household furniture, watches, jewelry, etc., belonging to farmers are not included in the foregoing figures of General Property taxes, but the assessments of all horses and mules, are included. This is done because the official records do not show what proportion of these things belong to farmers; and the assessed valuation of all the horses and mules ($10,225,536) is nearly the same as that of the furniture, watches, jewelry, etc. ($1,492,508); there is a difference of only $4,568 in the taxes on these two classes of property under the General Property tax system—and both classes are exempt under the Land Value tax system.

The Oregon & California Railroad land grant amounts to about 3,000,000 acres; the wagon road land grants to about 1,000,000 acres; and the Northern Pacific land grant in Oregon to about 500,000 acres; total, four and a half million (4,500,000) acres. Under the General Property tax average assessment of $7.27 an acre for non-tillable lands all over the state, the taxes on these land grants should be $542,728; but under the Land Value tax system they would have paid $931,032 inn taxes, or $388,304 more than the taxes under the General Property system.



## ASSESSMENTS AND TAXES UNDER TWO SYSTEMS

### BAKER

BAKER COUNTY Tax Levy in 1909 was $301,567.16. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $20 of tax actually levied. Rate, 18 and 52/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $3 of tax actually levied. Rate, 40 and 2/10 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands..... | $ 4,268,095 | $ 79,045 | $ 1,002,958 | $ 40,319 |
| Farm buildings, stock, and implements..... | 1,953,108 | 36,171 | Exempt | No Tax |
| Speculators' lands..... | 1,899,797 | 35,184 | 1,899,797 | 76,372 |
| Improved city lots..... | 759,942 | 14,074 | 759,942 | 30,549 |
| Improvements on city lots | 1,602,954 | 29,686 | Exempt | Lo Tax |
| Speculators' city lots..... | 759,943 | 14,074 | 759,943 | 30,549 |
| Franchise corporations .... | 3,079,139 | 57,025 | 3,079,139 | 123,781 |
| Other assessments & taxes. | 1,961 442 | 36,325 | Exempt | No Tax |
| Total under each system | $ 16,284,240 | $ 301,587 | $ 7,501,779 | $ 301,570 |

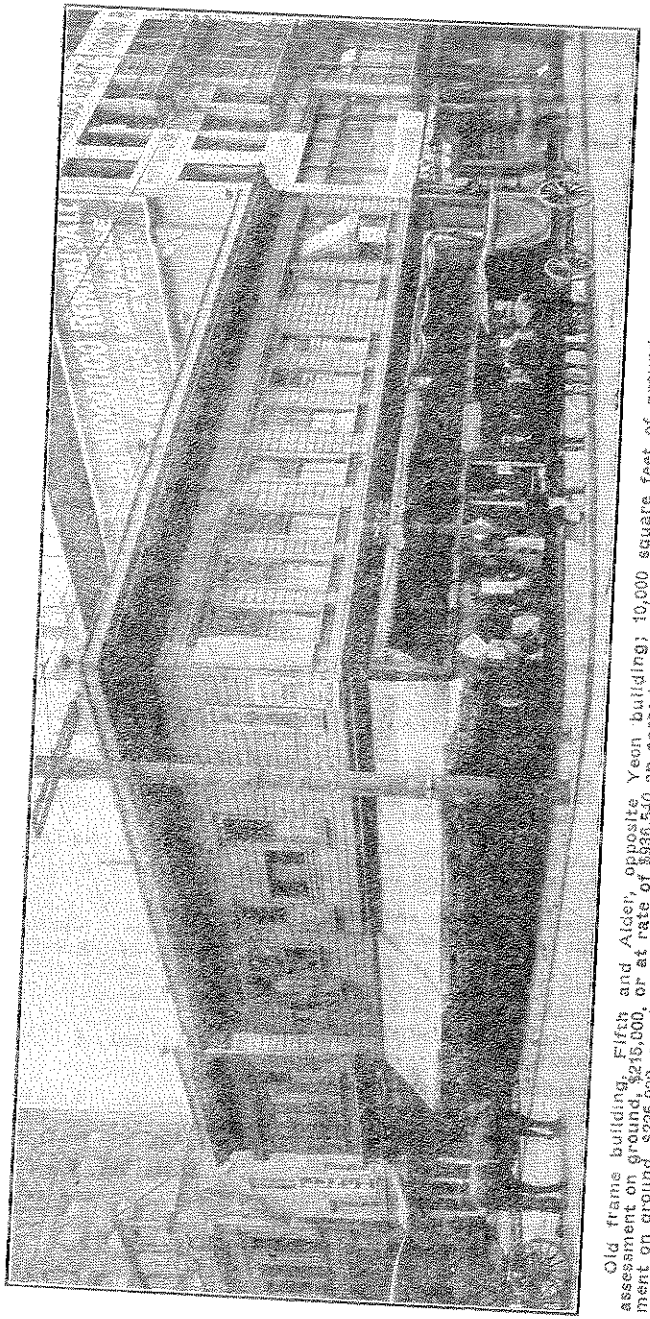
### BENTON

BENTON COUNTY Tax Levy in 1909 was $140,075.90. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $89 of tax actually levied. Rate, 13 and 8/10 mills. | | Results if Land Value Tax System had been in use in 1909; within $49 of tax actually levied. Rate, 25 and 43/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands..... | $ 3,930,172 | $ 54,236 | $ 1,342,620 | $ 34,142 |
| Farm buildings, stock, and implements..... | 794,766 | 10,967 | Exempt | No Tax |
| Speculators' lands..... | 2,453,016 | 33,852 | 2,453,016 | 62,380 |
| Improved city lots..... | 605,747 | 8,359 | 605,747 | 15,404 |
| Improvements on city lots | 599,062 | 8,267 | Exempt | No Tax |
| Speculators' city lots..... | 605,747 | 8,359 | 605,747 | 15,404 |
| Franchise corporations .... | 503,071 | 6,942 | 503,071 | 12,793 |
| Other assessments & taxes. | 665,349 | 9,182 | Exempt | No Tax |
| Total under each system | $ 10,156,930 | $ 140,164 | $ 5,510,201 | $ 140,134 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Baker | Benton |
|---|---|---|
| Speculators' lands..... | $ 41,564 | $ 28,528 |
| Speculators' city lots..... | 16,476 | 7,045 |
| Franchise corporations..... | 66,756 | 5,851 |
| Total increase on franchise corporations and lot and land speculators..... | $124,496 | $ 41,424 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes..... | $ 39,726 | $ 20,094 |
| Farmers save in taxes on improvements and personal property..... | 36,171 | 10,967 |
| Total saved by farmers..... | $ 75,897 | $ 31,061 |
| Owners of improvements on city lots save..... | 13,221 | 1,222 |
| Other savings by business and labor..... | 36,325 | 9,182 |
| Total savings to farmers, business and labor by Land Value tax system..... | $125,443 | $ 41,465 |

Yeon building, being erected at Fifth and Alder streets, 10,000 square feet of ground, to cost $700,000; will employ 250 men a day 285 days, equal to employing 1,143 men 300 days on one acre. Land assessed $200,000 in 1909, equal to $871,200 an acre; 1909 tax, $3,600; 1910 assessment on land, $240,000, equal to $1,045,440 an acre. The 15 stories of this building will have almost 3½ acres of floor space—which is work room for about 1,800 persons, or more than 500 to the acre. The industry of Portland is adding about 20 per cent a year to the value of that less than one-quarter acre of land, while the value of the building will decrease every year.



Old frame building, Fifth and Alder, opposite Yeon building; 10,000 square feet of ground, same as Yeon building; 1909 assessment on ground, $215,000, or at rate of $936,540 an acre; tax on ground, $3,870, or at rate of $16,848 an acre; 1910 assessment on ground, $225,000, or at rate of $1,110,780 an acre. Building assessed in 1909 at $18,000; tax, $324; building occupied by store, goods assessed at $8,000 and taxed $144; total tax on ground, building and goods, $4,338. Under Land Value tax the building and goods would have been exempt, and tax on land would have been $6,125.67 instead of $3,870, or an increase of $2,255.67. Every day's work on the new Yeon building is adding to the value of the land under this old building, every pipe put into the new pipe line from Bull Run to Portland adds to its value, every carload of new settlers coming into Oregon adds something to its value.

## CLACKAMAS

CLACKAMAS COUNTY Tax Levy in 1909 was $427,239.31. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $31 of tax actually levied. Rate, 10 and 38-100 mills. | | Results if Land Value Tax System had been in use in 1909; within $75 of tax actually levied. Rate, 33 and 94/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 6,819,956 | $ 132,170 | $ 2,686,204 | $ 91,169 |
| Farm buildings, stock, and implements | 2,601,005 | $ 50,407 | Exempt | No Tax |
| Speculators' lands | 6,376,627 | 123,579 | 6,376,627 | 216,422 |
| Improved city lots | 1,161,646 | 22,512 | 1,161,646 | 39,426 |
| Improvements on city lots | 900,244 | 17,446 | Exempt | No Tax |
| Speculators' city lots | 1,161,646 | 22,512 | 1,161,646 | 39,426 |
| Franchise corporations | 1,204,156 | 23,336 | 1,204,156 | 40,869 |
| Other assessments & taxes | 1,818 439 | 35,241 | Exempt | No Tax |
| Total under each system | $ 22,043,720 | $ 427,206 | $ 12,590,280 | $ 427,314 |

## CLATSOP

CLATSOP COUNTY Tax Levy in 1909 was $334,-084. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $3 of tax actually levied. Rate, 22 and 14/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $13 of tax actually levied. Rate, 28 and 18/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 267,957 | $ 5,932 | $ 139,882 | $ 3,941 |
| Farm buildings, stock, and implements | 514,141 | 11,383 | Exempt | No Tax |
| Speculators' lands | 6,340,579 | 140,380 | 6,340,579 | 178,677 |
| Improved city lots | 2,117,805 | 46,888 | 2,117,805 | 59,679 |
| Improvements on city lots | 1,126,377 | 24,937 | Exempt | No Tax |
| Speculators' city lots | 2,117,805 | 46,888 | 2,117,805 | 59,679 |
| Franchise corporations | 1,139,777 | 25,234 | 1,139,777 | 32,018 |
| Other assessments & taxes | 1,465,049 | 32,436 | Exempt | No Tax |
| Total under each system | $ 15,089,490 | $ 334,081 | $ 11,855,848 | $ 334,097 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Clackamas | Clatsop |
|---|---|---|
| Speculators' Lands | $ 92,843 | $ 38,297 |
| Speculators' city lots | 16,914 | 12,791 |
| Franchise corporations | 17,533 | 6,784 |
| Total increase on franchise corporations and lot and land speculators | $127,290 | $ 57,872 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 41,001 | $ 1,991 |
| Farmers save in taxes on improvements and personal property | 50,407 | 11,383 |
| Total saved by farmers | $ 91,408 | $ 13,374 |
| Owners of improvements on city lots save | 532 | 12,146 |
| Other savings by business and labor | 35,241 | 32,435 |
| Total savings to farmers, business and labor by Land Value tax system | $127,181 | $ 55,955 |





## COLUMBIA

COLUMBIA COUNTY Tax Levy in 1909 was $221,-214.27. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $63 of tax actually levied. Rate, 18 and 65/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $35 of tax actually levied. Rate, 23 and 29/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 819,220 | $ 15,259 | $ 414,538 | $ 9,620 |
| Farm buildings, stock, and implements | 637,771 | 11,894 | Exempt | No Tax |
| Speculators' lands | 7,148,446 | 133.318 | 7,148,446 | 166,487 |
| Improved city lots | 184,345 | 3,438 | 184,345 | 4,293 |
| Improvements on city lots | 260,156 | 4,851 | Exempt | No Tax |
| Speculators' city lots | 184,346 | 3,438 | 184,346 | 4,293 |
| Franchise corporations | 1,568,090 | 29,244 | 1,568,090 | 36,520 |
| Other assessments & taxes | 1,063,576 | 19,835 | Exempt | No Tax |
| Total under each system | $ 11,865,950 | $ 221,277 | $ 9,499.765 | $ 221,249 |

## COOS

COOS COUNTY Tax Levy in 1909 was $446,458.40. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $69 of tax actually levied. Rate, 29 and 35/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $86 of tax actually levied. Rate, 40 and 94/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 1,202,253 | $ 35,286 | $ 328,696 | $ 13,456 |
| Farm buildings, stock, and implements | 1,007,728 | 29,576 | Exempt | No Tax |
| Speculators' lands | 7,368,454 | 216,264 | 7,368,454 | 301,664 |
| Improved city lots | 1,453,258 | 42,653 | 1,453,258 | 59,496 |
| Improvements on city lots | 1,032,263 | 30,296 | Exempt | No Tax |
| Speculators' city lots | 1,453,258 | 42,653 | 1,453,258 | 59,496 |
| Franchise corporations | 302,213 | 8,869 | 302,213 | 12,372 |
| Other assessments & taxes | 1,395,123 | 40,946 | Exempt | No Tax |
| Total under each system | $ 15.214,550 | $ 446,544 | $ 10,905.879 | $ 446,486 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Columbia | Coos |
|---|---|---|
| Speculators' lands | $ 33,169 | $ 85,400 |
| Speculators' city lots | 855 | 16,843 |
| Franchise corporations | 7,276 | 3,503 |
| Total increase on franchise corporations and lot and land speculators | $ 41,300 | $105,746 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 5,639 | $ 21,830 |
| Farmers save in taxes on improvements and personal property | 11,894 | 29,576 |
| Total saved by farmers | $ 17,533 | $ 51,406 |
| Owners of improvements on city lots save | 3,996 | 13,453 |
| Other savings by business and labor | 19,835 | 40,946 |
| Total savings to farmers, business and labor by Land Value tax system | $ 41,364 | $105,805 |

Olds, Wortman & King store, just completed; occupies a whole block, 40,000 square feet, between Morrison, West Park, Alder and Tenth streets; has 5½ acres of floor space; building cost $500,000; elevators and other machinery about $40,000, furnishings about $150,000; 1,000 employes; annual cost of operation about $700,000; goods supplied by 2,500 factories; ground worth $200,000 five years ago, $350,000 two years ago; $450,000 now. One and a half years to erect building; about 250 men constantly employed. Here are some interesting figures on the cost of building and operation:

| PER SQUARE FOOT OF GROUND. | |
|---|---|
| Building material | $ 5.00 |
| Cost of labor | 7.50 |
| Elevators and machinery | 1.00 |
| Furniture and furnishings | 3.75 |
| Total cost, square foot | $17.25 |
| Annual cost operation | $17.50 |
| Ground value 5 years ago | 5.00 |
| Ground value 2 years ago | 8.75 |
| Present value of ground | 11.25 |
| Increased value in 5 years | 6.25 |
| Ground rent to owner, a year | 0.45 |
| 1910 tax on land, estimate | .17.5 |
| 1910 tax on building, estimate | .12.5 |
| 1910 tax on goods, estimate | .10 |
| Total taxes per square foot | .40 |
| Annual increase value of land, per square foot in 5 years | $ 1.25 |

| PER ACRE OF GROUND. | |
|---|---|
| Building material | $217,800 |
| Cost of labor | 326,700 |
| Elevators and machinery | 43,560 |
| Furniture and furnishings | 163,350 |
| Total cost per acre | $751,410 |
| Annual cost operation | $762,300 |
| Ground value 5 years ago | 217,800 |
| Ground value 2 years ago | 381,140 |
| Present value of ground | 490,050 |
| Increased value in 5 years | 272,250 |
| Ground rent to owner | 19,602 |
| 1910 tax on land, estimate | 7,623 |
| 1910 tax on building, estimate | 5,445 |
| 1910 tax on goods, estimate | 4,356 |
| Total taxes per acre | $ 17,424 |
| Number of employes per acre | 1,089 |
| Annual increase value of land | 54,450 |

Olds, Wortman & King will pay about $16,000 in taxes next year under the General Property tax system. Under the Land Value tax system they would pay about $12,821.18 on the land, but the building and contents would be exempt; so they would save $3,178.82 by the Land Value system. Would that hurt business? Would it not help business and labor and all who buy goods?



Olds, Wortman & King use 40,000 square feet of land, or 91.82 per cent of an acre. The cost of operating their business on that land is $700,000, which is equal to $17.50 a square foot, or $762,300 an acre. The Bureau of Labor Statistics of Oregon reports that in nine of the leading fruit-growing counties of the state the cost per acre for cultivation and harvesting fruit is $59; so, 12,920 acres of fruit can be cultivated and harvested for the cost of operation to Olds, Wortman & King per acre. The Bureau of Labor Statistics reports that the cost of labor per acre for grain is $6.35; so 120,047.25 acres of grain can be cultivated and harvested for what it costs Olds, Wortman & King to operate one acre. The Bureau reports that the labor cost per acre for hay is $3.15; so the cost to Olds, Wortman & King of doing business on one acre would pay the labor cost of 242,000 acres of hay. Hops cost for cultivation and picking $48 an acre, average; so 15,881¼ acres of hops can be cultivated and picked for the cost of operation per acre to O., W. & King.

The terms of the Olds, Wortman & King 50-year lease on the ground occupied by their building are private, and no lease in the name of the firm is on record; but calculations based on valuations of Portland lots and blocks and on other leases show that the following figures are substantially correct for the ground rent paid by these merchants:

| | 5-Year Totals. | Total a Year. | Sq. Ft. a Year. | 1 Acre a Year. |
|---|---|---|---|---|
| First 5 years | $ 90,000 | $18,000 | $0.45 | $19,602 |
| Second 5 years | 105,000 | 21,000 | .52½ | 22,869 |
| Third 5 years | 120,000 | 24,000 | .60 | 26,136 |
| Fourth 5 years | 135,000 | 27,000 | .67½ | 29,403 |
| Fifth 5 years | 150,000 | 30,000 | .75 | 32,670 |
| Sixth 5 years | 165,000 | 33,000 | .82½ | 35,937 |
| Seventh 5 years | 180,000 | 36,000 | .90 | 39,204 |
| Eighth 5 years | 195,000 | 39,000 | .97½ | 42,471 |
| Ninth 5 years | 210,000 | 42,000 | 1.05 | 45,738 |
| Tenth 5 years | 225,000 | 45,000 | 1.12½ | 49,005 |
| Total 50 years | $1,575,000 | | | |
| Average a year | | $31,500 | $0.78¾ | $34,303.50 |

This average ground rent of $31,500 a year for 50 years means 6 per cent on a valuation of $525,000 for the block, which is equal to a value of $571,725 for one acre of unimproved land, because the owner of the block has put no improvement on it. The average assessment of unimproved country land in Oregon in 1909 was $7.27 an acre; so the average annual ground rent paid by Olds, Wortman & King is equal to a 6 per cent rental for 71,756 acres of unimproved land, worth $7.27 an acre. Did the owner of the land used by Olds, Wortman & King make that vast difference between the value of his block and the value of an acre of country land—or did the increasing industry of Portland make that difference?

As a rule, and there are very few exceptions, leases on valuable city ground provide that the tenant shall pay all taxes of every kind on the ground, so that the ground rent is net to the owner; and almost all leases provide that the building erected on the land by the tenant shall become the property of the landlord when the lease expires; also, the tenant has to insure the building for the benefit of the landlord.

Whether the tenant is a merchant or manufacturer he must add to the price of his goods the amount he pays in ground rent and what he pays in taxes. In addition, if he does business in Portland he must add his vehicle tax, which is $1.50 a year for a one-horse wagon and $3 a year for a two-horse wagon. Does it not seem that the increased cost of living is due to the increased tax on business by land and lot speculators?

## ASSESSMENTS AND TAXES UNDER TWO SYSTEMS

| CROOK | How the General Property Tax System worked in 1909. Total is within $7 of tax actually levied. Rate, 20 mills. | | Results if Land Value Tax System had been in use in 1909; within $46 of tax actually levied. Rate, 32 and 33/100 mills. | |
|---|---|---|---|---|
| CROOK COUNTY Tax Levy in 1909 was $158,669.95. To figure your own taxes, see rule on page 93. | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 684,797 | $ 13,696 | $ 478,613 | $ 15,473 |
| Farm buildings, stock, and implements | 1,788,677 | 35,774 | Exempt | No Tax |
| Speculators' lands | 4,279,812 | 85,596 | 4,279,812 | 138,366 |
| Improved city lots | 72,488 | 1,450 | 72,488 | 2,343 |
| Improvements on city lots | 200,438 | 4,009 | Exempt | No Tax |
| Speculators' city lots | 72,488 | 1,450 | 72,488 | 2,343 |
| Franchise corporations | 5,843 | 116 | 5,843 | 188 |
| Other assessments & taxes | 829,257 | 16,585 | Exempt | No Tax |
| Total under each system | $ 7,933,800 | $ 158,676 | $ 4,909,244 | $ 158,715 |

**Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by—**

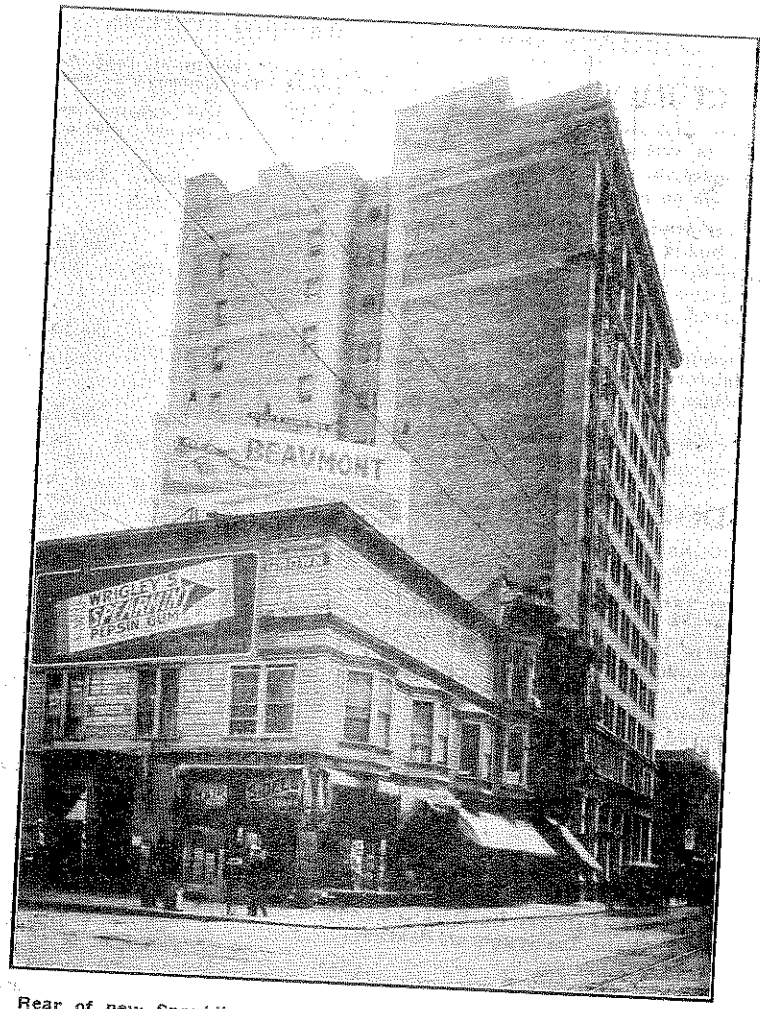
| | Crook |
|---|---|
| Speculators' lands | $ 52,770 |
| Speculators' city lots | 893 |
| Franchise corporations | 72 |
| Total increase on franchise corporations and lot and land speculators | $ 53,735 |

**Who Get Benefits of Land Value Tax System**

| | |
|---|---|
| Net savings by farmers | $ 33,997 |
| Owners of improvements on city lots save | 3,110 |
| Other savings by business and labor | 16,585 |
| Total savings to farmers, business and labor by Land Value tax system | $ 53,692 |

Farmers' lands in Crook County were assessed at $684,797 in 1909. The 10,000 square feet on which the Yeon building in Portland is being erected were assessed at $200,000, or at the rate of $871,200 an acre, which is $186,403 more than the total assessment on all farmers' lands in Crook County in 1909. The tillable lands of Crook County were assessed an average of $6.28 an acre in 1909, and the non-tillable lands at $3.61 an acre. Under the Land Value tax system the improved value of tillable lands would have been exempt, and they would have been assessed at an average of $3.61 an acre. The 10,000 square feet of Yeon building ground would have been taxed $5,698.30 under the Land Value tax rate for Multnomah County, and the Land Value tax on 48,870 acres of average Crook County farmers' lands would have been $5,698.24, or 6 cents less than the Land Value tax on the ground of the Yeon building.






Rear of new Spaulding Building, 10,000 square feet of ground, and old building on same block, 10,000 square feet. Ground of Spaulding building assessed $270,000 in 1909, or at rate of $1,176,120 an acre; ground of old building assessed $224,000, or at rate of $975,744 an acre. Spaulding building not built in 1909 and not taxed; old building assessed at $17,900, taxed $322.20. Land of Spaulding building taxed $4,860 for 1909; of old building, $4,032. 1910 assessment on Spaulding ground, $290,000, equal to $1,263,240 an acre; on land of old building, $252,000, or $1,097,712 an acre—increase of $121,968 an acre in one year. Here are 4 lots on one block. Are the two lots under the splendid Spaulding building really worth $38,000—or at the rate of $165,528 an acre—more than the two lots of the same size under the old building? The new building adds to the value of the two lots under the old building, but what does the old building add? Of the four lots, which are better used for business and labor?

## CURRY

**CURRY COUNTY Tax Levy in 1909 was $38,537. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $25 of tax actually levied. Rate, 12 and 39/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $25 of tax actually levied. Rate, 15 and 1/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 196,128 | $ 2,430 | $ 59,192 | $ 893 |
| Farm buildings, stock, and implements | 298,985 | 3,704 | Exempt | No Tax |
| Speculators' lands | 2,437,498 | 30,200 | 2,437,498 | 36,806 |
| Improved city lots | 26,083 | 323 | 26,083 | 393 |
| Improvements on city lots | 23,922 | 296 | Exempt | No Tax |
| Speculators' city lots | 26,084 | 323 | 26,084 | 393 |
| Franchise corporations | 4,938 | 61 | 4,938 | 74 |
| Other assessments & taxes | 98,752 | 1,223 | Exempt | No Tax |
| Total under each system | $ 3 112,390 | $ 38,562 | $ 2,553,795 | $ 38,562 |

## DOUGLAS

**DOUGLAS COUNTY Tax Levy in 1909 was $405,-317.73. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $233 of tax actually levied. Rate, 16 and 22/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $119 of tax actually levied. Rate, 22 and 81/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 3,580,720 | $ 58,079 | $ 1,252,896 | $ 28,578 |
| Farm buildings, stock, and implements | 1,792,698 | 29,077 | Exempt | No Tax |
| Speculators' lands | 11,900,969 | 193,033 | 11,900,969 | 271,461 |
| Improved city lots | 572,711 | 9,289 | 572,711 | 13,063 |
| Improvements on city lots | 1,103,777 | 17,903 | Exempt | No Tax |
| Speculators' city lots | 572,711 | 9,289 | 572,711 | 13,063 |
| Franchise corporations | 3,477,422 | 56,403 | 3,477,422 | 79,318 |
| Other assessments & taxes | 2,002,252 | 32,476 | Exempt | No Tax |
| Total under each system | $ 25,003,260 | $ 405,550 | $ 17,776,709 | $ 405,436 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Curry | Douglas |
|---|---|---|
| Speculators' lands | $ 6,606 | $ 78,428 |
| Speculators' city lots | 70 | 3,774 |
| Franchise corporations | 13 | 22,915 |
| Total increase on franchise corporations and lot and land speculators | $ 6,689 | $105,117 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 1,537 | $ 29,501 |
| Farmers save in taxes on improvements and personal property | 3,704 | 29,077 |
| Total saved by farmers | $ 5,241 | $ 58,578 |
| Owners of improvements on city lots save | 226 | 14,129 |
| Other savings by business and labor | 1,223 | 32,476 |
| Total savings to farmers, business and labor by Land Value tax system | $ 6,690 | $105,183 |





## GILLIAM

**GILLIAM COUNTY Tax Levy in 1909 was $75,-175.71. To figure your own taxes, see rule on page 93.**

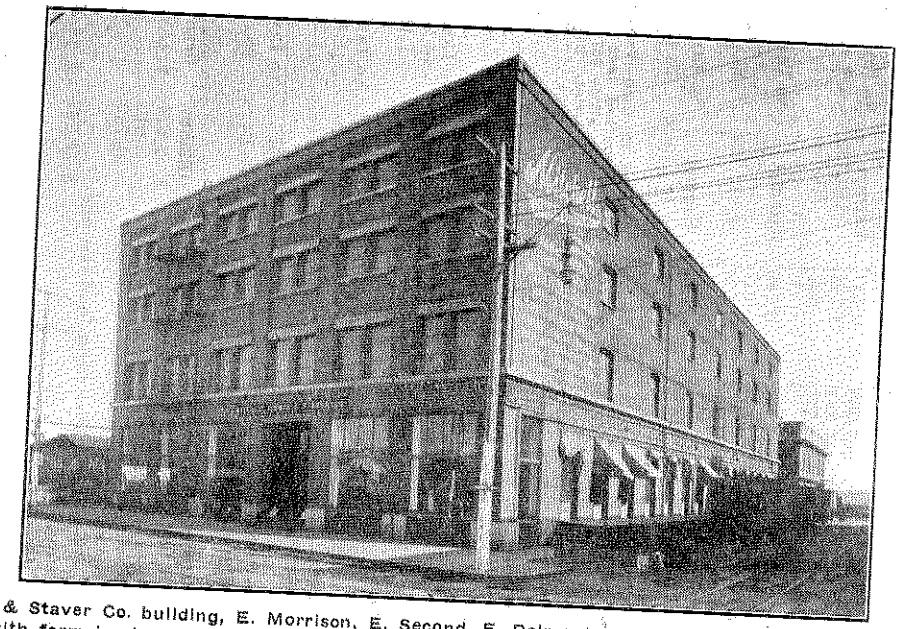
| | How the General Property Tax System worked in 1909. Total is within $15 of tax actually levied. Rate, 9 and 57/100 mills. | | Results if Land Value Tax System had been in use in 1909: within $8 of tax actually levied. Rate, 23 and 65/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Tax es |
| Farmers' lands | $ 3,400,294 | $ 32,540 | $ 610,928 | $ 14,448 |
| Farm buildings, stock, and implements | 957,560 | 9,163 | Exempt | No Tax |
| Speculators' lands | 186,381 | 1,783 | 186,381 | 4,407 |
| Improved city lots | 64,575 | 617 | 64,575 | 1,527 |
| Improvements on city lots | 234,788 | 2,246 | Exempt | No Tax |
| Speculators' city lots | 64,575 | 617 | 64,575 | 1,527 |
| Franchise corporations | 2,252,339 | 21,554 | 2,252,339 | 53,267 |
| Other assessments & taxes | 696,868 | 6,668 | Exempt | No Tax |
| Total under each system | $ 7,857,380 | $ 75,190 | $ 3,178,798 | $ 75,178 |

## GRANT

**GRANT COUNTY Tax Levy in 1909 was $98,-534.49. To figure your own taxes. see rule on page 93.**

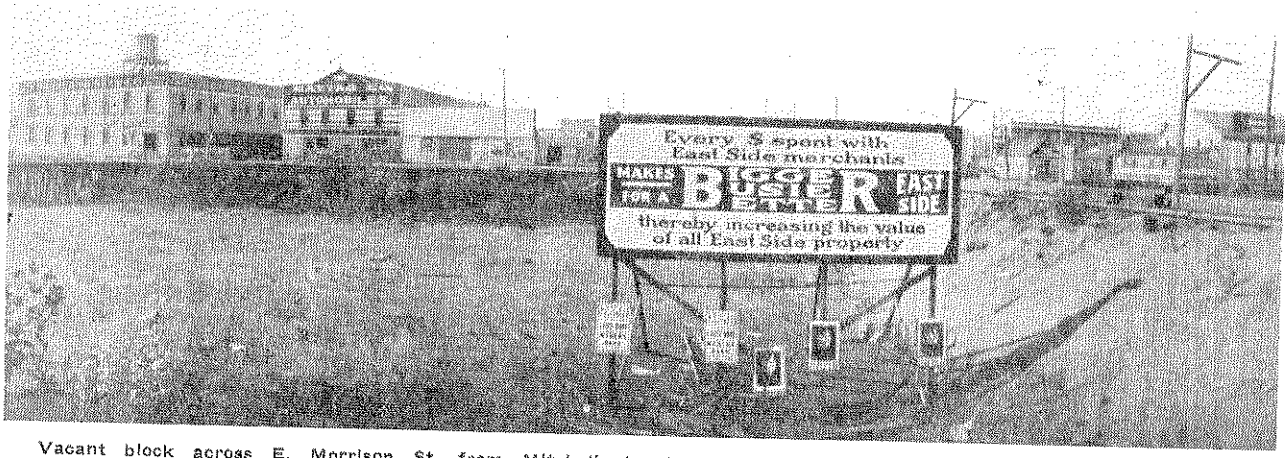
| | How the General Property Tax System worked in 1909. Total is within $2 of tax actually levied. Rate, 19 and 43/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $57 of tax actually levied. Rate, 37 and 8/10 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 738,409 | $ 14,347 | $ 209,646 | $ 7,924 |
| Farm buildings, stock, and implements | 1,366,527 | 26,551 | Exempt | No Tax |
| Speculators' lands | 2,289,813 | 44,491 | 2,289,813 | 86,555 |
| Improved city lots | 37,519 | 728 | 37,519 | 1,418 |
| Improvements on city lots | 160,394 | 3,116 | Exempt | No Tax |
| Speculators' city lots | 37,519 | 728 | 37,519 | 1,418 |
| Franchise corporations | 33,744 | 655 | 33,744 | 1,276 |
| Other assessments & taxes | 407,235 | 7,912 | Exempt | No Tax |
| Total under each system | $ 5,071,160 | $ 98,532 | $ 2,608,241 | $ 98,591 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Gilliam | Grant |
|---|---|---|
| Speculators' lands | $ 2,624 | $ 42,964 |
| Speculators' city lots | 910 | 690 |
| Franchise corporations | 31,713 | 621 |
| Total increase on franchise corporations and lot and land speculators | $ 35,247 | $ 44,275 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 18,092 | $ 6,423 |
| Farmers save in taxes on improvements and personal property | 9,163 | 26,551 |
| Total saved by farmers | $ 27,255 | $ 32,974 |
| Owners of improvements on city lots save | 1,336 | 2,426 |
| Other savings by business and labor | 6,668 | 7,912 |
| Total savings to farmers, business and labor by Land Value tax system | $ 35,259 | $ 43,312 |



Mitchell, Lewis & Staver Co. building, E. Morrison, E. Second, E. Belmont and E. Third streets. Occupies one block, 40,000 square feet; filled with farm implements and machinery, such as all farmers must have; employing workers in more than 35 factories. Ground occupied by building is assessed $66,000, equal to $71,874 an acre; building assessed $46,500; stock, $221,250. Taxes for 1909 were: on ground $1,188, building $837, contents $3,982.50; total taxes, $6,007.50. Under the Land Value tax system the building and contents would have been exempt; tax on ground would have been $1,880.44; so the company would have saved $4,127.06 in taxes under the Land Value tax system. Would that hurt business? See opposite page.






Vacant block across E. Morrison St. from Mitchell, Lewis & Staver Co., 40,000 square feet, same size as ground occupied by building. Block assessed at $64,000, equal to $69,696 an acre. No improvement, except a sign, saying that the more business done by East Side merchants means higher prices for land on the East Side, higher rents for merchants and householders and a heavier burden for business and labor. Mitchell, Lewis & Staver Co. has 50 employes; the vacant block employs no one, and prevents employment while it is held idle, waiting for business to make it more valuable. Mitchell, Lewis & Staver Co. paid $6,007.40 in taxes this year; the vacant block was taxed only $1,152. Land Value tax would increase tax on vacant block to $1,823.45. Would that hurt business?

Two years ago the John Deere Plow Co. paid $150,000 for this block, or at the rate of $163,340 an acre; the 1909 assessment was $64,000, or 42 per cent of the price paid in 1908. The John Deere Co. will soon erect a $200,000 building on the block and carry at least $200,000 worth of agricultural implements; will pay about $4,000 a year on building and goods. The company would save about $2,000 in taxes under the Land Value tax, even with the land assessed at $150,000. Mitchell, Lewis & Staver Co. would save $1,590.32 in taxes under the Land Value tax with their land assessed at $155,000 instead of $66,000.

August 25 the sign was removed and work on new building begun. Until April 1, 1911, about 150 men a day will be employed—equal to 326 men a day on one acre. One idle city block means, then, that at least 325 men are deprived of opportunity to earn a living.

## HARNEY

HARNEY COUNTY Tax Levy in 1909 was $77,-949.18. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $43 of tax actually levied. Rate, 11 and 88/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $5 of tax actually levied. Rate, 44 and 15/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 3,787,021 | $ 44,989 | $ 992,324 | $ 43,811 |
| Farm buildings, stock and implements | 1,489,899 | 17,699 | Exempt | No Tax |
| Speculators' lands | 698,226 | 8,294 | 698,226 | 30,826 |
| Improved city lots | 35,612 | 423 | 35,612 | 1,572 |
| Improvements on city lots | 194,793 | 2,314 | Exempt | No Tax |
| Speculators' city lots | 35,612 | 423 | 35,612 | 1,572 |
| Franchise corporations | 3,906 | 47 | 3,906 | 173 |
| Other assessments & taxes | 320,111 | 3,802 | Exempt | No Tax |
| Total under each system | $ 6,565,180 | $ 77,992 | $ 1,765,680 | $ 77,954 |

## HOOD RIVER

HOOD RIVER COUNTY Tax Levy in 1909 was $138,724.86. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $42 of tax actually levied. Rate, 18 and 65/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $18 of tax actually levied. Rate, 43 and 5/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 3,097,275 | $ 57,764 | $ 512,694 | $ 22,071 |
| Farm buildings, stock, and implements | 458,883 | 8,558 | Exempt | No Tax |
| Speculators' lands | 956,635 | 17,841 | 956,635 | 41,183 |
| Improved city lots | 296,833 | 5,535 | 296,833 | 12,778 |
| Improvements on city lots | 416,395 | 7,765 | Exempt | No Tax |
| Speculators' city lots | 296,833 | 5,535 | 296,833 | 12,778 |
| Franchise corporations | 1,159,820 | 21,630 | 1,159,820 | 49,930 |
| Other assessments & taxes | 757,866 | 14.134 | Exempt | No Tax |
| Total under each system | $ 7,440,540 | $ 138,766 | $ 3,222,815 | $ 138,742 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Harney | Hood River |
|---|---|---|
| Speculators' lands | $ 22.532 | $ 23,342 |
| Speculators' city lots | 1,149 | 7,243 |
| Franchise corporations | 126 | 28,300 |
| Total increase on franchise corporations and lot and land speculators | $ 23,807 | $ 58,885 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 1,178 | $ 35,693 |
| Farmers save on improvements and personal property | 17,669 | 8,558 |
| Total saved by farmers | $ 18,847 | $ 44,251 |
| Owners of improvements on city lots save | 1,165 | 522 |
| Other savings by business and labor | 3,802 | 14,134 |
| Total savings to farmers, business and labor by Land Value tax system | $ 23,814 | $ 58,907 |





## JACKSON

JACKSON COUNTY Tax Levy in 1909 was $399,-330.25. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $139 of tax actually levied. Rate, 16 and 72/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $100 of tax actually levied. Rate, 28 and 4/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 6,570,223 | $ 109,854 | $ 1,814,444 | $ 50,877 |
| Farm buildings, stock, and implements | 1,445,922 | 24,175 | $ Exempt | No Tax |
| Speculators' lands | 8,575,197 | 143,377 | 8,575,197 | 240,448 |
| Improved city lots | 909,759 | 15,211 | 909,759 | 25,509 |
| Improvements on city lots | 1,806,515 | 30,204 | Exempt | No Tax |
| Speculators' city lots | 909,759 | 15,211 | 909,759 | 25,509 |
| Franchise corporations | 2,035 856 | 34,039 | 2,035,856 | 57,085 |
| Other assessmentst & axes | 1,638,469 | 27,395 | Exempt | No Tax |
| Total under each system | $ 23,891,700 | $ 399,469 | $ 14,245,015 | $ 399,439 |

## JOSEPHINE

JOSEPHINE COUNTY Tax Levy in 1909 was $163,-874.09. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $37 of tax actually levied. Rate, 18 and 89/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $9 of tax actually levied. Rate, 30 and 55/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | 966,548 | $ 18,258 | $ 337,746 | $ 10,318 |
| Farm buildings, stock, and implements | 846,299 | 15,986 | Exempt | No Tax |
| Speculators' lands | 3,253,767 | 61,463 | 3,253,767 | 99,402 |
| Improved city lots | 319,095 | 6,027 | 319,095 | 9,748 |
| Improvements on city lots | 807,316 | 15,250 | Exempt | No Tax |
| Speculators' city lots | 319,096 | 6,027 | 319,096 | 9,748 |
| Franchise corporations | 1,134,708 | 21,434 | 1,134,708 | 34,665 |
| Other assessments & taxes | 1,030,321 | 19.462 | Exempt | No Tax |
| Total under each system | $ 8,677,150 | $ 163,911 | $ 5,354,430 | $ 163,883 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Jackson | Josephine |
|---|---|---|
| Speculators' lands | $ 97,071 | $ 37,939 |
| Speculators' city lots | 10,298 | 3,721 |
| Franchise corporations | 23,046 | 13,231 |
| Total increase on franchise corporations and lot and land speculators | $130,415 | $ 54,891 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 58,977 | $ 7,940 |
| Farmers save in taxes on improvements and personal property | 24,175 | 15,986 |
| Total saved by farmers | $ 83,152 | $ 23,926 |
| Owners of improvements on city lots save | 19,906 | 11,529 |
| Other savings by business and labor | 27,395 | 19,462 |
| Total savings to farmers, business and labor by Land Value tax system | $130,453 | $ 54,917 |

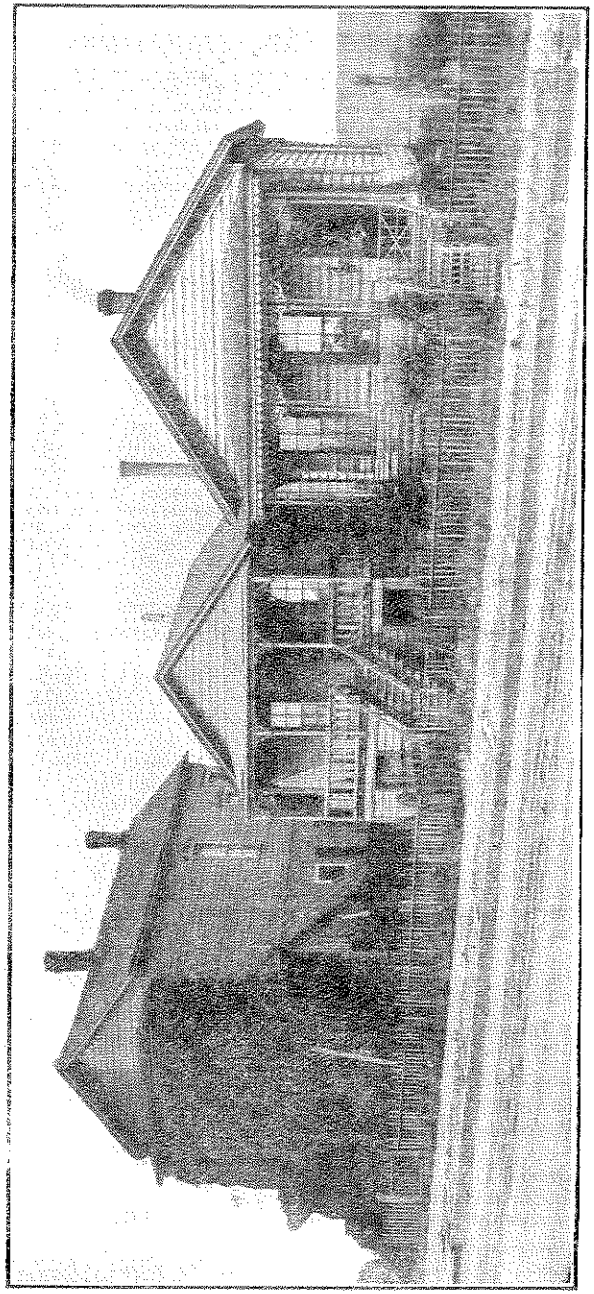
Carman Manufacturing Company's building, Eighteenth and Upshur; 10,000 square feet; manufacture furniture of all kinds, mattresses, tables; employs 100 persons; 1909 assessment on ground, $8,700, or $37,897 an acre; on building $21,000; on personal property $26,655. 1909 taxes on ground $156.60; on building $378; on personal property $479.79; total $1,014.39. Land Value tax would have been $247.87, so the company would have saved $766.52. The 1910 assessment on the company's ground is $9,700, or $42,253 an acre, which is equal to $4,356 an acre in one year.

As soon as the Carman Co. bought this ground for their factory, the owners of the vacant lots and lots with old shacks on them around their site immediately put up the price of their lots because, they said, the building of the factory would make their lots more valuable. The 1909 assessment on the Carman Co.'s 2 lots was at the rate of $7,405 an acre more than the assessment on the adjoining two lots, and the 1910 assessment on the Carman lots is $8,534 more than on the other two lots. The 1909 taxes on ground alone were $30.60 more on the Carman lots than on the other two. Is that fair to business? Is it fair to labor? Does not that sort of taxation discourage industry?

The $857.79 of 1909 taxes paid by the Carman Co. on its building and personal property was really a tax on the company's business. The company makes mattresses, tables, chairs and other furniture. To take money from the company as taxes on the business is the same thing as taking every year some of the products of their factory. That 1909 tax on the business was the same thing as taking 143 mattresses worth $6 apiece, while the tax on the old shacks next door amounted to taking only two mattresses worth $6 apiece. From the Carman Co. the people took, in taxes on the business, what amounted to 857 common chairs worth $1 apiece at the factory.

The living expenses of the Carman Co.'s 100 employes average at least $100 a day, or $36,500 a year; so they employ grocers, merchants and other business men and other labores to serve them. How many merchants and their employes are kept busy ten minutes a day by the three old shacks on the ground next to the Carman Co.'s ground? The Carman Co.'s 100 employes on 10,000 square feet of ground are equal to 435 employes on one acre. The fact that so many workers can find steady employment on a small piece of land is what gives value to business sites and home sites in Portland. The present tax laws encourage speculators in lots to "hold up" business and labor before permitting them to use valuable lots.





Three old shacks, occupying 10,000 square feet, same block with Carman Manufacturing Co.; ground assessed in 1909 at $7,000, or $30,492 an acre, and old buildings assessed at $700; tax on ground $126, on buildings $12.60, total $138.60. Land Value tax would have been $199.44. The 1910 assessment on ground is $8,200, or $35,719 an acre, which is an increase of $5,227 an acre in one year. These buildings and the ground they occupy paid $875.79 less in taxes for 1909 than the Carman Co. paid. Tax on company's 10,000 square feet of ground was $18 more than tax on the adjoining 10,000 square feet. Do the old shacks increase the value of the Carman Co.'s ground, or does the Carman plant increase the value of the ground the shacks occupy? At a rent of $5 a month each for the shacks, the tenants pay $41.20 a year more than the taxes on buildings and ground.

## KLAMATH

KLAMATH COUNTY Tax Levy in 1909 was $195,793.66. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $11 of tax actually levied. Rate, 18 and 99/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $71 of tax actually levied. Rate, 25 and 59/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 1,788,949 | $ 33,972 | $ 1,083,220 | $ 27,719 |
| Farm buildings, stock, and implements | 768,838 | 14,600 | Exempt | No Tax |
| Speculators' lands | 5,569,631 | 105,767 | 5,569,631 | 142,526 |
| Improved city lots | 481,408 | 9,141 | 481,408 | 12,319 |
| Improvements on city lots | 390,166 | 7,409 | Exempt | No Tax |
| Speculators' city lots | 481,409 | 9,141 | 481,409 | 12,319 |
| Franchise corporations | 38,284 | 727 | 38,284 | 979 |
| Other assessments & taxes | 791,075 | 15,022 | Exempt | No Tax |
| Total under each system | $ 10,309,760 | $ 195,782 | $ 7,653,952 | $ 195,864 |

## LANE

LANE COUNTY Tax Levy in 1909 was $496,003.93. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $139 of tax actually levied. Rate, 17 and 59/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $51 of tax actually levied. Rate, 25 and 92/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 3,896,918 | $ 68,546 | $ 2,330,686 | $ 60,411 |
| Farm buildings, stock, and implements | 2,280,161 | 40,108 | Exempt | No Tax |
| Speculators' lands | 12,017,097 | 211,380 | 12,017,097 | 311,483 |
| Improved city lots | 1,546,311 | 27,199 | 1,546,311 | 40,080 |
| Improvements on city lots | 2,351,966 | 41,371 | Exempt | No Tax |
| Speculators' city lots | 1,546,312 | 27,199 | 1,546,312 | 40,080 |
| Franchise corporations | 1,704,895 | 29,989 | 1,704,895 | 44,190 |
| Other assessments & taxes | 2,862,300 | 50,347 | Exempt | No Tax |
| Total under each system | $ 28,205,960 | $ 496,142 | $ 19,145,301 | $ 496,054 |

**Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by—**

| | Klamath | Lane |
|---|---|---|
| Speculators' lands | $ 36,759 | $100,103 |
| Speculators' city lots | 3,178 | 12,881 |
| Franchise corporations | 252 | 14,201 |
| Total increase on franchise corporations and lot and land speculators | $ 40,189 | $127,185 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 6,253 | $ 8,135 |
| Farmers save in taxes on improvements and personal property | 14,600 | 40,108 |
| Total saved by farmers | $ 20,853 | $ 48,243 |
| Owners of improvements on city lots save | 4,231 | 28,490 |
| Other savings by business and labor | 15,022 | 50,347 |
| Total savings to farmers, business and labor by Land Value tax system | $ 40,106 | $127,270 |





## LAKE

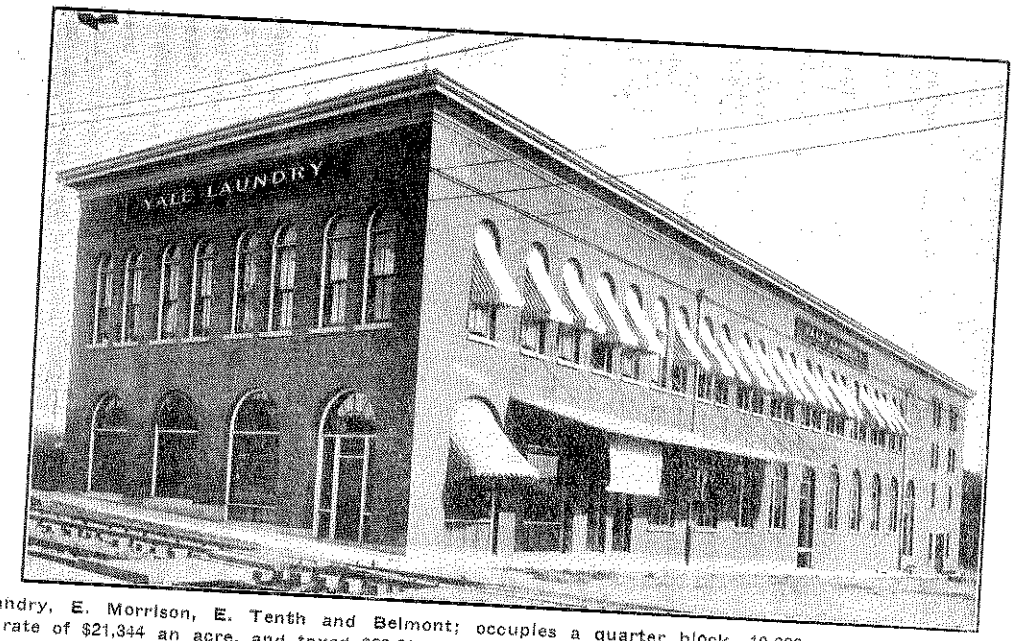
LAKE COUNTY Tax Levy in 1909 was $78,224.54. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $35 of tax actually levied. Rate, 12 and 83/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $7 of tax actually levied. Rate, 24 and 2/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 1,816,215 | $ 23,302 | $ 1,069,403 | $ 25,687 |
| Farm buildings, stock, and implements | 1,323,145 | 16,975 | Exempt | No Tax |
| Speculators' lands | 2,036,985 | 26,134 | 2,036,985 | 48,928 |
| Improved city lots | 64,026 | 821 | 64,026 | 1,537 |
| Improvements on city lots | 174,836 | 2,243 | Exempt | No Tax |
| Speculators' city lots | 64,026 | 821 | 64,026 | 1,537 |
| Franchise corporations | 22,504 | 288 | 22,504 | 540 |
| Other assessments & taxes | 597,973 | 7,671 | Exempt | No Tax |
| Total under each system | $ 6,099,710 | $ 78,259 | $ 3,256,944 | $ 78,231 |

**Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by—**

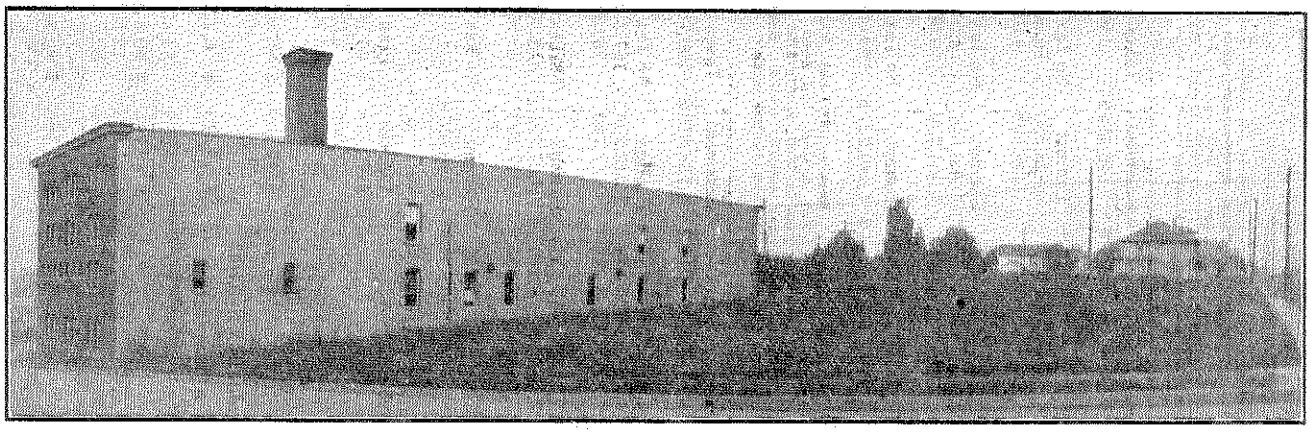
| | Lake |
|---|---|
| Speculators' lands | $ 22,794 |
| Speculators' city lots | 716 |
| Franchise corporations | 252 |
| Total increase on franchise corporations and lot speculators | $ 23,762 |
| **Who Get Benefits of Land Value Tax System** | |
| Net saving by farmers | $ 14,590 |
| Owners of improvements on city lots save | 1,527 |
| Other savings by business and labor | 7,671 |
| Total savings to farmers, business and labor by Land Value tax system | 23,788 |

**Lake County farmers paid $23,302 in taxes on their lands for 1909. Under the Land Value tax they would have paid $2,385 more, but would not have paid any tax on buildings and personal property, so they would have saved $14,590 by the Land Value tax. On their lands they would have been assessed, on an average, $3.12 an acre for all lands. The less than one-quarter of an acre occupied by the Yeon building in Portland was assessed at $200,000 in 1909, and would have been taxed $5,698.30 under the Land Value system. A piece of average Lake County farm land of the same size would have been taxed in 1909, under the Land Value system, only 4 cents and 1½ mills. The Yeon building land would have been taxed at the rate of $24,821 an acre, while the Lake County farm of average value would have been taxed 18 cents an acre.**




Yale Laundry, E. Morrison, E. Tenth and Belmont; occupies a quarter block, 10,000 square feet, assessed in 1909 at $4,900, or at rate of $21,344 an acre, and taxed $88.20 on ground; building assessed $12,000 and taxed $216; machinery assessed $11,200 and taxed $201.60; total 1909 taxes, $505.80. Land Value tax on ground would have been $139.60, so that taxes would have been $366.20 less than under present tax system. 1910 assessment on ground is $6,000, equal to $26,136 an acre. This laundry employs 80 persons; is surrounded by vacant lots and blocks amounting in all to about five and a half acres that employ no one, buy no groceries, no clothing, no farm products. The building is a credit to the city.

—60



Six vacant lots in Block 218, east of Yale Laundry; 30,000 square feet; assessed in 1909 at $12,000, or at rate of $17,424 an acre; but the land used by Yale Laundry was assessed at rate of $21,344 an acre. The two vacant blocks west of laundry were assessed at rate of $17,206 an acre, or $4,138 an acre less than Yale Laundry ground. 1910 assessment of six vacant lots shown in picture is $14,200, or at rate of $20,616.94 an acre. 1909 taxes on these vacant lots, $216—same as tax on Yale Laundry building. Land Value tax would have been $341.89, or $202.29 more than all Land Value taxes on Yale Laundry.

Taking the present assessment and taxes of the six lots and of the Yale Laundry, under the General Property tax system the people of Oregon are paying the owner of the idle lots a bonus of $638 a year to keep them idle, and are fining the Yale Laundry owners $461.60 a year for doing business. Two lots put to good use are assessed for 1910 at $3,000 each; 6 idle lots on same block are assessed $2,366 each; tax on laundry lot at 1909 rate will be $54 apiece; on idle lots, $42.60 apiece.

Yale Laundry employs 80 persons on 10,000 square feet of land, equal to 345 employes to an acre. Laundry has 16 wagons on which it must pay a "vehicle" tax of $1.50 a year on each one-horse wagon, and it must pay an "occupation tax" of $20 a year. Speculators who hold valuable lots idle don't pay "occupation" taxes, and vehicle taxes don't worry them. The $44 a year paid by the Yale Laundry for vehicle and occupation taxes is 20 per cent of the 1909 tax on the six vacant lots. If a man gets drunk and makes a nuisance of himself, he is fined $5 or $10; if he runs a laundry and employs 16 wagons to serve people who want clean clothes, he is fined $44.

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## LINCOLN

LINCOLN COUNTY Tax Levy in 1909 was $93,-562. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $1 of tax actually levied. Rate, 16 and 73/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $42 of tax actually levied. Rate, 26 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 376,496 | $ 6,298 | $ 146,412 | $ 2,928 |
| Farm buildings, stock, and implements | 321,201 | 5,373 | Exempt | No Tax |
| Speculators' lands | 3,828,290 | 64,047 | 3,828,290 | 76,562 |
| Improved city lots | 200,598 | 3,356 | 200,598 | 4,012 |
| Improvements on city lots | 142,598 | 2,385 | Exempt | No Tax |
| Speculators' city lots | 200,598 | 3,356 | 200,598 | 4,012 |
| Franchise corporations | 304,329 | 5,091 | 304,329 | 6,086 |
| Other assessments & taxes | 218,450 | 3,654 | Exempt | No Tax |
| Total under each system | $ 5,592,560 | $ 93,563 | $ 4,680,227 | $ 93,604 |

## LINN

LINN COUNTY Tax Levy in 1909 was $332,646.92. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $4 of tax actually levied. Rate, 13 and 14/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $109 of tax actually levied. Rate, 21 and 18/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 8,144,181 | $ 107,014 | $ 4,758,618 | $ 100,787 |
| Farm buildings, stock, and implements | 2,620,332 | 34,431 | Exempt | No Tax |
| Speculators' lands | 7,619,395 | 100,118 | 7,619,395 | 161,378 |
| Improved city lots | 627,790 | 8,249 | 627,790 | 13,296 |
| Improvements on city lots | 1,335,767 | 17,552 | Exempt | No Tax |
| Speculators' city lots | 627,791 | 8,249 | 627,791 | 13,296 |
| Franchise corporations | 2,077,263 | 27,295 | 2,077,263 | 43,996 |
| Other assessments & taxes | 2,263,361 | 29,740 | Exempt | No Tax |
| Total under each system | $ 25,315,880 | $ 332,651 | $ 15,710,857 | $ 332,755 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Lincoln | Linn |
|---|---|---|
| Speculators' lands | $ 12,518 | $ 61,260 |
| Speculators' city lots | 656 | 5,047 |
| Franchise corporations | 995 | 16,701 |
| Total increase on franchise corporations and lot and land speculators | $ 14,169 | $ 83,008 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 3,370 | $ 6,227 |
| Farmers save in taxes on improvements and personal property | 5,373 | 34,431 |
| Total saved by farmers | $ 8,743 | $ 40,658 |
| Owners of improvements on city lots save | 1,729 | 12,505 |
| Other savings by business and labor | 3,654 | 29,740 |
| Total savings to farmers, business and labor by Land Value tax system | $ 14,126 | $ 82,903 |





## MALHEUR

MALHEUR COUNTY Tax Levy in 1909 was $111,-151. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909. Total is within $27 of tax actually levied. Rate, 16 and 81/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $59 of tax actually levied. Rate, 63 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 3,263,732 | $ 54 763 | $ 376,554 | $ 23,723 |
| Farm buildings, stock, and implements | 1,352,452 | 22,734 | Exempt | No Tax |
| Speculators' lands | 401,129 | 6,742 | 401,129 | 25,271 |
| Improved city lots | 153,173 | 2,574 | 153,173 | 9,650 |
| Improvements on city lots | 203,297 | 3,417 | Exempt | No Tax |
| Speculators' city lots | 153,174 | 2,574 | 153,174 | 9,650 |
| Franchise corporations | 681,546 | 11,446 | 681,546 | 42,937 |
| Other assessments & taxes | 405,307 | 6,813 | Exempt | No Tax |
| Total under each system | $ 6,613,810 | $ 111,178 | $ 1,765,576 | $ 111,231 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Malheur |
|---|---|
| Speculators' lands | $ 18,529 |
| Speculators' city lots | 7,076 |
| Franchise corporations | 31,491 |
| Total increase on franchise corporations and lot and land speculators | $ 57,096 |
| **Who Get Benefits of Land Value Tax System** | |
| Farmers save on land taxes | $ 31,040 |
| Farmers save in taxes on improvements and personal property | 22,734 |
| Total saved by farmers | $ 53,874 |
| Other savings by business and labor | 6,813 |
| Total savings to farmers, business and labor by Land Value tax system | $ 60,687 |
| Less increase on improved city lots | 3,659 |
| Net savings | $ 57,028 |

**Under the General Property tax system the farmers' lands in Malheur County were assessed $3,263,732 in 1909, and were taxed $54,763; average assessment of tillable lands was $27.21; average tax, 45 7-10 cents an acre. Under the Land Value tax the tillable lands would have been assessed at an average of $1.20 an acre, and the tax on one acre would have been 7½ cents. The Land Value tax on the less than ¼ of an acre of the Yeon building in Portland would have been $5,698.30 in 1909, or just 12 cents less than the Land Value tax would have been for 72,050 acres in Malheur County in 1909. Under the Land Value tax system all the improved town and city lots in Malheur County would have paid in taxes in 1909 $1,746.60 less than the Land Value tax on half the block—not quite an acre—that the Yeon building stands on.**

Mohawk Building, southeast corner Third and Morrison; 3 lots, 7,500 square feet; ground assessed in 1909 at $325,000, or $43.33 a square foot, equal to $1,887,598 an acre; building assessed $128,000. General Property tax on ground, $5,850; on building, $2,304; total 1909 taxes, $8,154. Land Value tax for 1909 would have been $9,259.74, so the increase on this property under the Land Value tax would have been $1,105.74, because the land is largely speculative, as the value of the building is only 39 per cent of the value of the ground. Would that hurt these merchants and their customers? Their store has 200 employes, equal to 2,523 on one acre. 1910 assessment on ground, $355,000, equal to $2,061,835 an acre, or an increase of $174,227 an acre in one year.

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Northern Pacific ticket office and other buildings, northeast corner Third and Morrison, 15,000 square feet; ground assessed $330,000, or $22 a square foot, equal to $958,320 an acre—which is $21.33 a square foot or $929,278 an acre less than the ground of the Mohawk Building just across Morrison street. The old buildings were assessed in 1909 at $15,000. 1909 tax on buildings was $270; on ground, $5,940, but it would have been $11,699.10 if this ground had been assessed at the same rate as the Mohawk Building site. Land Value tax for 1909 would have been $9,402, so the increase would have been $3,192.20 under the Land Value tax. The 1910 assessment is $370,000, equal to $1,074,440 an acre, which is an increase of $145,162 an acre in one year. Did the owner of that land add that great value to it?

—65

## MARION

**MARION COUNTY Tax Levy in 1909 was $448,-924. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $84 of tax actually levied. Rate, 13 and 84/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $180 of tax actually levied. Rate, 33 and 66/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 13,836,577 | $ 191,498 | $ 5,318,794 | $ 179,130 |
| Farm buildings, stock, and implements | 3,232,065 | 44,731 | Exempt | No Tax |
| Speculators' lands | 2,191,294 | 30,327 | 2,191,294 | 73,758 |
| Improved city lots | 1,682,412 | 23,284 | 1,682,412 | 56,629 |
| Improvements on city lots | 3,418,685 | 47,314 | Exempt | No Tax |
| Speculators' city lots | 1,682,412 | 23,284 | 1,682,412 | 56,629 |
| Franchise corporations | 2,464 573 | 34,109 | 2,464,573 | 82,957 |
| Other assessments & taxes | 3,935,782 | 54,471 | Exempt | No Tax |
| Total under each system | $ 32,443,800 | $ 449,008 | $ 13,339,485 | $ 449,104 |

## MORROW

**MORROW COUNTY Tax Levy in 1909 was $103,339. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $41 of tax actually levied. Rate, 11 and 36/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $140 of tax actually levied. Rate, 20 and 8/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 3,404,084 | $ 38,670 | $ 1,732,600 | $ 36,454 |
| Farm buildings, stock and implements | 1,207,826 | 13,720 | Exempt | No Tax |
| Speculators' lands | 1,300,775 | 14,776 | 1,300,775 | 27,056 |
| Improved city lots | 83,200 | 945 | 83,200 | 1,731 |
| Improvements on city lots | 368,740 | 4,188 | Exempt | No Tax |
| Speculators' city lots | 83,201 | 945 | 83,201 | 1,731 |
| Franchise corporations | 1,755,156 | 19,938 | 1,755,156 | 36,507 |
| Other assessments & taxes | 897,958 | 10,200 | Exempt | No Tax |
| Total under each system | $ 9,100,940 | $ 103,380 | $ 4,974,932 | $ 103,479 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Marion | Morrow |
|---|---|---|
| Speculators' lands | $ 43,431 | $ 12,280 |
| Speculators' city lots | 33,345 | 786 |
| Franchise corporations | 48,848 | 16,569 |
| Total increase on franchise corporations and lot and land speculators | $125,624 | $ 29,635 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 12,368 | $ 2,216 |
| Farmers save in taxes on improvements and personal property | 44,731 | 13,720 |
| Total saved by farmers | $ 57,099 | $ 15,936 |
| Owners of improvements on city lots save | 13,969 | 3,402 |
| Other savings by business and labor | 54,471 | 10,200 |
| Total savings to farmers, business and labor by Land Value tax system | $125,539 | $ 29,538 |





## MULTNOMAH

**MULTNOMAH COUNTY tax levy in 1909 was $4,-394,537.22. To figure your own taxes see rule on page 93.**

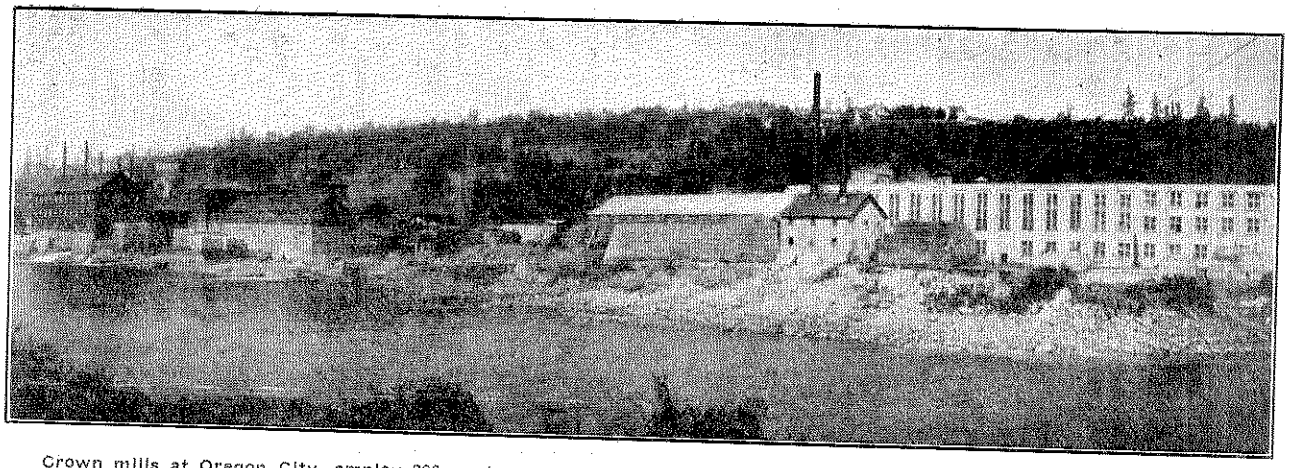
| | How the General Property Tax System worked in 1909. Total is within .05 cents of tax actually levied. Rate, 17 and 7724/10,000 mills. | | Results if Land Value Tax System had been in use in 1909; within .08 cents of tax actually levied. Rate, 28 and 49153/100,000 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 6,957,626 | $ 123,653 | $ 6,057,424 | $ 172,585 |
| Farm buildings, stock, and implements | 3,934,197 | 69,920 | Exempt | No Tax |
| Speculators' lands | 12,535,668 | 222,788 | 12,535,668 | 357,160 |
| Improved city lots | 62,059,134 | 1,102,939 | 62,059,134 | 1,768,159 |
| Improvements on city lots | 43,289,428 | 769,357 | Exempt | No Tax |
| Speculators' city lots | 62,059,134 | 1,102,939 | 62,050,134 | 1,768,159 |
| Franchise corporations | 11,528,799 | 204,894 | 11,528,799 | 328,473 |
| Other assessments & taxes | 44,903,534 | 798,043 | Exempt | No Tax |
| Total under each system | $247,267,520 | $ 4,394,537 | $154,240,159 | $ 4,394,537 |

## POLK

**POLK COUNTY Tax Levy in 1909 was $197,438.09. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $112 of tax actually levied. Rate, 14 and 88/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $104 of tax actually levied. Rate, 20 and 3/10 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 6,415,472 | $ 95,462 | $ 4,493,178 | $ 103,343 |
| Farm buildings, stock, and implements | 1,216,206 | 18,097 | Exempt | No Tax |
| Speculators' lands | 2,642,040 | 39,313 | 2,642,040 | 60,767 |
| Improved city lots | 206,664 | 3,075 | 206,664 | 4,753 |
| Improvements on city lots | 641,274 | 9,542 | Exempt | No Tax |
| Speculators' city lots | 206,664 | 3,075 | 206,664 | 4,753 |
| Franchise corporations | 1,040,270 | 15,479 | 1,040,270 | 23,926 |
| Other assessments & taxes | 907,670 | 13,506 | Exempt | No Tax |
| Total under each system | $ 13,270,260 | $ 197,550 | $ 8,588,816 | $ 197,542 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Multnomah | Polk |
|---|---|---|
| Speculators' lands | $134,372 | $ 21,454 |
| Speculators' city lots | 665,220 | 1,678 |
| Franchise corporations | 123,579 | 8,447 |
| Total increase on franchise corporations and lot and land speculators | $923,171 | $ 31,579 |
| **Who Get Benefits of Land Value Tax System** | | |
| Net total saved by farmers | $ 20,688 | $ 10,216 |
| Owners of improvements on city lots save | 104,137 | 7,864 |
| Other savings by business and labor | 798,043 | 13,506 |
| Total savings to farmers, business and labor by Land Value tax system | $922,868 | $ 31,586 |



Crown mills at Oregon City, employ 300 workers, pay roll about $125,000 a year; buildings, product and machinery taxed $797.50 for 1909. Across the river are the Hawley pulp mills, employing about 600 workers and paying about $250,000 a year in wages; 1909 taxes, $12,119.86; total tax on two mills, $12,917.36. These mills buy power from the Portland Railway, Light & Power Co., which gets about $350,000 a year for power and is taxed $900 on its dam above the falls, $2,275 on Abernethy Island, just below the falls, and $462.50 on its 220 acres of unused land; total taxes on these three items, $3,637.50. So the two mills pay $9,279 more in taxes on their business (buildings, machinery and product) than the P. R., L. & P. Co. pays on its waterpower monopoly and 220 acres of unused land. Is that fair to business and labor? Would it not benefit business and labor in Oregon City, and the farmers of Clackamas County, to tax the waterpower and land monopoly of the P. R., L. & P. Co. and untax the mills and all other products of labor?

Portland Railway, Light & Power Co. dam in Willamette River around head of falls at Oregon City. No water coming over the falls. On the left is the mass of rock called "Abernethy Island," also owned by P. R., L. & P. Co. 1909 assessment on dam $50,000, tax $900; assessment on Abernethy Island $100,000, tax $2,275; total tax on waterpower monopoly $3,175. Land Value tax, even at the present low assessment, would have been $5,091, or an increase of $1,916. As the company gets about $350,000 a year from its waterpower monopoly, the value of the monopoly is at least $5,000,000, and the Land Value tax on that valuation would be $16,970, or $13,797 more than the tax in 1909. That increase would not come out of business and labor, but out of the monopoly. Would that hurt business or labor?

## SHERMAN

**SHERMAN COUNTY Tax Levy in 1909 was $55,-498.40. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $43 of tax actually levied. Rate, 7 and 9/10 mills. | | Results if Land Value Tax System had been in use in 1909; within $12 of tax actually levied. Rate, 23 and 81/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 4,002,313 | 31,776 | $ 660,221 | $ 15,719 |
| Farm buildings, stock, and implements | 689,383 | 5,446 | Exempt | No Tax |
| Speculators' lands | 342,844 | 2,708 | 342,844 | 8,163 |
| Improved city lots | 24,320 | 192 | 24,320 | 579 |
| Improvements on city lots | 187,127 | 1,478 | Exempt | No Tax |
| Speculators' city lots | 24,321 | 192 | 24,321 | 579 |
| Franchise corporations | 1,279,705 | 10,110 | 1,279,705 | 30,469 |
| Other assessments & taxes | 460,637 | 3,639 | Exempt | No Tax |
| Total under each system | $ 7,030,650 | $ 55,541 | $ 2,331,411 | $ 55,510 |

## TILLAMOOK

**TILLAMOOK COUNTY Tax Levy in 1909 was $230,062.67. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $81 of tax actually levied. Rate, 20 and 94/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $10 of tax actually levied. Rate, 24 and 54/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 1,256,498 | $ 26,312 | $ 458,776 | $ 11,258 |
| Farm buildings, stock, and implements | 424,280 | 8,884 | Exempt | No Tax |
| Speculators' lands | 8,493,726 | 177,859 | 8,493,726 | 208,436 |
| Improved city lots | 191,123 | 4,002 | $ 191,123 | $ 4,812 |
| Improvements on city lots | 110,554 | 2,315 | Exempt | No Tax |
| Speculators' city lots | 191,124 | 4,002 | 191,124 | 4,812 |
| Franchise corporations | 30,697 | 642 | 30,697 | 753 |
| Other assessments & taxes | 292,598 | 6,127 | Exempt | No Tax |
| Total under each system | $ 10,990,600 | $ 230,143 | $ 9,375,446 | $ 230,072 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are paid by— | Sherman | Tillamook |
|---|---|---|
| Speculators' lands | $ 5,445 | $330,577 |
| Speculators' city lots | 387 | 810 |
| Franchise corporations | 20,359 | 111 |
| Total increase on franchise corporations and lot and land speculators | $ 26,191 | $ 31,498 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $ 16,057 | $ 15,054 |
| Farmers save in taxes on improvements and personal property | 5,446 | 8,884 |
| Total saved by farmers | $ 21,503 | $ 23,938 |
| Owners of improvements on city lots save | 1,091 | 1,505 |
| Other savings by business and labor | 3,639 | 6,127 |
| Total savings to farmers, business and labor by Land Value tax system | $ 26,233 | $ 31.570 |





## UMATILLA

**UMATILLA COUNTY Tax Levy in 1909 was $441,-633.58. To figure your own taxes, see rule on page 93.**

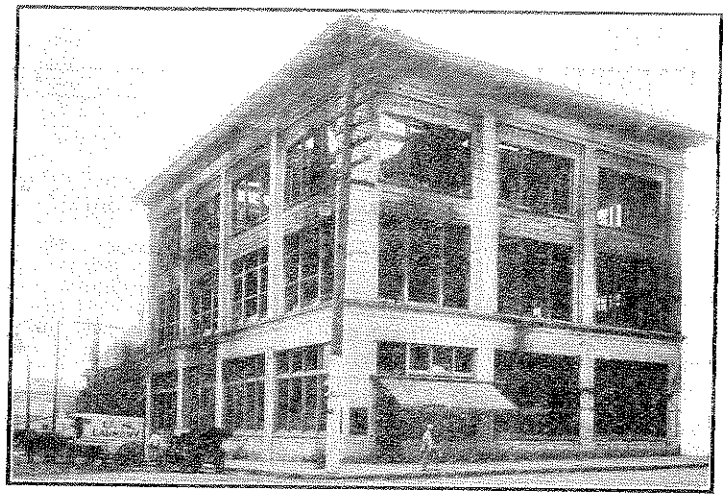
| | How the General Property Tax System worked in 1909. Total is within $244 of tax actually levied. Rate, 13 and 1/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $159 of tax actually levied. Rate, 35 and 1/2 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 14,982,615 | $ 194,922 | $ 1,655,804 | $ 58,781 |
| Farm buildings, stock, and implements | 3,084,804 | 40,123 | Exempt | No Tax |
| Speculators' lands | 1,954,997 | 25,434 | 1,954,997 | 69,402 |
| Improved city lots | 602,424 | 7,837 | 602,424 | 21,386 |
| Improvements on city lots | 1,682,505 | 21,889 | Exempt | No Tax |
| Speculators' city lots | 602,424 | 7,837 | 602,424 | 21,386 |
| Franchise corporations | 7,629,216 | 99,256 | 7,629,216 | 270,837 |
| Other assessments & taxes | 3,426,270 | 44,575 | Exempt | No Tax |
| Total under each system | $ 33,965,255 | $ 441,877 | $ 12,444,866 | $ 441,792 |

## UNION

**UNION COUNTY Tax Levy in 1909 was $296,199.18. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $178 of tax actually levied. Rate, 18 and 2/10 mills. | | Results if Land Value Tax System had been in use in 1909; within $39 of tax actually levied. Rate, 49 and 4/10 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 5,729,082 | $ 104,269 | $ 1,023,302 | $ 50,551 |
| Farm buildings, stock, and implements | 1,999,873 | 36,398 | Exempt | No Tax |
| Speculators' lands | 1,102,563 | 20,067 | 1,102,563 | 54,467 |
| Improved city lots | 503,124 | 9,157 | 503,124 | 24,854 |
| Improvements on city lots | 1,409,002 | 25,644 | Exempt | No Tax |
| Speculators' city lots | 503,125 | 9,157 | 503,125 | 24,854 |
| Franchise corporations | 2,864,612 | 52,136 | 2,864,612 | 141,512 |
| Other assessments & taxes | 2,173,039 | 39,549 | Exempt | No Tax |
| Total under eachs ystem | $ 16,284,420 | $ 296,377 | $ 5,996,726 | $ 296,238 |

| Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by— | Umatilla | Union |
|---|---|---|
| Speculators' lands | $ 43,968 | $ 34,400 |
| Speculators' city lots | 13,549 | 15,697 |
| Franchise corporations | 171,581 | 89,376 |
| Total increase on franchise corporations and lot and land speculators | $229,098 | $139,473 |
| **Who Get Benefits of Land Value Tax System** | | |
| Farmers save on land taxes | $136,141 | $ 53,718 |
| Farmers save in taxes on improvements and personal property | 40,123 | 36,398 |
| Total saved by farmers | $176,264 | $ 90,116 |
| Owners of improvements on lots save | 8,340 | 9,947 |
| Other savings by business and labor | 44,575 | 39,549 |
| Total savings to farmers, business and labor by Land Value tax system | $229,179 | $139,612 |

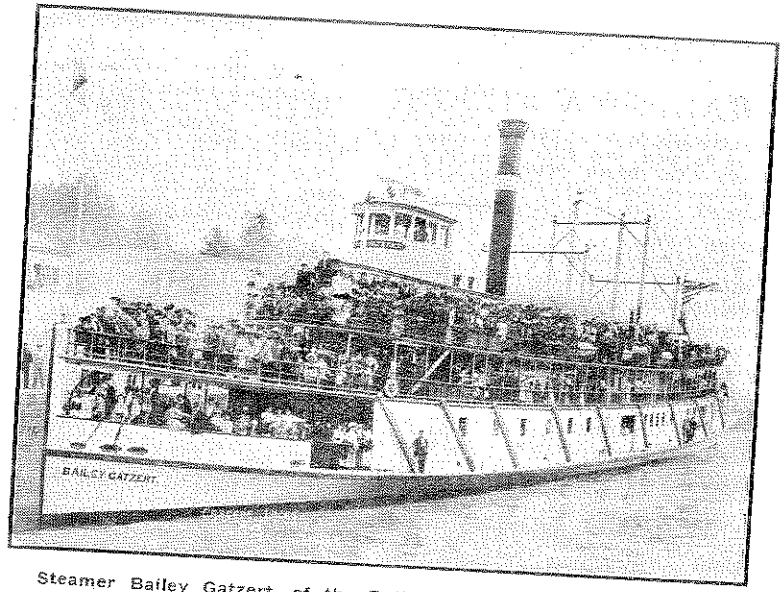


U. S. Laundry building, corner Grand avenue and E. Taylor street; new building burned August 10, 1910; 10,000 square feet; ground assessed in 1909 at $14,500, equal to $63,162 an acre; building, $19,200; machinery, etc., $15,000. 1909 taxes on ground, $261; building, $345.60; personal property, $270; total taxes, $876.60. Tax under Land Value system would have been $413.13, so the owner would have saved $463.47 by the Land Value tax. The 1910 assessment on ground is $16,000, an increase of $1,500 over 1909, equal to an increase of $10,890 an acre. Laundry building occupies one-fourth of block; the other 30,000 square feet are occupied by old shacks. Laundry ground, put to good use, is assessed at rate of $63,162 an acre, while remainder of block is assessed at the rate of only $40,436 an acre. Do you think that land occupied by a good building is worth at the rate of $22,726 an acre more than the other land in the same block occupied by old shacks? Does not that hurt business and labor? Laundry is now being rebuilt; rebuilding and new machinery will cost about $70,000; then the building and machinery will be taxed again, to the injury of the owner, the 200 employes and the customers.

The 1909 taxes of $615.60—not counting the "vehicle" and "occupation" taxes—on the building and personal property of the U. S. Laundry were taxes on "business" and taxes on labor. Is a tax on business and labor a good thing for business and labor? Does it help merchants, farmers or bankers? It helps no one except the lot and land speculator. If ten farmers each pay $61.56 on taxes on their houses, barns, wagons, stock and other personal property, and on the improved value they have added to their land by their own labor, then all of them pay as much on their "business" as the 1909 taxes on the business of the U. S. Laundry.

The 200 employes on these 10,000 square feet of land are equal to 871 employes to one acre. How many acres of farm land give employment to 871 workers? How many acres of farm land must be cultivated to feed and clothe the 200 workers in the U. S. Laundry? These 200 workers spend about $70,000 a year for living expenses. Do not taxes on business cut down their buying power, hurt the merchants of Portland, and make living harder for these employes and for the merchants and their employes? Would taking the taxes off business and labor keep people away from Oregon, or would it bring more people to the state? If the thousands of lots held out of use by speculators had houses on them, would there be less business or more business for Portland merchants, less work or more work for Portland workers?






Steamer Bailey Gatzert, of the Dalles, Portland & Astoria Navigation Co. Employs 35 men; will carry 350 tons of merchandise and farm products; 642 passengers. Monthly consumption of fuel, a labor product, $2,700 worth of oil; monthly consumption of food, a labor product, for employes and passengers, $850. Pay roll a year, about $18,000; annual cost of repairs and upkeep (by labor), about $6,500. Taxes on boats mean higher cost for carrying freight—and farmers and city men want low freight rates. Taxes on any labor product mean lower wages for labor, which means less money for laborers to spend with merchants. The 1909 tax on the Bailey Gatzert was equal to the tax on 5,117 acres of speculators' non-tillable land assessed at the 1909 average rate of $7.27 an acre. But 5,000 acres of speculators' lands don't buy a pound of sugar nor pay one dollar in wages in a year. Would it hurt business, farmers and labor to abolish the taxes on boats?

## PERSONAL PROPERTY TAXES.

"Year after year the assessors go through the solemn farce of asking men to list their personal property, though they know only a few will do it. We could understand this if Illinois were China, or looked on its laws, like those of the Medes and Persians, as unalterable. It is a puzzle. Here is a law which all sensible people and all who have anything to do with its administration agree is impractical, and yet it cannot be lifted out of the statute books. What is the matter with Illinois?"—Chicago Tribune, August 16, 1910.

The matter with Illinois is that the people of that state have no initiative and referendum power, and the tax laws are controlled by the taxing class, which controls legislation. The people of Oregon have the power to abolish personal property taxes, but the people of Illinois have not that power.

## WALLOWA

**WALLOWA COUNTY Tax Levy in 1909 was $155,070.25. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $65 of tax actually levied. Rate, 19 and 52/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $70 of tax actually levied. Rate, 47 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 2,094,071 | $ 40,875 | $ 613,754 | $ 28,846 |
| Farm buildings, stock, and implements | 1,655,539 | 32,316 | Exempt | No Tax |
| Speculators' lands | 1,554,689 | 30,343 | 1,554,689 | 73,070 |
| Improved city lots | 119,495 | 2,333 | 119,495 | 5,616 |
| Improvements on city lots | 289,168 | 5,645 | Exempt | No Tax |
| Speculators' city lots | 119,495 | 2,333 | 119,495 | 5,616 |
| Franchise corporations | 936,002 | 18,271 | 936,002 | 43,992 |
| Other assessments & taxes | 1,179,231 | 23,019 | Exempt | No Tax |
| Total under each system | $ 7,947,690 | $ 155,135 | $ 3,343,435 | $ 157,140 |

## WASCO

**WASCO COUNTY Tax Levy in 1909 was $193,871.09. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $98 of tax actually levied Rate, 17 and 15/100 mills. | | Results if Land Value Tax System had been in use in 1909; within 25 cents of tax actually levied Rate, 39 and 63/100 mills | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 3,234,651 | $ 55,474 | $ 1,067,604 | $ 42,309 |
| Farm buildings, stock, and implements | 1,498,617 | 25,707 | Exempt | No Tax |
| Speculators' lands | 1,129,516 | 19,371 | 1,129,516 | 44,762 |
| Improved city lots | 544,176 | 9,332 | 544,176 | 21,565 |
| Improvements on city lots | 1,156,259 | 19,829 | Exempt | No Tax |
| Speculators' city lots | 544,177 | 9,332 | 544,177 | 21,565 |
| Franchise corporations | 1,606,562 | 27,552 | 1,606,562 | 63,668 |
| Other assessments & taxes | 1,596,222 | 27,375 | Exempt | No Tax |
| Total under each system | $ 11,310,180 | $ 193,969 | $ 4,892,035 | $ 193,871 |

**Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by—**

| | Wallowa | Wasco |
|---|---|---|
| Speculators' lands | $ 42,727 | $ 25,391 |
| Speculators' city lots | 3,283 | 12,233 |
| Franchise corporations | 25,721 | 36,116 |
| Total increase on franchise corporations and lot and land speculators | $ 71,731 | $ 73,740 |

**Who Get Benefits of Land Value Tax System**

| | | |
|---|---|---|
| Farmers save on land taxes | $ 12,029 | $ 13,165 |
| Farmers save in taxes on improvements and personal property | 32.316 | 25,701 |
| Total saved by farmers | $ 44,345 | $ 38,866 |
| Owners of improvements on city lots save | 2,362 | 7,596 |
| Other savings by business and labor | 23,019 | 27,375 |
| Total savings to farmers, business and labor by Land Value tax system | $69,726 | $ 73.837 |





## WASHINGTON

**WASHINGTON COUNTY Tax Levy in 1909 was $281,558. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909. Total is within $147 of tax actually levied. Rate, 16 and 43/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $22 of tax actually levied Rate, 32 and ½ mills | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 7,654,017 | $ 125,755 | $ 3,159,638 | $ 102,688 |
| Farm buildings, stock, and implements | 2,282,243 | 37,497 | Exempt | No Tax |
| Speculators' lands | 3,992,806 | 65,601 | 3,992,806 | 129,766 |
| Improved city lots | 345,529 | 5,677 | 345,529 | 11,230 |
| Improvements on city lots | 611,587 | 10,048 | Exempt | No Tax |
| Speculators' city lots | 345,529 | 5,677 | 345,529 | 11,230 |
| Franchise corporations | 820,489 | 13,480 | 820,489 | 26,666 |
| Other assessments & taxes | 1,093,690 | 17,969 | Exempt | No Tax |
| Total under each system | $ 17,145,890 | $ 281,705 | $ 8,663,991 | $ 281,580 |

## WHEELER

**WHEELER COUNTY Tax Levy in 1909 was $57,258. To figure your own taxes, see rule on page 93.**

| | How the General Property Tax System worked in 1909 Total is within $71 of tax actually levied. Rate 17 and 3/10 mills. | | Results if Land Value Tax System had been in use in 1909; within $172 of tax actually levied. Rate, 26 and 1/2 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 310,324 | $ 5,369 | $ 192,794 | $ 5,109 |
| Farm buildings, stock, and implements | 711,907 | 12,316 | Exempt | No Tax |
| Speculators' lands | 1,930,861 | 33,404 | 1,930,861 | 51,168 |
| Improved city lots | 20,777 | 359 | 20,777 | 551 |
| Improvements on city lots | 80,361 | 1,390 | Exempt | No Tax |
| Speculators' city lots | 20,778 | 359 | 20,778 | 551 |
| Franchise corporations | 1,914 | 33 | 1,914 | 51 |
| Other assessments & taxes | 236,928 | 4,099 | Exempt | No Tax |
| Total under each system | $ 3,313,850 | $ 57,329 | $ 2,167,124 | $ 57,430 |

**Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by—**

| | Washington | Wheeler |
|---|---|---|
| Speculators' lands | $ 64,165 | $ 17,764 |
| Speculators' city lots | 5,553 | 192 |
| Franchise corporations | 13,186 | 18 |
| Total increase on franchise corporations and lot and land speculators | $ 82,904 | $ 17.974 |

**Who Get Benefits of Land Value Tax System**

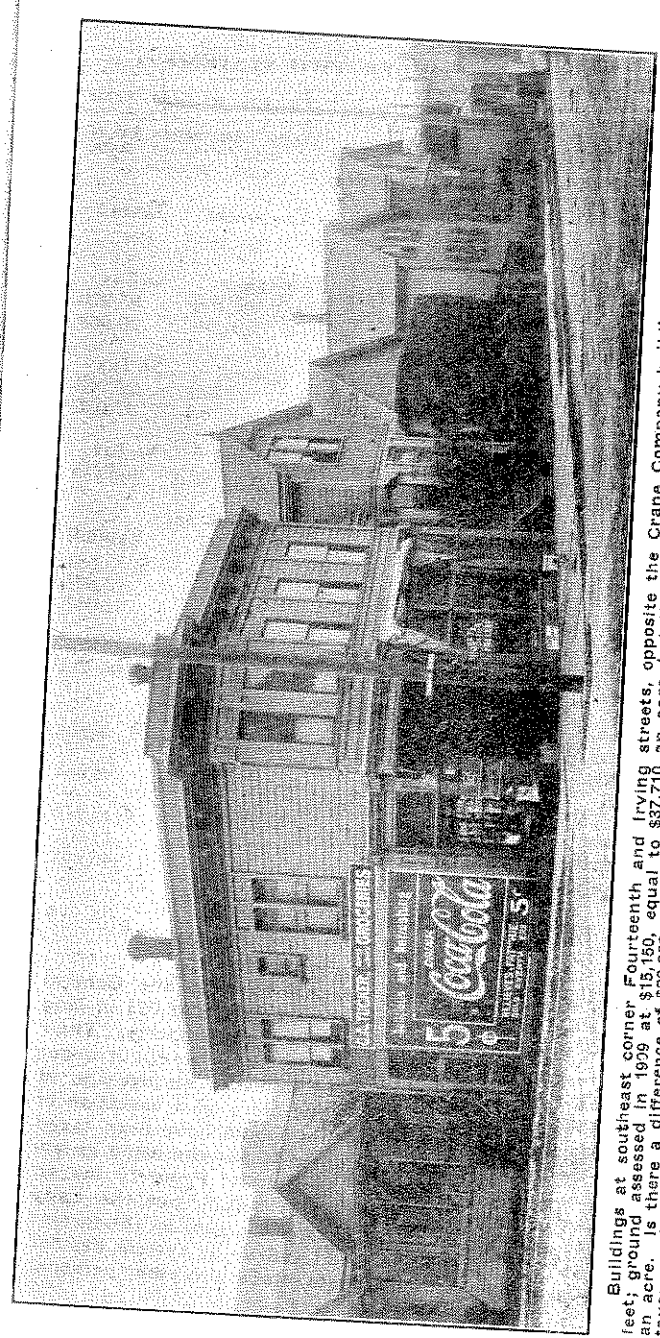
| | | |
|---|---|---|
| Farmers save on land taxes | $ 23,067 | $ 260 |
| Farmers save in taxes on improvements and personal property | 37,497 | 12,316 |
| Total saved by farmers | $ 60,564 | $ 12,576 |
| Owners of improvements on city lots save | 4,495 | 1,198 |
| Other savings by business and labor | 17.969 | 4,099 |
| Total savings to farmers, business and labor by Land Value tax system | $ 83,028 | $ 17,873 |

Crane Co. building, plumbers' supplies, valves and fittings, Fourteenth and Irving; occupies half a block, 20,000 square feet; ground assessed $27,800, or $1.39 a square foot, equal to $60,548 an acre; building assessed $15,000; stock assessed $160,000. Taxes in 1909 were: on ground, $500.40; building, $270; contents, $2,880; total taxes, $3,650.40. Under Land Value tax the building and contents would be exempt, the ground would have been taxed $781.96 and the Crane Co. would have saved $2,868 in taxes. Would that hurt business? Would it hurt labor, or the buyers of goods sold by the Crane Co. and other merchants?

Compare this building, which is an ornament to Portland, with the old, dilapidated buildings just across the street at the corner of Fourteenth and Irving, an eye-sore and a detriment to the city. A committee of Portland business men would take just pride in showing the Crane Company building to visiting business men; would speak of the great business done by the Crane Company, and would gladly have the visitors inspect the building; but the committee would not take the visitors through the old rookeries across the street. The Crane Company is making the best use of the land it occupies, and its business contributes to the comfort of home owners and business men of Portland. It employs 80 persons, who contribute to the prosperity of the city by exchanging their labor for groceries, clothing and other things sold by the merchants; yet the Crane Company is assessed at the rate of $381,150 an acre for doing business, while the old shacks across the streets are assessed at the rate of $49,273 an acre. The general property taxes on the Crane Company are equal to a tax of $7,950.57 an acre, while the tax on the old shacks is equal to only $884.26 an acre. Thus a heavy fine is imposed upon the Crane Company for doing business. Every cent of tax imposed upon the building and business of the Crane Company must be shifted to the buyers of goods sold by the company; otherwise the company would soon be bankrupt, for every merchant must add his taxes to the price of his goods.

Does Portland need more buildings like this one, or more like the old shacks shown in the next picture?





Buildings at southeast corner Fourteenth and Irving streets, opposite the Crane Company building; 3½ lots, 17,500 square feet; ground assessed in 1909 at $15,150, equal to $37,710 an acre, but the Crane Co.'s land was assessed at the rate of $60,548 an acre. Is there a difference of $22,838 an acre in the value of the two pieces of land, separated only by a street? The 1909 taxes on this land were $272.70, on the buildings, $83.70. Under the Land Value tax this ground, even at the low assessment, would have been taxed $431.64, or an increase of $75.24 over the total General Property tax, while the Crane Co. would have saved $2,868 by the Land Value tax. The 1910 assessment on this land is $19,700, or at the rate of $49,035.50 an acre, while the 1910 assessment of the Crane Co.'s land is $37,700, equal to $82,110 an acre. The two pieces of land are separated only by the width of Irving street, but if the assessment figures are correct the land put to good use has increased in value at the rate of $21,562 an acre in one year, while the land held out of use for speculation has increased only $11,325 in a year.

# YAMHILL

YAMHILL COUNTY Tax Levy in 1909 was $299,114.40. To figure your own taxes, see rule on page 93.

| | How the General Property Tax System worked in 1909 Total is within $42 of tax actually levied. Rate, 18 and 35/100 mills. | | Results if Land Value Tax System had been in use in 1909; within $45 of tax actually levied. Rate, 53 and 86/100 mills. | |
|---|---|---|---|---|
| | Assessment | Taxes | Assessment | Taxes |
| Farmers' lands | $ 6,978,408 | $ 128,053 | $ 2,306,484 | $ 124,227 |
| Farm buildings, stock, and implements | 2,129,933 | 39,084 | Exempt | No Tax |
| Speculators' lands | 1,596,183 | 29,289 | 1,596,183 | 85,970 |
| Improved city lots | 389,219 | 7,142 | 389,219 | 20,963 |
| Improvements on city lots | 1,404,689 | 25,756 | Exempt | No Tax |
| Speculators' city lots | 389,220 | 7,142 | 389,220 | 20,963 |
| Franchise corporations | 873,285 | 16,024 | 873,285 | 47,035 |
| Other assessments & taxes | 2,544,339 | 46,668 | Exempt | No Tax |
| Total under each system | $ 16,305,276 | $ 299,156 | $ 5,554,391 | $ 299,159 |

**Taxes Saved by Farmers, Business and Labor Under Land Value Tax System are Paid by—**

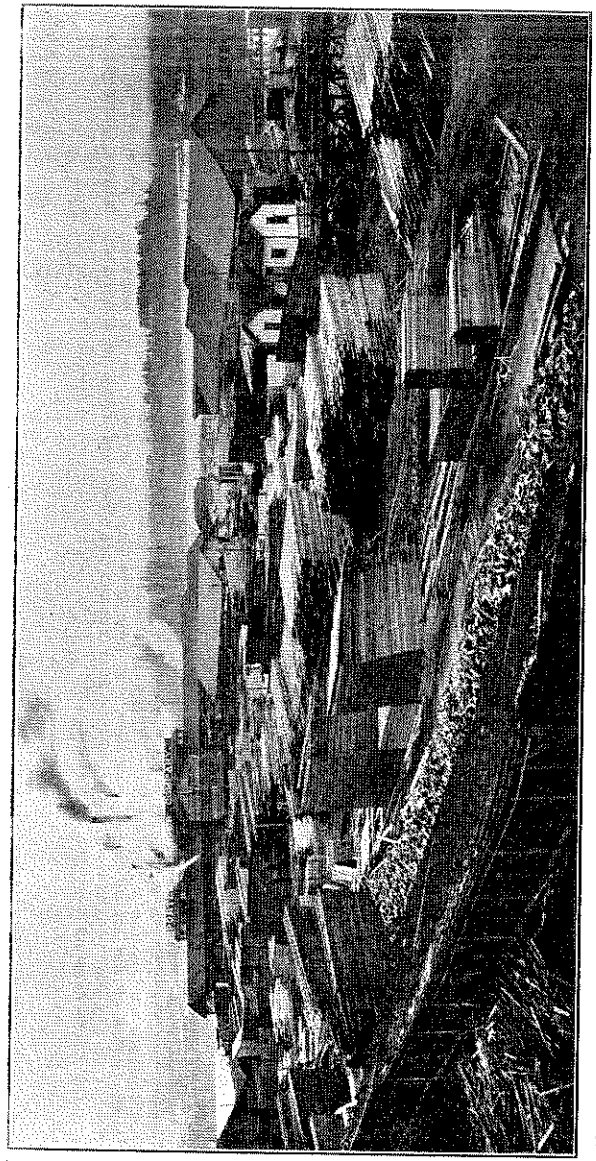
| | Yamhill |
|---|---|
| Speculators' lands | $ 55,681 |
| Speculators' city lots | 13,821 |
| Franchise corporations | 31,011 |
| Total increase on franchise corporations and lot and land speculators | $100,513 |

**Who Get Benefits of Land Value Tax System**

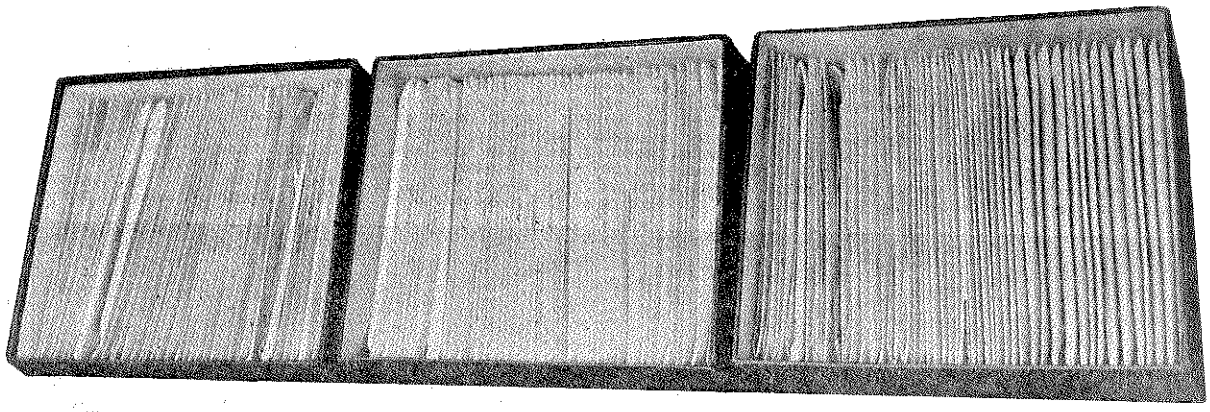
| | |
|---|---|
| Farmers save on land taxes | $ 3,826 |
| Farmers save in taxes on improvements and personal property | 39,084 |
| Total saved by farmers | $ 42,910 |
| Owners of improvements on city lots save | 11,935 |
| Other savings by business and labor | 46,668 |
| Total savings to farmers, business and labor by Land Value tax system | $101,513 |

**Like other business men, farmers are hit hard by the General Property tax. For 1909 Yamhill County farmers paid $128,053 in land taxes and $39,084 in taxes on buildings and personal property. Their improved lands were assessed an average of $48.10 an acre, but under the Land Value tax they would have been assessed an average of $9.57 an acre. Lands were taxed 88¼ cents an acre on a valuation of $48.10, but under the Land Value system they would have been taxed 51½ cents an acre on an average valuation of $9.57—the same as unimproved farm lands. That is, in 1909 the General Property tax on 100 acres of average Yamhill farm land was $88.26, but the Land Value tax would have been $51.54 on the same 100 acres; so the farmer would have saved $36.72 in taxes under the Land Value system, besides saving all his taxes on buildings, implements, stock and other personal property.**





Portland Lumber Company, 10 acres; land assessed 1909 at $70,000, or $7,000 an acre, buildings at $40,000, machinery and lumber at $217,850; 1909 taxes on land $1,260, buildings $727, personal $3,921; total taxes $5,908. Land Value tax, exempting buildings and all personal property, would have been $1,994.40, so the company would have saved $3,913.60 by the Land Value tax. Compare these 10 acres, put to the best use, with the 5 unused acres owned by Mayor Simon. The Portland Lumber Co. employs 350 workers, who are preparing lumber for building material and many other useful articles, and create a constant demand for farm products, groceries and all other goods; but in ten years not a nickel's worth of any product of labor is delivered at Mayor Simon's 5 vacant acres. A day's wage of an unskilled laborer in the Portland Lumber Co. is worth more to the merchants, the banks, the business of Portland than ten years' product of Mayor Simon's unused 5 acres. Yet the ten acres put to the best use will be assessed in 1910 at about $7,500 an acre, while the 5 unused acres, held for speculation, are assessed at only $2,600 an acre. On all the 5 unused Simon acres there is not a dollar's worth of labor product.

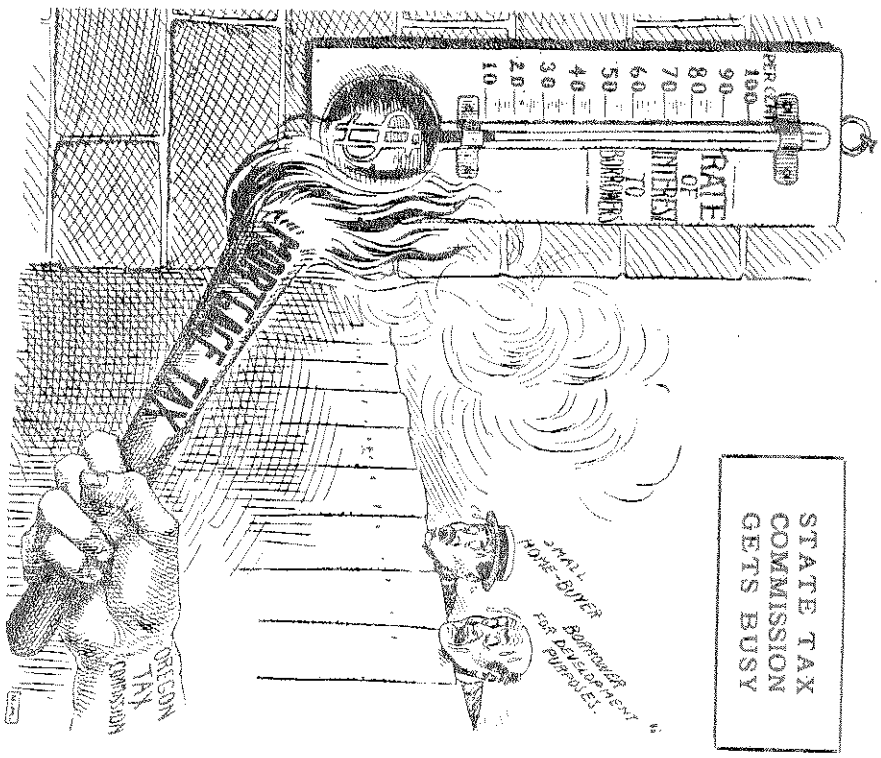


Half a million dollars' of mortgages in these three boxes in the vault of the Portland Trust Company of Oregon. The Equitable Savings & Loan Association advertises that it has loans in force amounting to $2,267,000, "secured by homes worth over $5,500,000." See picture on next page, reproduced from The Oregonian of July 20, 1910. A tax on mortgages means higher interest for the borrower to pay. A tax on mortgages is a burden on the small home-buyer or anyone else who borrows on a mortgage. But is not a tax on homes and business houses as much a burden as a tax on mortgages? If a tax on mortgages hurts business, does not a tax on business hurt business? If taxing the mortgage on a home hurts the home-buyer and home-owner, then taxing the home hurts too. Taxes on homes and business hurt business and labor.

The mortgages shown in these three boxes are not "trust" mortgages, but comparatively small mortgages. The Equitable Savings and Loan Association has mortgages on "homes" that are worth more than five and a half million dollars. If each one of those homes is worth, on an average, $4,000, then one bank has mortgages on 1,375 homes—which means that 1,375 families are working hard and denying themselves in order to pay the debts on their homes. Is not their burden big and heavy enough without making it heavier by adding a new tax? And why put that burden upon them when the people are pouring money into the pockets of land and lot speculators by increasing, every day, the value of the lots and lands? The man who borrows money and builds a home adds to the value of the vacant lot next to his own lot; but the vacant lot does not add a cent to the value of his lot or home, and does not help him pay the interest on his mortgage. He must insure his home for the benefit of the money-lender, but the owner of a vacant lot does not have to insure it. Babies come to mortgaged homes, but the stork does no business on vacant lots.



## STATE TAX COMMISSION GETS BUSY




This cartoon, from the Oregonian of July 20, 1910, shows very plainly what happens when mortgages are taxed—the rate of interest goes up and the man who borrows the money must pay the higher rate. Suppose a farmer's home is burned and he has to mortgage his farm to rebuild. If the mortgage is taxed, the man who has lost his home must pay more interest on the money he borrows. Does that help the farmer? Does it help anyone or any business? Does not the farmer have to work harder and deny comforts to his wife and children in order to pay that tax on the mortgage? Is that fair to a man whose home has been burned? Does it benefit the state?

Suppose a factory is burned and the owner has to mortgage his ground and his own home to rebuild. Does it help him, his business or his employes if he has to pay higher interest for the money? Does it help the state to put that additional burden on him, on his business and on his employes? The only person who can be helped by a tax on mortgages is the land and lot speculator, and the only way such a tax can help him is that his idle lot or land is not fairly taxed so long as industry, business and labor are taxed.

When a man borrows $2,000 on a mortgage to pay for a new home he benefits his community far more than the man—like Mayor Simon, for example—who holds 5 acres idle waiting for the industry of his city to make his acres more valuable. He adds to the business of the city when he establishes a new home. Should the state fine him by making him pay more interest?

## BUILDING RECORD IN VANCOUVER, B. C.

The following figures are from the office of the building inspector, Vancouver, B. C., and for them we are indebted to Mr. John Macmillan of Vancouver. The population of the city is 70,000.

| Year. | Permits. | Value. | Average a Month. |
|---|---|---|---|
| (Land and improvements taxed equally.) | | | |
| 1902 | 417 | $ 833,607 | $ 69,467.25 |
| (Tax on improvements reduced to 50 per cent.) | | | |
| 1903 | 580 | 1,426,148 | 118,845.66 |
| 1904 | 836 | 1,968,891 | 164,074.25 |
| 1905 | 940 | 2,653,000 | 221,083.33 |
| (Tax on improvements reduced to 25 per cent.) | | | |
| 1906 | 1,006 | 4,308,410 | 359,034.16 |
| 1907 | 1,773 | 5,632,744 | 469,395.33 |
| 1908 | 1,697 | 5,950,883 | 495,906.91 |
| 1909 | 2,054 | 7,258,565 | 604,880.41 |
| (Tax on improvements abolished.) | | | |
| 1910 (first 7 months) | 1,370 | 7,525,410 | 1,075,053.57 |

The average monthly value of permits increased $49,348.41, or 71.15 per cent from 1902, when improvements were taxed on their full value, to 1903, when half the value of improvements was exempted. Average monthly value increased $137,950.83, or 62.39 per cent, from 1905, when improvements were taxed on half their value, to 1906, when tax on improvements was reduced to one-fourth of their value. Average monthly value of permits increased $460,173.18, or 76.07 per cent, from 1909, when improvements were taxed on one-fourth their value, to 1910, when all taxes on improvements were abolished.

Mr. Macmillan writes that "building is by no means overdone," and that "houses were never so much in demand in the history of the city"; that "building would be more active" but for the combine in the price of building material, and that on account of the demand for new streets, sewers, pavement, etc., "I am informed by our City Engineer that our Board of Works is spending now at the rate of $1,000 an hour and is still unable to keep up with the demand."

Is not that good for business and labor, and for the City of Vancouver?

## SMALL FARM, LARGE PROFITS.

Lot 5 of Block 47, Portland, contains 5,000 square feet, or less than an eighth of an acre. As farm land it wouldn't rent for $10 a month, but in Portland it rents for $1,000 a month. It is leased for 25 years from November 1, 1910, on these terms.

| | Totals. | Total a Year. | Sq. Ft. a Year. | 1 Acre a Year. |
|---|---|---|---|---|
| First 5 years | $ 60,000 | $12,000 | $2.40 | $104,544 |
| Next 20 years | 360,000 | 18,000 | 3.60 | 156,816 |
| Total 20 years | $420,000 | | | |
| Average a year | | $16,800 | $3.36 | $146,031.60 |

The tenant must put up an office building, at least 9 stories, to cost not less than $100,000—and to become property of the owner when lease expires; must keep new building insured for benefit of lot owner; must pay all taxes on building and lot. Lot is assessed at $162,000; this is $32.40 a square foot, which is $2.62 more for one square foot than the average assessment of tillable farm lands in Oregon in 1909. That is, under the Land Value tax, with tillable farm lands assessed at the present valuation of non-tillable lands, one square foot of that lot would pay more tax than four acres of tillable farm land. But the building on the lot would be exempt. Would that hurt the farmer, the business man or the laborer?



## SUMMARY OF TWO TAX SYSTEMS BASED ON TOTAL TAX LEVY IN 1909

| COUNTIES | Total Tax Actually Levied in 1909. Rate, 17 and 11-26631 / 10,000,000 mills. | Tax Levy in 1909 if Land Value Tax System Had Been in Use. Rate, 29 and 35622/100,000 mills. | Farmers, Business and Labor Would Have Saved Under Land Value Tax System in 1909 | Increased Taxes on Franchise Corporations and Lot and Land Speculators in 1909 if Land Value Tax System Had Been in Use. |
|---|---|---|---|---|
| Baker | $ 301,567.16 | $ 391,571 | $ 124,496 | $ 125,443 |
| Benton | 140,075.90 | 140,134 | 41,424 | 41,465 |
| Clackamas | 427,239.31 | 427,314 | 127,290 | 127,181 |
| Clatsop | 334,084.04 | 334,097 | 57,872 | 55,955 |
| Columbia | 221,214.27 | 221,249 | 41,300 | 41,364 |
| Coos | 446,458.40 | 446,486 | 105,746 | 105,805 |
| Crook | 158,669.95 | 158,715 | 53,735 | 53,692 |
| Curry | 38,537.00 | 38,562 | 6,689 | 6,690 |
| Douglas | 405,317.73 | 405,436 | 105,117 | 105,183 |
| Gilliam | 75,175.71 | 75,178 | 35,247 | 35,259 |
| Grant | 98,534.49 | 98,591 | 44,275 | 43,312 |
| Harney | 77,949.18 | 77,954 | 23,807 | 23,814 |
| Hood River | 138,724.86 | 138,742 | 58,885 | 58,907 |
| Jackson | 399,330.25 | 399,439 | 130,415 | 130,453 |
| Josephine | 163,874.09 | 163,883 | 54,891 | 54,917 |
| Klamath | 195,793.66 | 195,864 | 40,189 | 40,106 |
| Lake | 78,224.54 | 78,231 | 23,762 | 23,788 |
| Lane | 496,003.93 | 496,054 | 127,185 | 127,270 |
| Lincoln | 93,562.47 | 93,604 | 14,169 | 14,126 |
| Linn | 332,646.92 | 332,755 | 83,008 | 82,903 |
| Malheur | 111,151.00 | 111,231 | 57,096 | 57,028 |
| Marion | 448,924.85 | 449,104 | 125,624 | 125,539 |
| Morrow | 103,339.00 | 103,479 | 29,635 | 29,538 |
| Multnomah | 4,394,537.22 | 4,394,537 | 923,171 | 922,868 |
| Polk | 197,438.09 | 197,542 | 31,579 | 31,586 |
| Sherman | 55,498.40 | 55,510 | 26,191 | 26,233 |
| Tillamook | 230,062.67 | 230,072 | 31,498 | 31,570 |
| Umatilla | 441,633.58 | 441,792 | 229,098 | 229,179 |
| Union | 296,199.18 | 296,238 | 139,473 | 139,612 |
| Wallowa | 155,070.25 | 157,140 | 71,731 | 69,726 |
| Wasco | 193,871.09 | 193,871 | 73,740 | 73,837 |
| Washington | 281,558.30 | 281,580 | 82,904 | 83,028 |
| Wheeler | 57,258.00 | 57,430 | 17,974 | 17,873 |
| Yamhill | 299,114.40 | 299,159 | 100,513 | 101,513 |
| Totals | $11,888,639.89 | $11,892,544 | $3,239,729 | $3,236,763 |

## BURDEN ON BUSINESS AND LABOR

The southwest corner of West Park and Jackson, 5,000 square feet:
Sold in December, 1909, for $9,500, $1.90 square foot, equal to $82,760 acre.
Sold in January, 1910, for $11,000, $2.20 square foot, equal to $95,832 acre.
Sold in February, 1910, for $12,500, $2.50 sq. ft., equal to $108,950 acre.
Sold in April, 1910, for $14,500, $2.90 square foot, equal to $126,324 acre.
Increase from December to January was equal to $13,072 an acre.
Increase from January to February was equal to $13,068 an acre.
Increase from February to April was equal to $17,424 an acre.
Total increase in four months was equal to $43,564 an acre.

That is only one example of the burden imposed on business and labor by the General Property tax, which in addition to putting the whole cost of government on business and labor (including farmers), permits land speculators to put a much greater burden on all industry. Portland workers, Portland industry, increased the value of that lot $5,000 in four months, but the speculator got the value added to the lot by Portland industry.

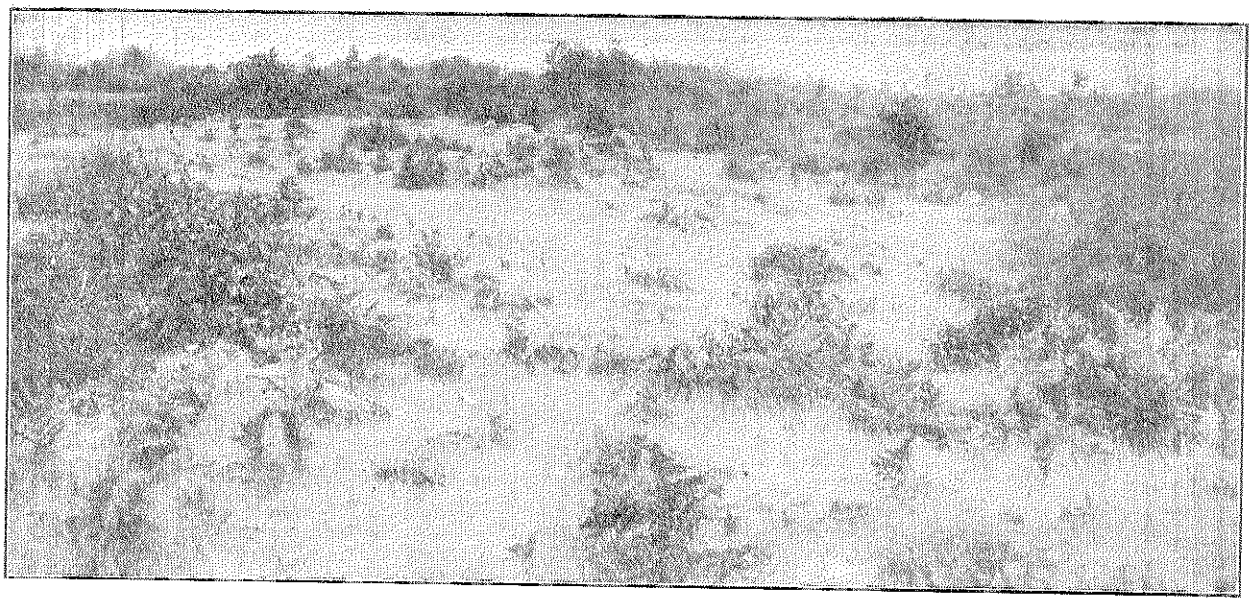
Four vacant lots across Grand avenue from Neustadter Bros.' factory and the U. S. Laundry; lots are 20,000 square feet, assessed in 1908 at $28,250, equal to $61,528 an acre; old shack on one lot is assessed $50; 1909 tax on lots, $504; tax on shack, 90 cents. Land Value tax for 1909 would have been $802.68, or $297.98 more than under the General Property tax. Notice the billboards on the lots. Mayor Simon, Councilman Ellis and many others are much concerned about the "billboard nuisance," and are trying to devise some means of abolishing or regulating it. Billboards grow on lots held out of use by speculators. If lots made valuable by business and workers are taxed so low that homes, business and goods must bear the burden of taxation, it is profitable to hold valuable lots out of use; so billboards grow where houses should be built. Land Value taxation would "regulate" the billboard nuisance, because it would be unprofitable to grow $100 worth of billboards on $5,000 or $25,000 worth of land. 1910 assessment on these lots, $31,200, equal to $67,953 an acre.

—84—

The space within the black lines below represents the 184,878 acres of farmers' lands in Clackamas County. If the Land Value tax system had been in use in 1909 the farmers of Clackamas County would have paid $91,169 in taxes, instead of the $182,577 they paid under the General Property tax system; so they would have saved $91,408 under the Land Value tax system.

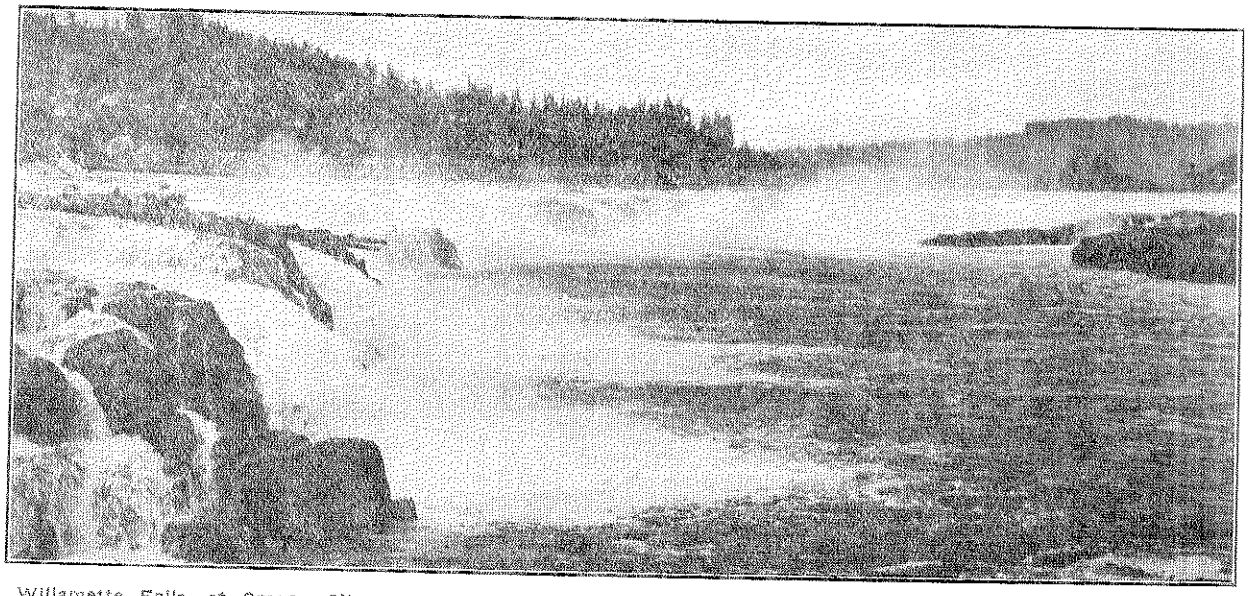


The little black dot in the center of the space above represents Blocks 173, 174 and 177 and one-half of Block 48 in Portland—or 28 city lots in all, making 3 and 1-5 acres. Under the Land Value tax system the 1909 tax on those 28 lots would have been $91,399, or $230 more than all the farmers of Clackamas County would have paid in 1909 under the Land Value tax system.



Part of 219.96 acres, just across the Willamette River from Oregon City, suitable for building lots and held for speculation by the Portland Railway, Light & Power Co.; 1909 assessment $25,000, or $113.65 an acre; 1909 tax $462.50 or $2.10 an acre. Land Value tax would have been $848.50, or $3.90 an acre. These unused acres would make 1,760 building lots for 1,760 homes. Would not 1,760 new homes at Oregon City be better for carpenters, builders and other laborers and merchants than the 220 acres held for speculation? Would it not help all business and laborers at Oregon City to tax land and lot speculators and take taxes off the mills, stores, goods and homes?

—86



Willamette Falls, at Oregon City, water enough for 60,000 horsepower, as nature made the falls. This great water-power is monopolized by the Portland Railway, Light & Power Co., which is now, with the Southern Pacific, O. R. & N. and other corporations, trying to get control of the people's government in Oregon. Control of the government means control of the taxing power, and that is what these monopoly corporations want. People's rule means people's control of the taxing power, and that will mean just tax laws. Unjust tax laws are very profitable to the franchise corporations because they are a heavy burden upon the people, upon all industry and labor. Would it hurt business men, farmers and laborers to change the system of taxation and get rid of the burden?

—87

# TAXING THE FARMER'S BUSINESS

Mrs. M. F. Cross has 250 acres of good farm land in Clackamas county: 50 acres are cultivated and 200 are uncultivated. The cultivated land was assessed $40 an acre in 1909, or $2,000 for the 50 acres. The uncultivated was assessed $10 an acre, or $2,000 in all. On the 50 acres of cultivated land she was assessed $500 on the land itself and $1,500 on the labor she has put into the land to clear and cultivate it. By her labor she has added $30 an acre to the value of the 50 acres, and she is taxed on that labor under the General Property tax system. But under the Land Value tax system her improved land would be assessed at the same rate per acre as the unimproved, so that the total assessment on her 250 acres under the Land Value tax system would be $2,500, or $10 an acre.

The figures below show what her taxes were in Clackamas county in 1909 under the General Property tax system, what they would have been in the other counties under that system, and what they would have been in each county if the Land Value tax system had been in use:

| County. | General Property Tax System. Tax on Land. | Business Tax. | Total. | Land Value Tax System. Tax on Land. | Savings. |
|---|---|---|---|---|---|
| Baker | $46.30 | $68.51 | $114.81 | $100.50 | $14.31 |
| Benton | 34.50 | 51.12 | 85.62 | 63.57 | 22.05 |
| Clackamas | 40.60 | 60.18 | 100.78 | 77.00 | 23.78 |
| Clatsop | 55.35 | 82.02 | 137.37 | 70.45 | 66.92 |
| Columbia | 46.62 | 69.10 | 115.72 | 58.22 | 57.50 |
| Coos | 73.37 | 108.74 | 182.21 | 102.35 | 79.86 |
| Crook | 50.00 | 74.10 | 124.10 | 82.82 | 41.28 |
| Curry | 30.87 | 45.70 | 76.57 | 37.52 | 39.05 |
| Douglas | 40.55 | 60.09 | 100.64 | 57.02 | 43.62 |
| Gilliam | 23.92 | 35.45 | 69.37 | 59.12 | 10.35 |
| Grant | 48.57 | 72.28 | 120.85 | 94.50 | 26.35 |
| Harney | 29.70 | 44.01 | 73.71 | 110.37 | |
| Hood River | 46.62 | 69.09 | 115.71 | 107.52 | 8.19 |
| Jackson | 42.80 | 61.94 | 104.74 | 70.10 | 34.64 |
| Josephine | 47.22 | 69.98 | 117.20 | 76.37 | 40.83 |
| Klamath | 47.47 | 70.35 | 117.82 | 63.97 | 53.85 |
| Lake | 32.07 | 47.43 | 79.50 | 60.05 | 19.45 |
| Lane | 43.97 | 65.17 | 109.14 | 64.80 | 44.34 |
| Lincoln | 41.82 | 61.98 | 103.80 | 50.00 | 53.80 |
| Linn | 32.85 | 48.68 | 81.53 | 52.95 | 28.58 |
| Malheur | 42.02 | 62.28 | 104.30 | 157.50 | |
| Marion | 34.60 | 51.27 | 85.87 | 84.25 | 1.62 |
| Morrow | 28.40 | 42.08 | 70.48 | 50.20 | 20.28 |
| Multnomah | 45.00 | 66.69 | 111.69 | 69.22 | 42.47 |
| Polk | 37.20 | 55.13 | 92.33 | 50.75 | 41.58 |
| Sherman | 17.72 | 26.26 | 43.98 | 59.52 | |
| Tillamook | 52.35 | 77.58 | 129.93 | 41.35 | 88.58 |
| Umatilla | 32.52 | 48.20 | 80.70 | 88.75 | |
| Union | 45.50 | 67.47 | 112.95 | 123.50 | |
| Wallowa | 49.80 | 72.32 | 122.12 | 127.50 | |
| Wasco | 42.87 | 64.44 | 107.31 | 99.02 | 8.29 |
| Washington | 41.07 | 60.87 | 101.94 | 81.25 | 20.69 |
| Wheeler | 43.25 | 64.09 | 107.34 | 66.25 | 41.09 |
| Yamhill | 45.87 | 67.98 | 113.95 | 134.65 | |

Under the General Property tax system she is assessed $2,205 on her buildings, implements, farm animals and other personal property; so her total assessment in 1909 under the General Property tax system was $6,205. That is, she was assessed $2,500 on her land and $3,705 on her "business." Under the Land Value tax system she would pay no tax on her business, so that her assessment in 1909 would have been $2,500 under the Land Value tax system; but under the General Property tax rystem the aesssment on her business was $1,205 more than on her land.



Here, then, are 27 counties in which Mrs. Cross would have paid more money in taxes under the General Property tax system than under the Land Value tax system, and seven counties in which she would have paid more under the Land Value tax system. But out of 250 acres of land, she has only 50 in cultivation. That is, she has 150 acres of speculative land besides 100 acres of farm land in actual use—allowing one acre of pasture and wood lot to every acre actual in cultivation. But suppose she had 125 acres of cultivated land assessed at $40 an acre under the General Property tax system, and 125 uncultivated acres assessed at $10 an acre. She would still be assessed $2,500 on her "land," but under the General Property tax system would be assessed $7,205 on her "business," or $4,000 more on her business than she is now, and $7,205 more than she would be under the Land Value tax system. Now, see what her taxes would have been in these seven counties under the two tax systems if she had 125 acres in cultivation and 125 uncultivated:

| County. | General Property Tax System. Tax on Land. | Business Tax. | Total. | Land Value Tax System. Tax on Land. | Savings. |
|---|---|---|---|---|---|
| Harney | $29.70 | $85.59 | $115.29 | $110.37 | $ 4.92 |
| Malheur | 42.02 | 120.53 | 162.55 | 157.50 | 5.05 |
| Sherman | 17.72 | 51.08 | 68.80 | 59.52 | 9.32 |
| Umatilla | 32.52 | 93.73 | 126.25 | 88.75 | 37.50 |
| Union | 45.50 | 121.13 | 166.63 | 123.50 | 43.13 |
| Wallowa | 49.80 | 140.64 | 190.44 | 127.50 | 62.94 |
| Yamhill | 45.87 | 132.21 | 178.08 | 134.65 | 43.43 |

The foregoing figures show, in part, the immorality of the General Property tax system, under which workers are taxed in proportion to their industry. The more land put to good use by Mrs. Cross, the more improvements she puts upon the land by her labor and industry, the more farm implements and stock she has, the more she adds to the wealth of the community, the more she is taxed under the General Property tax system. If she employs carpenters to build a better house and more barns, her taxes are increased. If she grows alfalfa where formerly nothing but bushes and weeds grew, her taxes are higher. If she clears ten acres upon which no wealth was produced, plants an orchard, grows hops or other useful crop and employs labor to cultivate the land, her taxes are increased—she must pay more tax. The better use she makes of the land, the more she is taxed; the less use she makes of the land, the less she is taxed.

Thus the General Property tax system discourages industry and business and encourages graft, gambling and speculation. It increases the cost of living and lessens the satisfactions and comforts of living. By taxing industry and the production of wealth it lowers wages and raises the price that workers of all kinds and all business men must pay for the use of the land. It gives Special Privilege with one hand and takes away opportunity with the other. It punishes the worker and rewards the shirker. It hurts society by punishing the worker. By means of General Property tax system, society takes for its own use what the worker produces, and gives to the speculator what society itself produces—the enormous and constantly increasing land values that are due solely to the thrift and industry under organized government.

Should the worker be taxed for the profit of land speculators and public service corporations? If the people of Oregon will take into their own hands the power to regulate taxation and exemptions, they will be able to enact tax laws that will stop the flow of public profits into private pockets, and taxes will no longer be a burden upon thrift, business and industry. The people can take that power by voting for the three tax amendments printed on pages 25 and 26.

## PORTLAND BLOCKS AND FARMERS' ACRES

**The thirteen most valuable blocks—land alone, not including buildings—in Portland, are these:**

Block 48, bounded by Alder, Third, Washington and Fourth streets
Block 49, bounded by Morrison, Third, Alder and Fourth streets.
Block 174, bounded by Alder, Fifth, Washington and Sixth streets.
Block 63, bounded by Alder, Fourth, Washington and Fifth streets.
Block 173, bounded by Morrison, Fifth, Alder and Sixth streets.
Block 62, bounded by Morrison, Fourth, Alder and Fifth streets.
Block 177, bounded by Alder, Sixth, Washington and Seventh streets.
Block 175, bounded by Washington, Fifth, Stark and Sixth streets.
Block 47, bounded by Washington, Third, Stark and Fourth streets.
Block 176, bounded by Washington, Sixth, Stark and Seventh streets.
Block 178, bounded by Morrison, Sixth, Alder and Seventh streets.
Block 20, bounded by Morrison, Second, Alder and Third streets.
Block 179, bounded by Morrison, Sixth, Yamhill and Seventh streets.

**The figures below show the assessed value of these blocks in 1909, the General Property tax levied on them in 1909, and what the tax would have been in 1909 if the Land value tax system had been in use:**

| | General Property Tax System. Assessment. | 1909 Tax. | Land Value Tax Would Have Been. |
|---|---|---|---|
| Block 48 | $ 990,000 | $17,820 | $28,206 |
| Block 49 | 960,000 | 17,280 | 27,351 |
| Block 174 | 960,000 | 17,280 | 27,351 |
| Block 63 | 943,000 | 16,974 | 26,867 |
| Block 173 | 898,000 | 16,164 | 25,585 |
| Block 62 | 885,000 | 15,930 | 25,259 |
| Block 177 | 855,000 | 15,390 | 24,360 |
| Block 175 | 845,000 | 15,210 | 24,115 |
| Block 47 | 839,000 | 15,102 | 23,944 |
| Block 176 | 785,000 | 14,130 | 22,370 |
| Block 178 | 773,000 | 13,914 | 22,025 |
| Block 20 | 712,000 | 12,796 | 20,286 |
| Block 179 | 597,000 | 10,746 | 17,009 |
| | $11,042,000 | | |

Total taxes on these blocks under the General Property tax system, $198,736.

Total taxes on these blocks under the Land Value tax system, $314,728.

**The General Property taxes collected on these 13 blocks for 1909—on the land alone, not including buildings—was enough to pay all the $195,290 collected in that year under the General Property tax on all farm property in Clatsop, Columbia, Coos, Crook, Curry, Lincoln and Wheeler counties—7 counties in all. But if the Land Value tax system had been in use in 1909, the taxes on these 13 blocks—less than 12 acres—would have paid all the taxes on the farm property in those 7 counties and all taxes on farm property in 12 other counties besides; for under the Land Value tax system there is no tax on any farm property except on the unimproved value of land; there is no tax on the improved value of the land. The following figures show the number of farmers' acres in 19 counties and the taxes that would have been collected on those lands in 1909 if the Land Value tax system had been in use:**



| County. | Farmers' Acres. | 1909 Taxes if Land Value tax system had been used. |
|---|---|---|
| Benton | 131,008 | $34,142 |
| Clatsop | 10,718 | 3,941 |
| Columbia | 22,570 | 9,620 |
| Coos | 33,404 | 13,456 |
| Crook | 141,472 | 15,473 |
| Curry | 6,788 | 893 |
| Douglas | 186,880 | 28,578 |
| Gilliam | 484,864 | 14,448 |
| Grant | 66,344 | 7,924 |
| Hood River | 44,360 | 22,071 |
| Josephine | 38,952 | 10,318 |
| Klamath | 177,578 | 27,719 |
| Lake | 342,556 | 25,687 |
| Lincoln | 13,012 | 2,928 |
| Malheur | 229,717 | 23,723 |
| Morrow | 507,462 | 36,454 |
| Sherman | 269,478 | 15,719 |
| Tillamook | 28,086 | 11,258 |
| Wheeler | 23,414 | 5,109 |
| | 1,759,363 acres | $309,458 |
| Land Value tax on 13 Portland blocks | | 314,728 |

**Now see how the taxes on farmers' lands in other counties under the Land Value tax system would have compared with the Land Value taxes on some of these Portland blocks, if that system of taxation had been in use in 1909, remembering that UNDER THE LAND VALUE TAX SYSTEM THERE IS NO TAX ON BUILDINGS, IMPROVEMENTS OR ANY KIND OF PERSONAL PROPERTY—ONLY A TAX ON THE UNIMPROVED VALUE OF LAND.**

**BAKER COUNTY farmers had 193,994 acres in 1909, on which they paid $79,045 in taxes, and $36,171 on their other property. Under the Land Value tax system they would have paid only $40,319; and if the Land Value tax system had been in use in 1909, Blocks 47 and 179 would have paid $40,953 in taxes, or $634 more than the farmers of Baker county would have paid under the Land Value tax system.**

**CLACKAMAS COUNTY farmers paid $182,577 in taxes for 1909. If the Land Value tax system had been in use they would have paid $91,169 on their 184,878 acres—and no other taxes—and would have saved $91,408. Under the Land Value tax system Blocks 20, 49, 174 and 179 in Portland would have paid $91,997 in taxes, or $828 more than all the farmers of Clackamas county would have paid under the Land Value tax system.**

**HARNEY COUNTY farmers paid for 1909, on their 691,892 acres and other property, $62,688 in taxes under the General Property tax system. Under the Land Value tax system they would have paid only $43,811; and under that tax system Blocks 20 and 178 in Portland would have paid $44,230 in taxes in 1909, or $419 more than the farmers of Harney county would have paid under the Land Value tax system.**

**JACKSON COUNTY farmers paid $134,029 on their 207,022 acres and other property under the General Property tax system in 1909. If the Land Value tax system had been in use in 1909 they would have paid $50,877, and Blocks 63 and 175 in Portland would have paid $50,982 in taxes, or $105 more than all the Jackson county farmers would have paid under the Land Value tax system.**

**LANE COUNTY farmers had 235,926 acres of land in 1909, and on their land and personal property and improvements they paid $108,654 under the**

General Property tax system. Under the Land Value tax system they would have paid $60,411, thus saving $48,243 in taxes; and under that tax system Blocks 20, 47 and 179 of Portland would have paid $61,239 in taxes in 1909, or $828 more than the farmers of Lane county would have paid under the Land Value tax system.

LINN COUNTY farmers paid 1909 taxes amounting to $141,445 on their 378,166 acres and other property, but if the Land Value tax system had been in use they would have paid $100,787 on their lands, and nothing on their other property. So they would have saved $40,658. Blocks 47, 49, 62 and 173 in Portland would have paid $102,139 in taxes for 1909 if the Land Value tax system had been in use, or $1,352 more than the farmers of Linn county would have paid under the Land Value tax system.

MARION COUNTY farmers paid $236,229 in taxes for 1909 on their lands and other property, under the General Property tax. Under the Land Value tax system they would have paid $179,130 on the uncultivated value of their lands—and would have paid no other taxes. If the Land Value tax system had been in use in 1909, the taxes on Blocks 20, 48, 49, 63, 173 and 177 would have been $180,005, or $875 more than enough to pay all taxes on Marion county farm property under the Land Value tax system.

MULTNOMAH COUNTY farmers paid $193,573 in taxes for 1909 under the General Property tax system, but under the Land Value tax system they would have paid $172,585, and would have saved $20,688; and under that tax system the 1909 taxes on Blocks 20, 47, 48, 62, 63, 175, and 177 would have been $173,033, or $448 more than enough to pay all 1909 taxes on Multnomah farm property under the Land Value tax system.

POLK COUNTY farmers paid 1909 taxes amounting to $113,559 on their 281,704 acres of land and on other farm property; but if the Land Value tax system had been used they would have paid $103,343, saving $10,216; and under the Land Value tax system the 1909 taxes on Blocks 63, 173, 174 and 177 would have been $104,163, or $820 more than enough to have paid all the 1909 taxes on Polk county farm property under the Land Value tax system.

UMATILLA COUNTY farmers would have saved $176,264 if they had been taxed under the Land Value tax system in 1909 instead of under the General Property tax system. They paid $235,045 in taxes on their 932,696 acres and other farm property, but under the Land Value tax system they would have paid only $58,571 on the unimproved value of their lands, and nothing on other property. The taxes on Blocks 20, 178 and 179 in Portland for 1909 would have been $59,320 under the Land Value tax system, or $539 more than all the farmers of Umatilla would have paid in that year under the Land Value tax system.

UNION COUNTY farmers paid $140,667 in 1909 taxes on their 321,290 acres of land and on other property under the General Property tax system. But under the Land Value tax system they would have paid only $50,551, and would have saved $90,116. Under the Land Value tax system, the 1909 taxes on Blocks 62 and 173 in Portland would have been $50,844 or $293 more than enough to pay all taxes on Union county farm property under the Land Value system.

WALLOWA COUNTY farmers paid $72,191 in 1909 taxes on their 147,543 acres and on other farm property. Under the Land Value tax system they would have paid only $28,846, and would have saved $44,345. Under the Land Value tax system, the taxes on Blocks 178 and on two lots of Block 49 would have paid $28,863 for 1909 taxes, or $17 more than enough to pay all Wallowa County farm taxes in that year under the Land Value tax system.

WASCO COUNTY farmers paid for 1909, under the General Property tax system, $38,866 more than their fair share of taxes. They paid $81,181 on



their 282,040 acres and other property. Under the Land Value tax system they would have paid $42,309 on their lands, and nothing on any other property. In 1909, if the Land Value tax system had beed in use, Block 48 and 5 lots of Block 177 in the city of Portland would have been taxed $43,401, or $1,092 more on those 13 city lots than all the taxes on farm property in Wasco county would have been under the Land Value system.

WASHINGTON COUNTY farmers paid $60,564 more in taxes for 1909 under the General Property tax system than they would have paid under the Land Value tax system. They paid $163,252 in taxes on their 202,355 acres and other property, but would have paid only $102,688 under the Land Value tax system on their lands, and nothing on other property. If the Land Value tax system had been in use in 1909, Blocks 63, 173, 174 and 177 in Portland would have paid $104,163, or $1,475 more than all the taxes on Washington county farm property would have been under the Land Value tax system.

YAMHILL COUNTY farmers paid for 1909 on their 242,234 acres and on other farm property $167,137 under the General Property tax system, but under the Land Value tax system they would have paid $124,227 on the non-tillable value of their lands, and nothing on other property. If the Land Value tax system had been used in 1909, Blocks 48, 49, 62, 174 and 179 would have been taxed $125,186, or $959 more than enough to pay all 1909 taxes on Yamhill county farm property if the Land Value tax system had been in use.

## RULE FOR FIGURING YOUR TAXES

Reduce the assessment of your improved land or lot to the assessment per acre or per lot of adjoining unimproved land or lots equally valuable for use; figure the value of your land or lots on this basis; subtract all other property assessments. Add to the tax rate in your district the difference between the average rate for your county under the general property tax in 1909, and the average rate given under the Land Value system if it had been in operation in your county; multiply the assessed value of your land by the increased rate. The result will be almost exactly the tax you would have paid on the same property under the Land Value system if it had been in force in your county in 1909.

For example: George A. Harding is an enterprising merchant who owns a splendid business block in Oregon City, and his wife owns a beautiful home and grounds. The total assessment on this property is $25,800 for the value of the business and home lots, and $17,600 for the value of the improvements, merchandise and household furniture. The tax rate in Oregon City is 28 and 48-100 mills. Add to this 14 and 56-100 mills, which is the difference between the present average general property rate for the county and what would have been the average rate for the county under the Land Value system, and we have 43 and 4-10 mills for the Land Value tax rate on Mr. and Mrs. Harding's property. Under the general property tax they paid $1,254. If the Land Value tax had been in operation they would have paid $1,110.42, thus making a saving of $143.58.

Ellis Jennings owns a home in Portland; his two lots are assessed at $2,900 and the improvements are assessed at $2,400. If the Land Value tax system had been in operation in Portland in 1909 he would have paid at the rate of 28 and 49-100 mills on $2,900 and would have saved $12.78. His neighbor, who owns two unimproved lots, would have paid the same amount if the Land Value tax had been in operation, but it would have idcreased his tax $30.42 over what he had to pay as a lot speculator under the General Property tax.

Hiram Burt owns a little home in Arleta Park, Portland. The lot is assessed for $100 and the house for $200. If the Land Value tax had been in operation Mr. Burt would have paid $2.85 tax instead of the $5.40 he did pay. If there had been an exemption, as there probably would be if the system was in operation, such small homes would not pay any tax.

The Meier & Frank Company of Portland pay taxes on $185,000 of improvements, $527,000 of merchandise and personal property, and $800,250 of land value. If the Land Value tax system had been in operation in 1909 they would have paid $4,069 less than they were obliged to pay under the General Property tax system.

Albert M. Groshong has a little home of forty acres out in the foothills in Clackamas county. Eight acres are cleared, on which he is assessed $15 an acre, and thirty-two acres not cleared, on which he is assessed about $6 an acre. His other improvements are assessed at $75, furniture and livestock and implements at $220; and his total tax under the General Property system in 1909 was $10.45. The local rate in his district is 17 mills, to which add 14 and 56-100 mills, which is the difference between the average county rate under the General Property tax, and what would be the average county rate under the Land Value tax; and we have a Land Value tax rate of 31 and 56-100 mills. Taking the unimproved value of Mr. Groshong's land at $240, his Land Value tax would have been $7.57. Mr. Groshong would have paid nearly $3 less under the Land Value system than under the General Property tax.

George H. Brown farms extensively near New Era, Clackamas county. He has 170 acres of cultivated land assessed at $55 an acre and 398 acres of uncultivated land assessed at an average of $19 an acre. His other improvements, machinery, stock, etc., are assessed for $1,710. The local rate in Mr. Brown's district was 15 and 64-100 mills in 1909 under the General Property tax; add 14 and 56-100 mills to get the Land Value rate; reduce the assessed value of his cultivated land from $55 an acre to $19 an acre, and subtract the value of his improvements and personal property. Then Mr. Brown would have paid under the Land Value tax system in 1909 a tax of



$326 against $291 under the General Property tax. The Land Value tax would have increased his tax $35, but it is to be remembered that Mr. Brown is speculating in more than twice as much land as he is caltivating; also, that he could have cleared and cultivated the remaining 398 acres of his land in 1908 without increasing his tax payment at all if the Land Value system had been in force.

Anyone who reads the tables showing how taxes are levied and collected in the different counties, or reads the figures for his own county, will probably see how farmers, business men and laborers may be benefited by a change in our system of taxation. He will see, too, why the people should have the power to experiment with different methods of taxation, in the hope of finding a method that will not burden any industry. The ballot number to vote "Yes" for that power is 326.

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# VALUE AND COST OF TAXING POWER

### CONTROL OF THE LAWS REGULATING TAXATION AND EXEMPTIONS IS WORTH MORE TO ALL THE PEOPLE THAN IT IS TO ANY ONE CLASS

The power to make the laws that regulate taxation and exemptions is worth more to the great Special Privilege corporations their political bosses and machines, than are all other powers combined. It is to keep this power that they commit all manner of political and other crimes against the people.

It is because government has always been the business of taxing the many for the benefit of the few that every political contest in history has been for the control of the power to regulate taxation and exemptions.

The men who have the power to regulate taxation and exemptions seldom seek public office, and as a rule they do not care who holds the offices, provided they can "select and recommend," and secure the election or appointment o' their candidates. Thus, by placing the office-holders under obligations to them, the managers and political bosses of the Special Privilege corporations keep the power to control the laws regulating taxation and exemptions. That is the purpose of the Simon corporation machine in Portland.

It is for this that the Franchise Big Business interests maintain expensive political machines in the states, in counties and

in cities; and they tax the people to pay for the political machines. In many of the states where the people have no initiative and referendum power, and no efficient direct primary laws, the state officers, members of legislatures and of the judiciary, as well as the county and city officers, are controlled by the Special Privilege corporations. The Franchise Big Business owners make a practice of managing party machines under the disguises of patry primaries, conventions and assemblies, to "select and recommend candidates."

For many years, more than half the members of the UniedStates Senate have been "selected and recommended," and kept in office by the great corporations that have power to tax the people by controlling, through Congress, the National laws regulating taxation and exemptions. The great railroad, telegraph and express companies, the Standard Oil and other Special Privilege interests work together, successfully, to control the National taxing power and to prevent the making of laws that will abolish their power to tax the people.

### Taxation by Express Companies

Every railroad, telegraph, telephone, street car, gas, electric light and express company has the power to tax. The courts have decided that the rates and charges of these public service corporations are "taxes." Taxation is a power of government that should be used only for the common good; but by giving that power to these public service corporations, the people have turned taxation into a power for private profit.

Take the express companies, for example. For many years until his death a short time ago, President Thomas C. Platt, of the United States Express Company, was a United States senator from New York, but in the senate he represented the United States Express Company. The American Magazine for February, 1910, said:

> "A friend of ours wished to see a consular report from Germany on the parcels post in that country. He had been privately informed that it was to be issued. It did not appear. Finally, however, a proof from the Government Printing Office was seen, and on it were these words: **'Withheld at the request of Senator Platt.'"**

A public document, intended for the information of the people, was suppressed at the r quest of the president of the United S ates Express Company, not because the information would injure the people, but because it would show how the people are taxed for the private profit of express companies.

In March, 1910, the State Railroad Commission of Oregon investigated the rates of the Wells-Fargo Express Company. The Commission found that with an outlay of less than



$4,000,000 the company collected, over and above all taxes and expenses in 1909, the sum of $3,363,478, or more than 81 per cent profit; that the actual equipment of the company on June 1, 1909, was worth only $2,044,550; and that the actual net earnings of the company for 1907, 1908 and 1909 were more than 118 per cent of the capital used.

The Commission found, also, that the contracts of nearly all express companies with the railroads provide that no express rate shall be less than one and a half times the highest freight rate, but that in many cases the express rate is twice the freight rate and sometimes four times as much; that the smaller the package the higher the express rate in proportion. Of the eighteen directors of the Wells-Fargo Express Company, thirteen are either officers or directors of the Harriman system of railroads, and one of the directors is William F. Herrin, for twenty years the Southern Pacific boss of California, and now chief counsel of the Harriman system. The Harriman estate owns 1,524 shares of the Wells-Fargo stock, and 20,000 of the United States Express Company. Twenty years ago, Postmaster-General John Wanamaker said:

> "It is true that parcels could be carried at about one-twelfth their present cost by the Postoffice Department, but you do not seem to be aware that there are four insuperable obstacles to the carrying of parcels by the United States Postoffice Department. The first of these is the Adams Express Company, the second is the American Express Company, the third the Wells-Fargo Express Company and the fourth the United States Express Company."

That is, according to a Cabinet officer, the express companies controlled the taxing power by controlling Congress.

All the railroads and all the express companies act together in politics against the common good of the people. They are in politics for private profit, and they make their kind of politics pay them by their control of laws regulating taxation and exemptions. Through their control of or influence over members of Congress, they have the power to impose an enormous burden of unjust taxation upon the people.

The contests in Congress over laws to regulate railroads and their rates are contests for control of the taxing power. Those contests have been going on for twenty-five years. The railroads want the power to make rates, because the power to make rates is the power to tax. But outside of the unjust charges for carrying passengers and freight, the railroads are exercising the taxing power, through their control of Congress, by forcing the government to pay enormous and unjust sums for carrying the people's mail.

## Making the People Pay

As the railroads, express and telegraph companies and the other corporations keep a great machine to control Congress, and thus control taxation and exemptions, so they and the other franchise corporations keep political machines in states, counties and cities in order to control our public servants and regulate taxation and exemptions. Through this power they make the people pay all the expenses of their political machines and political corruption. This is what the people have to pay:

1. The rates and charges for service.
2. Corporation taxes.
3. Thousands of attorneys hired to defeat the will of the people in the courts and the legislatures.
4. Corporation bribes to corrupt newspapers.
5. Corporation lobbyists.
6. Salaries of such congressmen, legislators, judges, sheriffs, assessors, mayors and other public servants as serve the corporation and trusts, rather than the people.
7. Costs of political machines and bosses.
8. All court costs in litigation between the corporations and the people.
9. All the cost of corporation legislation and the burdens put upon the people by bad laws.

The people have to pay all those charges because the Franchise Big Business interests control taxation and exemptions. The people must pay out of their own pockets all the costs of bad and inefficient government caused by regulating taxation and exemptions for private profit.

Every person, firm or corporation that has any kind of special privilege has the power to tax the people. The holders of Special Privileges know that if they can make the laws regulating taxation and exemptions, they can exempt their own property from taxation and at the same time control the distribution of the wealth produced by the people. Control of the law-making power gives control of the distribution of wealth, because wealth is distributed by law, though it is produced by labor.

The power to regulate taxation and exemptions in America is worth about four thousand million dollars a year to the comparatively small number of people who own the Franchise Big Business corporations and other Special Privileges. The members of this class collect an average tax of about $200 a year for their private profit from every working family. The enormous dividends and the hundreds of millions of "surplus and profits" of the railroads and express companies, of the great trusts, and of water, gas, electric light and



power, telegraph, telephone and street railway corporations are some of the profits of the power to regulate taxation and exemptions for private use.

Every law that grants a Special Privilege is a tax law, and every law made by the influence of Special Privilege owners is for their personal benefit; and these laws distribute wealth unjustly by taking from the people and giving to the taxing class. The power of franchise corporations to make rates is the power to levy taxes. The power to prevent reduction of rates to a fair basis is part of the power to regulate taxation and exemptions.

To show how the corporations have the power to tax the people, we may use as examples the Portland Railway, Light & Power Company (principal owner of the Portland streetcar lines) and the Portland, Eugene & Eastern Railway Company. The first company has 13 directors, two of whom live in Philadelphia, three in New York and eight in Portland. Those thirteen men have issued stock to the amount of $15,000,000 and bonds to the amount of $23,514,000, which means a debt of $38,514,000 upon the people of Multnomah and Clackamas counties; but the people of those counties were not consulted, nor was their consent asked when that debt was placed upon them.

The $38,514,000 of capital stock and bonds of the company cover the whole property, including the light and power departments and the franchises, or rights to do business. All of that $38,514,000, says the report of the company to the railroad Commission of Oregon, is "assigned to 208.60 miles of line; amount per mile of line, $184,630.87." That is the assessment upon which the company taxes the people of Multnomah and Clackamas counties. The assessment upon which the people of the two counties tax the company is $10,249,381, or $48,750 per mile of line. The company's income account, reported to the Railroad Commission of Oregon, shows that it collects from the people a tax amounting to $13,696.31 per mile of line, while the company's statement shows that the people collect from it a tax of $643.51 per mile of line.

Taking the company's own statement, we get this:

| | |
|---|---|
| Company assesses people per mile of line | $184,630.87 |
| People assess company per mile of line | 48,750.00 |
| Net assessment on people per mile of line | $135,880.87 |
| Company taxes people per mile of line | 13,696.31 |
| People tax company per mile of line | 643.51 |
| Company's net tax on people per mile of line | $13,052.81 |

The tax per mile of line that the company collects from the people includes only what the company says it collects for

its railway department, and does not include the dividends and interest on the $9,482,254.81 of capitalization of the plant, property and franchise of the Portland General Electric Company; and the $134,237.28 of taxes paid by the company to the people do not include the taxes on the plant, property and franchise of the Portland General Electric Company. So, the account stands, if the company's statement is correct:

| | |
|---|---|
| Operating revenue, or company's tax on people | $2,856,952.51 |
| People's tax on the company | 134,237.28 |
| Difference in favor of company | $2,722,715.23 |
| Company's operating expenses | 1,541,159.69 |
| Company's profit last year on taxing the people | $1,181,556.54 |

In the four years since it was organized, the company has accumulated a surplus of $1,071,991.13.

The report of the Portland, Eugene & Eastern Railway Company, which is an electric system, to the Railroad Commission of Oregon shows that it has six miles of line in Lane county and three-quarters of a mile in Albany, Linn county, making a total of 6.75 miles, capitalized at $82,296 per mile of line; and that the total cost to June 30, 1909, was $21,565 per mile of line, so that the capitalization, or the amount on which the people of Lane and Linn counties are taxed by the company, is $60,731.28 a mile more than the cost of the lines.

The company's assessment upon the people of Lane county, on which it collects taxes from the people, is $493,777.73, but the people's assessment upon the company, upon which it pays taxes in Lane county, is only $10,340. The company's assessment upon the people of Linn county upon which they pay taxes to the company, is $61,722.27; the people's assessment upon the company, upon which it pays taxes in Linn county, is only $7,000. So, in these two counties the company's assessment for taxation upon the people is $555,500, while the people's assessment for taxation upon the company is only $17,340. The company says its assessment on the people brings it a revenue of $21,835.94; while the people's assessment upon the company brings in a public revenue, according to the company's statement, of $740.64. By its assessment upon the people the company gets a tax revenue of $3,234.95 per mile of line, but from their assessment upon the company the people get a tax revenue of only $109.72 per mile of line. So, according to the company's statement, we have this showing:

| | |
|---|---|
| Company assesses people per mile of line | $82,296.00 |
| People assess company per mile of line | 2,569.62 |
| Net assessment on people per mile of line | $79,726.38 |



| | |
|---|---|
| People pay taxes per mile of line | 3,234.95 |
| Company pays taxes per mile of line | 109.72 |
| Company's net taxes on people per mile of line | $3,125.23 |
| Operating revenue, or company's tax on people | $21,835.94 |
| People's tax on the company | 740.64 |
| Difference in favor of company | $21,095.30 |
| Company's operating expenses | 13,688.56 |
| Company's profit last year on taxing the people | $ 7,406.74 |

All these Franchise Big Business and Special Privilege corporations have some power to tax the people. The hundreds of million of stocks and bonds that they issue are in fact public debts of the people, but issued without the consent of the people. It requires a majority vote of the people to issue bonds for a public improvement or utility to be owned by the people, but a majority of the ten or twelve directors of an Oregon franchise corporation has the legal power to issue millions of dollars in stocks and bonds, watered and otherwise. In practice, the dividends and profits as well as the principal and interest of all these stocks and bonds must be paid by the people who use the cars, gas, electricity or other public service supplied by the corporation. In practice also their rate of tax for service in "all the traffic will bear."

All such bonds are therefore public debts of the people of the community in which the corporation operates. The directors exercising the taxing power under the law. They increase their "capital stock" by tricks of bookkeeping, without paying in any more money, so as to have a legal excuse for charging high rates. Under the decisions of the Federal courts, the Franchise Big Business corporations are entitled to charge rates that will yield a net interest of 6 per cent a year in addition to paying all fixed charges. The fixed charges include taxes; so, under the decisions of the courts, these Special Privilege corporations have the right to make the people pay their taxes.

That is the reason these owners of Special Privilege oppose any change that means more political power for the people. They know that "People's Power" is a menace to the power and profit of Special Privilege because by using that power the people can regulate taxation and exemption for the public good instead of for private profit. So the Franchis Big Business and other Special Privilege owners want a Constitutional Convention and "Assemblies to select and recommend candidates."

# OREGON OFFICIAL GAZETTE

## WILL BENEFIT THE PEOPLE AND SHOULD BE FAVORED BY EVERY NEWSPAPER THAT IS NOT CONTROLLED BY THE OWNERS OF SPECIAL PRIVILEGE

The People's Power League proposes a bill by initiative petition to have the state publish an official Gazette, to be devoted wholly to the science of government in Oregon, and the news and history of experiments, progress and methods in other nations, states and cities. Will it pay the voters to establish such a magazine and have it mailed to every registered voter and taxpayer in the state? The actual cost is limited to one dollar a year for each voter and taxpayer, and must be paid by the state treasury. Is it worth while to try the experiment? If the magazine is not worth the money, the law can be quickly repealed.

Every progressive farmer takes one or more agricultural papers; fruit growers have their special papers; dairy men their trade papers; lawyers their law journals and reports; doctors their medical magazines; grocers, druggists and hardware merchants their trade papers. Every trade, business, profession and organization of men has its own trade or fraternal journals. It certainly pays the individual blacksmith, carpenter, farmer, banker, granger, doctor, lawyer, grocer or manufacturer to spend from two to twenty dollars a year for magazines to learn of new theories, inventions, methods and practice and the progress of his fellow-craftsmen.

The business of government is of great importance to every citizen of Oregon. If a man fails in one line of business he can try another, but if the citizens of Oregon fail in their experiment of self-government, then they must be governed. A glance at Russia shows what it costs to be governed. Our Revolutionary War for independence shows what our forefathers thought of being governed.

Our national, state, county and city governments are corporations maintained for the welfare of all the people, for the common good; and every citizen is a stockholder. Every stockholder ought to have full information in regard to the affairs of the country, of the state, county and city. The man in the logging camp, and the farmer ten or fifty miles from the city, has an interest in the public business of the city, because the political black rot in the city affects him and his family and neighbors just as black rot in one orchard threatens the fruit in other orchards.



We have people's inspectors of fruit and fruit trees; people's inspectors of streets, sidewalks and sewers, of the health of horses, cattle and other domestic animals; people's inspectors of building and human health; people's inspectors of factories, milk and postoffices; of banks and food and schools. All these were experiments and they are maintained because they are worth more to all the people than they cost. It is just as necessary to have people's inspectors of government in order to get the best pocketbook results from government; because we have government so as to get pocketbook results from our labor.

The owners of Special Privilege and Franchise Big Business own or control newspapers in every state and every city. These newspapers report to and carry out the orders of their Franchise Big Business masters and owners. Therefore it is but rarely that the people can depend on a newspaper for facts about their government. The newspapers that are willing to publish the facts are generally too poor to get them, and those that can afford to get the facts are generally owned or controlled by Big Business. These organs of Special Privilege not only suppress facts, but they willfully misstate facts. For example, on March 26, 1910, the Portland Oregonian published the following falsehood:

### COUNTRY PAPERS ARE HIT.

SALEM, Or., March 25.—(Special)—Replying to a letter from Ira Powell, of Monmouth, Attorney-General Crawford today rendered an opinion to the effect that Section 23 of the Corrupt Practices Act makes it illegal for any newspaper to publish anything either for or against any candidate for office or measure before the people, unless it is marked paid matter and contains the name and address of the person responsible therefor.

This hits various country papers that have been publishing matter favorable to the normal school petitions which are now being circulated. A heavy fine or imprisonment is provided for violation of the act.

Attorney-General Crawford did not render any such opinion, nor an opinion that could be construed in that way. On March 31, 1901, the Portland Journal published a dispatch from Salem stating the facts in regard to Attorney-General Crawford's opinion, and quoting the law, as follows:

## CORRUPT PRACTICES ACT DOES NOT PROHIBIT PERIODICALS FROM EXPRESSING OPINION.

(Salem Bureau of The Journal.)

Salem, Or., March 31.—The corrupt practices act does not prohibit a newspaper or other periodical from expressing its own opinion regarding candidates up for election to office or regarding any measure before the people, but is intended to prohibit the purchase outright of the columns of a newspaper and having the paid matter go to the readers of the paper as the opinion of its editors. Such was the opinion rendered to Ira Powell of Monmouth last week by Attorney-General Crawford.

The section of the act referring to this matter makes it plain that paid matter, or what is usually termed advertising matter, was the only matter against which the terms of the act were designed to operate. This section reads as follows:

"No publisher of a newspaper or other periodical shall insert, either in its advertising or reading columns, any paid matter which is designed or tends, to aid, injure or defeat any candidate or political party or organization or measure before the people, unless it is stated therein that it is a paid advertisement, with the name of the chairman or secretary or the names of other officers of the political party or organization inserting the same or the name of some voter who is responsible therefor, with his residence and street number thereof, if any, appearing in such anvertisement."

In spite of the correct statement of the law and of the Attorney-General's opinion, and in spite of the fact that every newspaper can find in a lawyer's office the words of the law itself, several papers in Oregon, including the only two papers in one city, copied the false statement and pointed to it as an example of the evil of direct legislation—for the corrupt practices act was initiated by petition and enacted at the ballot box by the voters. A letter calling attention to the misstatement of the law and of the Attorney-General's opinion was sent to one of those papers, but it was not published. When newspapers deliberately misstate facts in regard to a state law, the people cannot trust them.

Senator Aldrich recently said that the government of the United States could be run for three hundred million dollars a year less than it costs if it was conducted on business principles. Many competent business men think if the state, county and city governments of Oregon could be managed on the same principles that are successful in private business, the taxpayers would save more than four million dollars a year; but even if it should be only half of that, the saving for a single year would pay for such a magazine in Oregon for twenty years.

The pamphlet of measures and argument issued by the Secretary of State and mailed to every registered voter is worth more to the people than it costs them. But it costs a citizen nearly a hundred dollars a page to speak in the Secretary of State's pamphlet, and he is limited to questions that are actually on the ballot. The official gazette will enlarge that successful experiment by having the pamphlet published six times a year instead of once in two years, making it a non-partisan magazine of government instead of merely a statement of measures and arguments to be voted on. It will be a medium in which any citizen who has criticism, suggestion or news to offer concerning any department or officer of government, or any measure, can submit his thought to every voter and taxpayer in the state, county, city or district, as the case may be.



The business of government is the people's public business, and every citizen and family should be interested in it. The voters cannot make a success of that business unless they know what is done, and how it is done, by their own and other governments, and they have a right to know.

It paid the citizens of Oregon to learn from Australia about the ballot law; from Switzerland about the Initiative and Referendum; from Wisconsin and Minnesota about the Direct Primary Law; from Los Angeles about the Recall; from England about the Corrupt Practices laws; from other states about the Negotiable Instruments law. These are a few of the successful experiments Oregon has adapted from other governments. Other experiments are being tried, and it will pay the voters of Oregon to get reliable information about them. Some city governments in the United States and other countries get for the taxpayers full value for every dollar of public taxes. Some governments give their children much more complete and practical education than the children get in Oregon, and some protect life and property and dispense justice much more fully, speedily and equally than does Oregon. It will pay the citizens to have a magazine in which they can compare the efficiency and cost of government and public work by their public servants with that of other states, cities and private corporations.

Men who make private profit from any form of taxation or exemption do not want the people to know these things, because their real business is controlling the people's government. That business gives the largest profits with the least risks. To keep the people from knowing about the public business, and to cover up their schemes to tax the people, many of these men and corporations began years ago to get control of newspapers. They now control most of the big daily papers in the United States; and they control the Associated Press, which is a news trust that furnishes to the newspapers such news as the Interests want the people to read.

These men can regulate taxation and exemptions for their own profit as long as they can keep the people in the dark about the business of government; they can keep most of the

people in the dark by owning or controlling the Associated Press and the big daily papers. That these men and corporations do control a large part of the press is asserted by newspaper men and even by the newspapers themselves. In every political campaign, and in "off years" when great public questions are under discussion, we find newspapers accusing one another of being "corporation hirelings"; we read in the newspapers of the "corporation press," the "prostitutes of journalism," and the "organs of privilege." These expressions are common, and now and then newspapers publish proofs of the charges they make against other papers. This is not true of all newspapers, or of all daily papers; but reputable newspaper men of experience say it is true of most daily papers, and it is true of most big daily papers.

It is a fact, admitted by many experienced newspaper men, that if one follows the trail of ownership or control of most daily papers he will go out of the back door of the business office and into the "Franchise Big Business" office of a railroad, a bank, a gas or water company, or an electric light and power company, a street railroad company or a real estate syndicate; and sometimes into the offices of two or more of such corporations.

During the graft prosecutions in San Francisco it was found that a telephone company had paid ten thousand dollars to the San Francisco Chronicle for "fair treatment," and M. H. de Young, owner of the Chronicle, said that it was a legitimate fee for the service. De Young is one of the directors of the Associated Press. What is meant by such purchased "fair treatment" for a corporation is "unfair treatment" for the people. Fair men do not have to buy fair treatment from fair newspapers; no honest man will pay any newspaper for it, and no honest newspaper will accept money for fair treatment.

It is a matter of "business" for the special privilege owners to corrupt or control newspapers when they can, as it is "business" for them to corrupt and control politicians, private citizens and public servants when they can. These men cannot long corrupt and control politics unless they control important newspapers. They try especially to control the big papers that reach large numbers of people, for in this way they poison the sources of public information and often succeed in poisoning the minds of the people. By controlling newspapers they cover up matters that the people should know about, or they publish what is not true.

In order to get and hold special privileges, men must control the laws that regulate taxation and exemption. To get special legislation and special privileges, the great corporations know



it is cheaper to buy newspapers, or control them, than to leave them free to interfere with such plans. So a great "Captain of Industry" or a special privilege corporation may own, or control, a dozen big papers and a hundred little ones.

It is well known that the Hill roads own or control a string of newspapers from St. Paul to Puget Sound, and they are getting control of papers in Oregon; that the Southern Pacific, the Union Pacific and the Oregon Railroad & Navigation Company own or control strings of newspapers in Oregon, California, Utah, Montana, Nebraska, Idaho, Colorado, Arizona, New Mexico, Texas and Louisiana. Of the twelve daily papers in Montana, ten are absolutely controlled by the railroads and the Amalgamated Copper Co., a Standard Oil corporation.

The telegraphic news sent by the Associated Press over Western Union wires is largely controlled by the Standard Oil Trust, and the policy of the Associated Press is to suppress or falsify news that might hurt the owners of Special Privilege. When the District Court of Multnomah county declared the Oregon initiative and referendum amendment unconstitutional, that decision was sent by the Associated Press all over the United States. But later, when the Supreme Court of Oregon reversed the decision of the Multnomah court, and decided that the initiative and referendum amendment was constitutional, the Associated Press suppressed that news. Again, last year, when the Supreme Court of Oregon decided the tax case against the Pacific States Telegraph and Telephone Oompany, the Associated Press suppressed that news.

A few years ago W. G Eggleston, then a newspaper man of Chicago, found that the great railroads centering in that city were stealing city land and dodging their taxes. He got the facts and wrote an article, but not a single daily paper in Chicago would publish the facts. One editor asked: "Do you want us to lose all our railroad business?"

In 1905, when bills to regulate railroad rates were before Congress, the railroad companies organized press bureaus in New York, Washington, Chicago, St. Louis and Topeka, and had special agents in South Dakota and California. The manager of the bureaus was Samuel Spencer, president of the Southern Railway, with headquarters in Washington. A sum estimated at $2,000,000 by a prominent newspaper man was raised by the railroads to manufacture "public opinion" against rate regulation through these bureaus.

The Chicago office employed forty-three persons, some of them experienced newspaper men. This office was inspected by Ray Stannard Baker, one of the most careful and reliable writers in America. In the office he saw a card index case

called "the Barometer," in which the editors of the Northwest were indexed as to their politics, financial condition and peculiarities. If an editor made trouble for the railroads, a traveling agent visited his town and organized the local shippers against him. That meant a loss of advertising. In the week ending June 5, 1905, before the bureau began its work, the papers in Nebraska published 412 columns of matter opposed to the railroads; but three months after the bureau began its work there were 202 columns of matter favorable to the railroads and only 4 columns against them in Nebraska in one week. Railroad money was talking in the newspapers, but the articles were not marked as paid advertisements.

In 1908, municipal ownership of street railways was an issue in Detroit, Michigan. The street railroad company wanted an extension of its franchise until 1924, and the city government granted the extension; but that grant called for the referendum. The street car company began what it called a "campaign for education," and bought half a page in every daily paper in the city. **Every daily paper except one was silent or advised the voters to vote for the franchise extension.**

In 1895, John R. Walsh, the Chicago banker, now confined in Leavenworth penitentiary, established the Chicago Chronicle to "protect his interests." On the desks of the Chronicle writers was a list of the corporations in which Walsh was interested. That was a warning to the writers not to say anything about any of those corporations. The Chronicle writers spoke of those corporations as the "sacred cows," which must not be abused because they gave milk and cream for Walsh. Almost every big daily paper, and many of the little ones, have "sacred cows" that must be protected.

Editors of newspapers are not to blame for these conditions. Daily papers are seldom owned by their editors, who are hired men and must obey orders or lose their jobs. Even when an editor owns his paper, and sells it and his influence to Special Privilege corporations, he deserves pity rather than blame. Editors and newspaper owners cannot be free until the people are free; and the people cannot be free while Special Privilege owners control the laws regulating taxation and exemptions. Every man wants to be free, but the man who has a family to support cannot be free while Franchise Big Business swings its club over his head.

Many times during the past few years some newspapers—even great and wealthy city newspapers—have taken money for publishing as news false statements about matters in which Special Privilege owners were interested. In September, 1905, when the Armstrong Committee was investigating the insur-



ance graft in New York, the companies hired Charles J. Smith to write articles for a news bureau handled by Allan Foreman. Those articles were published in daily and weekly papers from New York as far west as Kansas and as far south as Atlanta. One insurance company paid more than $5,000 for a single item in 100 newspapers in October, and on October 25 the same company paid over $10,000 for six articles published as telegraph news. Several big and so-called "respectable" papers were paid $1 a line for publishing as "news" what the crooked insurance companies wanted printed to deceive the public.

Three years ago, in the spring of 1907, the Boston Transcript showed how reckless and untruthful a newspaper can be when it is serving the Special Privilege owners that control it. The day before a committee of the Massachusetts Legislature was given a hearing on the "Public Opinion" bill, which wa- a milk-and-water substitute for the initiative and referendum, the Transcript published an editorial saying that the initiative and referendum was a failure in Oregon; that most of the people in Oregon pay no taxes and take no interest in initiative and referendum measures; that "practically everything that goes on the ballot is adopted" in Oregon; that "the voters usually refuse to take" the pamphlets sent out by the secretary of state; that the county clerks "content themselves with piling the books on their desks, like patent medicine almanacs in the apothecary shop, for any one who is willing to take them away"; that "Oregon is getting sick" of the initiative and referendum, and that "the more thoughtful persons" in Oregon "believe it will be only a short time before the state will repeal this law and go back to the old system of trusting something to experts." On April 22, 1907, the Portland Oregonian replied to that editorial of the Transcript and said:

> The Transcript says that eleven measures were submitted to a vote of the people last June, and it might have truthfully added that though some were adopted and others rejected, and all of them were important, no man has yet arisen to say that the people made a mistake in any particular due to lack of understanding of any measure. There is not one man condemning the initiative and referendum where there are a hundred censuring the Legislature.

Soon after that editorial appeared in the Boston Transcript the St. Louis Globe-Dispatch and other corporation papers in different parts of the country published, editorially or as news, most of the misstaatements made by the Transcript, and saying that the initiative and referendum was a failure in Oregon; but they did not copy the Oregonian's denial.

In 1905, when the Montana Legislature was considering the submission of an initiative and referendum amendment, only

one daily paper favored the amendment—and the editor of that paper lost his job. In 1906, when the amendment was before the people of Montana, the daily papers boycotted it. In 1907, when the electric light and power companies had a bill in the Montana Legislature to give them power to rob the cities of the state, ten of the daily papers had reporters at the Capitol, but not one of them would publish the truth about that bill, and their correspondents were ordered to "pass it up," to be quiet about it.

Franchise Big Business has four agencies ,in Boston, New York, Chicago and Washington, D. C., to write and send newspapers stories about the "failure of municipal ownership." These stories are published all over the country. The agencies have often sent out stories of failure of public ownership in cities that have never tried public ownership. In other cases, to prove that public ownership is a failure, they have often falsified the figures of receipts and expenditures of municipal plants. About a year ago, Manager Grant, of the New York agency, sent this letter, marked "strictly confidential," to the president of the Oconee Telephone Company at Walhalla, South Carolina:

"The Bureau has arranged with the American Press Association to furnish a page of plate matter monthly to such papers as may be designated. Companies desiring to place such matters in the local papers should communicate with the Bureau—under no circumstances taking up the matter with either the American Press Association or the local paper. All arrangements are made through the Bureau in such a way that the company does not appear in the matter at all. The cost of service is $20 per year per paper. The great benefit accruing from the constant presentation of facts and arguments in favor of private ownership can hardly be over-estimated."

When the Consolidated Gas Company of Boston was having a contest with the Public Franchise League, and while legislation was under consideration, this letter was sent to papers all over Massachusetts:

"Enclosed you will find copy for a reading-matter ad. to be used in your paper. It is understood that this will be set up as news matter, in news type, with a news head, and without advertising marks of any sort. Please send your bill at the lowest net cash rates to the undersigned."

That advertising was published in many newspapers in Massachusetts. In 1898, when Attorney-General Monnett, of Ohio, was prosecuting the Standard Oil Company for violating the law, articles were published in papers in all parts of the state to make public opinion against the prosecution. Mr. Monnett found that the articles were sent to the papers from the Jennings News Bureau and Advertising Agency at Lancaster, Ohio. He placed Jennings on the witness-stand, and



learned that the articles were furnished by a Mr. Apthorp, a Standard Oil agent. Monnett produced a contract between the Jennings Agency and a newspaper, under which the paper would be paid for the publication of articles on condition that they were printed as "news" or as an editorial.

The following quotations are from an article by Charles Edward Russell in La Follette's Weekly of May 21, 1910:

## HOW THE PRESS IS CONTROLLED

Here is the way the American press, (aside from a few independent journals), is at present arranged:

1. The newspaper whose stock is owned by public service corporations or by the men who own public service corporations.

2. The newspapers owned by men closely associated in business with banks, railroads, trolley companies, gas or electric light companies.

3. The newspapers controlled through loans by the banks, insurance companies, public service corporations and by the men interested therein.

4. The newspapers that are owned or managed by individuals whose investments are in the power of the public enemy or whose natural sympathies are on the side of reaction and class supremacy.

5. The newspapers owned or managed by men that would like to be decent but are coerced by the tremendous power of the advertisers.

The last is the most formidable condition and in every instance supplements all the others.

## THE POWER OF THE BIG ADVERTISER

Here is the way the thing works: In this country we have a vicious system by which we manufacture newspapers at a loss on the manufacture. No other nation tolerates any such folly. We tolerate it and it is almost universal and we pay a terrific price for it, as you will presently see. We manufacture at a loss on the product. That is to say that the money received for a single copy of a newspaper usually does not pay for the paper and ink used in making that copy. The result is that the newspaper publisher is thrown upon the advertising not merely for the profits but for a great part of the manufacturing cost.

## THE CHAIN OF INFLUENCE

Now, the bulk of the display newspaper advertising comes from department stores. Hence the newspaper leans upon the department store. The department store must have money from a bank. Hence the department store leans on the bank. The bank is owned by the Interests that own the public service corporations, or is closely associated with them. All of these Interests constantly become more closely interwoven all about the country. The street railroad companies in different cities are drifting into one ownership. Great combinations own electric light and gas companies in many places. In turn these great combinations are interwoven so that the control of steam railroads and trolley lines and of the public suppies of artificial light and heat lead back to about the same hands. Therefore the chain is complete. The Interests pull the bank, the bank pulls the department store, the department store pulls the newspaper, and the newspaper pulls the public.

Until a few years ago, the average American newspaper, whatever might be its editorial policy, felt or professed an obligation to be impartial in its news columns. This condition has largely passed away. It is in the news columns now that the greatest injuries are inflicted upon the people's cause, both in the suppressing of news and in the distorting and coloring of what is printed. The advertiser is editing the news columns even more carefully than he edits the newspaper's opinions. Therefore the people know next to nothing about the real conduct of their own business.

As showing how farm journals are sometimes poisoned for their readers, the following letter from John D. Archbold, the Standard Oil magnate, to Thomas P. Grasty, is interesting:

"Dear Mr. Grasty: I have your favor of yesterday. We are willing to continue the subscription of $5,000 to the Southern Farm Magazine for another year, payments to be made the same as they have been this year. We do not doubt that the influence of your publication throughout the South is of the most helpful character. With good wishes, I am, very truly yours, John D. Archbold."

In 1905, the Standard Oil Company sent Patrick G. Boyle and Malcolm Jennings to Kansas to make public opinion in favor of the company. Jennings is the man who served the Standard Oil in Ohio when Attorney-General Monnett was prosecuting it. Boyle has been for years a hired writer for the Standard Oil, and in 1908 he was a member of the advisory board of the Associated Press. Jennings and Boyle had many articles published in Kansas papers, on contracts providing that the articles should be published as "news," without any marks to show that they were paid for. The manager of the Kansas City Journal testified that his paper got $3,340 for publishing eight of the articles. In its report of February, 1907, the Interstate Commerce Commission said: "The Standard Oil Company buys advertising space in many newspapers, which it fills, not with advertisements, but with reading matter prepared by agents kept for that purpose and paid for at advertising rates as ordinary news."

In May, 1910, an election was held in the city of Denver. The election was a defeat for the franchise corporations and special privilege owners, which Judge Lindsey has named "the Beast," and the newspapers had very little about it the next day. The Associated Press suppressed the most important news about it, and the Chicago Public of June 3 said:

### THE REBUKE TO THE BEAST IN DENVER

The political victory for municipal democracy in Denver turns out to have been of exceptional importance and against enormous obstacles. Perhaps this is the reason that so little about it has appeared in the newspaper dispatches. For the "Beast" sits in judgment on newspaper dispatches from Denver. You have heard with much iteration of Denver's going "wet" at that election. But how much have you heard of the defeat of the water company in its efforts to get a new



franchise, though it was supported by both political machines? How much have you heard about the municipal water system that was authorized? How much have you heard about the adoption of the initiative, the referendum and the recall, over the opposition of both machines? How much have you heard of the triumphant election of the Citizens' ticket over both machines, operating in combination, although $400,000 was spent to defeat it, and it had only $1,500 and neither organization nor poll workers? Yet those things happened. All through the campaign, in which Judge Lindsey was active and tireless, the Denver Republican declared editorially and with glaring headlines that if under all the circumstances the Citizens' ticket were to win it would mean that the people of Denver endorsed the truth of Lindsey's book, "The Beast and the Jungle." By confession of his local enemies, therefore, the truth of Judge Lindsey's revelations is confirmed by the people of the city.

The completeness of the defeat which the bi-partisan Beast has suffered in Denver, and the intelligent discrimination of the voters, may be inferred from the fact that every referendum proposition of the Beast which the Citizens opposed was defeated by from 5,000 to 10,000 majority, while every one that the Citizens supported was carried by from 2,000 to 4,000 majority.

Most of the owners of special privileges and public franchises are opposed to an Official Gazette, and the papers controlled by them have no use for one. But for all other newspapers the Official Gazette will be useful and helpful, because the Gazette will give them facts about public business they cannot get now, except by spending a good deal of money in hiring experts; and most of the papers in Oregon can't afford to hire experts. Every intelligent editor who is not controlled by the Interests should advocate and welcome the Official Gazette, for by using it he can make his paper better and more useful to its readers.

The Gazette will be a bi-monthly bureau of useful and reliable information for every voter, for every family and for every intelligent, independent newspaper. Its reports on the work of our public servants will not only make them more careful in doing their duty, but will prevent unjust attacks upon them by careless or malicious editors.

In view of all the facts, who can say truthfully that the people of Oregon do not need an official Gazette to tell them, six times a year, about their public business; how it is managed; what is being done and how it is done; an Official Gazette in which they can discuss their own public business, without being dependent on the whim of a newspaper editor or the selfish interests of the Special Privilege owners who hire the editor or the paper. We respectfully submit that the experiment of the Official Gazette is worth trying for two years at least, and therefore ask the favorable consideration of the voters for the bill presented by initiative petition by the People's Power League for establishing the Oregon Official Gazette.

# ALLEGED ABUSE OF THE INITIATIVE

## THE PEOPLE DO NOT NEED GUARDIANS, AND THEY CAN SAFELY TRUST THEMSELVES TO MANAGE THEIR OWN PUBLIC BUSINESS

Is it likely that the people will get tired of considering proposals for improving their own public business and of saying by their votes what they think of each question? The votes cast upon measures at the last four state elections show that the people are neither weary of nor disgusted with the initiative. There would be fewer questions on the ballot if the legislature fairly represented all the people instead of chiefly representing the political parties and Special Privilege owners. Let us see if the carelessness or unfitness of legislators is not responsible for the number of measures submitted to the voters.

Of the thirty-two measures on the ballots at the elections of 1904, 1906 and 1908, fourteen were submitted by initiative petition because the legislature, by refusing to enact those measures, did not represent the people—as proved by the fact that on each one of these fourteen measures the popular vote was against the legislature and for the measure by majorities ranging from 14,740 to 64,512. The proof is conclusive. In all, at these three elections, twenty-three measures were initiated, of which seventeen were approved by the voters, and six were rejected. That is, 73 per cent of the initiated measures were approved. Surely that result disproves the statement that the people are tired of the initiative and opposed to what is called "experimental legislation"; for of the fourteen initiated measures that the people approved after the legislature had refused to consider them, more than half may be called "experimental legislation."

### What Is Experimental Legislation?

The term "experimental legislation" is much used as a bogy or spook to prejudice the people against new ideas to which no valid objection can be made. No objection is made to experimental farming, to experimental chemistry or to experimental mechanics, for it is well known that progress in any direction depends upon experiment. Luther Burbank has added millions to the world's wealth by spending a lifetime in experimental plant culture; Thomas A. Edison has added millions to the world's wealth and comforts by spending his life in experimental mechanics, and George Westinghouse has added millions to the world's wealth and vastly reduced the dangers of travel by his invention of the air-brake, which a few years ago was "merely an untried experiment."



Progress in government, as well as in agriculture, in chemistry or in any other science, depends upon intelligent experiment. It is not so long since representative government was "merely an experiment," nor is it so long since constitutional government was looked upon on the Continent of Europe not only as "experimental," but as a wild dream of theorists. The men who object to experimental legislation are like the member of the Alabama legislature, who in the early days of the telegraph voted against an appropriation to build a telegraph line. "It is an experiment," he said. "It may carry letters and small packages, but, Mr. Speaker, I predict right now that it will never carry a bale of cotton."

Columbus discovered America because he was a "crank" who insisted on making an experiment. We have the telegraph and ocean cables today because another "crank," Morse, made experiments with wires and electric batteries. We have the telephone because "dreamers" and "cranks" kept at work making experiments. A few years ago wireless telegraphy was a "mere experiment"; but the lives and property saved at sea in the last year and a half more than cover the whole cost of the experiments. Yellow fever has been wiped out of Cuba, and thus our Gulf States are no longer menaced, because some doctors made experiments. Those experiments have meant a saving of millions of dollars to America in the last seven or eight years.

Farmers and fruit-growers know that the success of many crops depends on experiments that have been made to protect trees and crops from insect pests. Experiments that cost less than half a million dollars have saved millions of dollars worth of fruit and grain crops. The experiment stations of the Department of Agriculture and of the different states, the experiments with soils, with different grains and fruits, with poultry and other livestock, the experiments in "dry farming" and with irrigation, the experiments in road building and drainage—all these have been the means of adding tens of millions of dollars to the annual production of wealth, and all are the result of "experimental legislation" applied to their own business by individuals. Why should the people hesitate to try experimental legislation in their business of government, which costs so much money?

Contempt and ridicule were heaped upon Congress by the New York Sun when the United States Department of Agriculture was established, and upon state legislatures when agricultural colleges and experiment stations were established in different states. It was said that the legislation by which this was done was "experimental legislation"; and it was, but we

know now that it is successful legislation. We know also, that Franchise Big Business Special Privilege owners have raised the cry of "experimental legislation" whenever Congress has made any attempt to regulate the trusts and the great corporations. Some of the legislation has been a failure, as some experiments in agriculture, in mechanics and in electricity have been failures; but that is no reason why men should quit making experiments in the arts and in government.

A government without experiments is a government without success and without progress. Experiment and experimental legislation are two cornerstones of progress in business and in government; they are the foundation upon which the great movement for "Conservation of National Resources" rests. All progress is due to the fact that some men try to do what has never been done before. No progress can be made in the business of government except by experimental legislation.

Our National Government was established as an experiment in 1789. The Department of the Interior was established as an experiment, by experimental legislation, in 1849; the Department of Agriculture was established as an experiment, by experimental legislation, in 1889, and the Department of Commerce was established as an experiment, by experimental legislation, in 1903. Our Weather Bureau is the result of experiment and experimental legislation; so is the Bureau of Animal Industry, which helps the farmers and stock-raisers—and the whole community—when domestic animals are threatened with infectious disease; so is the health department of every city and state; so are our lighthouse service, our pure food inspection and our life saving service. The public school system of this country is the result of experiment and experimental legislation, and when first proposed it was denounced not only as a dream, but as interference by the government with the rights of the citizen. These are but a few examples of the people going into public business successfully for the people, for the general welfare and the common good.

The initiative and referendum were ridiculed in Oregon a few years ago as a foolish and dangerous experiment, but by the use of the initiative the direct primary law and the local option liquor law were proposed and approved by the people as experiments in 1904. The voters of Oregon have refused to allow a repeal of either of these experiments. Three constitutional amendments providing for home rule for cities, extending the initiative and referendum to all local and special laws, and giving control of the state printer's office and compensation, were experiments proposed by initiative petition in 1906 and approved by the people; and every one admits they are



successful. The state printer amendment alone has already saved the state more money than Oregon has spent for printing and voting on initiative measures in the last eight years. The corporation gross earnings, license and tax laws were experiments proposed by the initiative and approved by the people after the legislature refused to enact them. This is true of nearly all of the progressive legislation of Oregon for the past eight years.

All the people of Oregon have gone into the business of "Government," instead of permitting a few of the people to run that business as party bosses under a political party name. The people have done this because they see that what is public business must be done by all the people, so that the pocketbook benefits may be shared by all, instead of going to a few. And as most individuals are willing to experiment, or pay for experiments, so as to increase their comforts and do business with less labor, it is natural that the majority of the people, acting together, should be willing to try experiments in legislation, or in government, so that their government will be a better business machine and give better pocketbook results.

While the owners of Franchise Big Business, or Special Privileges, and their paid agents and organs make loud objection to "experimental legislation," they applaud experiments in agriculture, in mechanics and other things the object of which is to add to human comforts and increase the production of wealth. The reason is evident. Wealth is produced by labor, but it is distributed by law; and anything that enables labor to produce more wealth merely adds to the profits or pickings of the owners of Special Privileges, as long as the law is not changed. But Franchise Big Business owners and their paid agents and organs see very plainly that, with the initiative and referendum, the people will sooner or later try "experimental legislation" on the laws regulating taxation and exemptions. That is why the owners of Special Privilege are opposed to "experimental legislation" in government while much in favor of experiments in other matters.

Whatever increases the production of wealth adds to the pile from which owners of Special Privileges take their toll of "all that the traffic will bear"—as long as they control taxation and exemptions; but experiments with legislation by the people menace the power of franchise corporations and other Special Pivileges to control taxation and exemptions. That is why the owners of Special Privilege oppose the initiative and referendum, direct primaries and other examples of People's Power. The pretense is that the people should not have these powers because they may hurt themselves. The truth is, Special

Privilege owners do not want the people to have these powers because, by intelligent use of them, the people can take the hands of Special Privilege out of their pockets.

As to the alleged burden of measures upon the minds of the voters, when submitted to popular vote, and the little time in which the voters have to study such measures, compare this with the corresponding burden upon the legislature. Of the nineteen measures submitted on the ballot at the election in 1908, four were submitted by the Legislature of 1907 a little more than 15 months before they were voted on; four were sent to the voters by referendum petition a little more than 12 months before the election; and eleven were submitted by initiative petition—all of them four months before the election and some of them more than six months before election; say, an average of five months, or 150 days. For the initiated measures, then, the voters had an average of fourteen days and a half to study and discuss each measure; and a much longer time for each of the referendum measures. Such was the "great burden" upon the minds of the voters. Now, take the records of the legislature and compare the burden upon the minds of the legislators:

In 1909 the state senate was actually in session 28 days of the regular session, in which it had to consider 12 veto messages from the Governor of bills vetoed after the Legislature of 1907 adjourned; 262 senate bills; 201 bills passed by the house and sent to the senate; 104 senate resolutions and 27 resolutions passed by the house; 10 senate memorials and 10 house memorials; making 626 measures, without counting the reading of petitions and necessary action upon the Governor's vetoes of bills passed at the session of 1909. That is, 626 measures in 28 days, or an average of a little more than 22 measures a day, as against the "great burden" of fourteen days and a half to a measure, which the voters had for the measures submitted in 1908.

Similarly, in the 28 days they were in session, the members of the House of Representatives had 681 measures to consider, or an average of more than 26 a day.

The man who favors abolition of the initiative because it is sometimes misused, should favor abolition of the legislature for the same reason. It is a fact worth remembering that the initiative and referendum, direct primary laws for the people, the recall and public ownership of such utilities as water and lighting plants are denounced by Franchise Big Business owners and their newspaper organs as "experimental legislation." (For a discussion of the methods used by Big Business to poison the minds of the people in regard to these matters, read



what is said in this pamphlet of the "Oregon Official Gazette," pages 102-113.

A host of new voters will cast their first ballots in Oregon next November. Perhaps it is worth their while to see what the people of Oregon have voted on and how they voted in the past eight years. The following table and explanation will show this:

**POPULAR VOTE UPON MEASURES SUBMITTED TO THE PEOPLE OF OREGON UNDER THE INITIATIVE OR REFERENDUM.**

| | Yes. | No. |
|---|---|---|
| 1902. | | |
| Total State Vote, 92,920. | | |
| Initiative and referendum amendment | 62,024 | 5,668 |
| 1904. | | |
| Total State Vote, 99,315. | | |
| Direct primary law with direct selection of United States Senator* | 56,205 | 16,354 |
| Local option liquor law* | 43,316 | 16,354 |
| 1906. | | |
| Total State Vote, 96,751. | | |
| Omnibus appropriation bill, state institutions† | 43,918 | 26,758 |
| Equal suffrage constitutional amendment* | 36,902 | 47,075 |
| Local option bill proposed by liquor people* | 35,297 | 45,144 |
| Bill for purchase by State of Barlow toll road* | 31,525 | 44,527 |
| Amendment requiring referendum on any act calling constitutional convention* | 47,661 | 18,751 |
| Amendment giving cities sole power to amend their charters* | 52,567 | 19,852 |
| Legislature authorized to fix pay of state printer* | 63,749 | 9,571 |
| Initiative and referendum to apply to all local, special, and municipal laws* | 47,678 | 16,735 |
| Bill prohibiting free passes on railroads* | 57,281 | 16,779 |
| Gross-earnings tax on sleeping, refrigerator, and oil car companies* | 69,635 | 6,441 |
| Gross-earnings tax on express, telephone, and telegraph companies* | 70,872 | 6,300 |
| 1908. | | |
| Total State Vote, 116,614. | | |
| Amendment increasing pay of legislators from $120 to $400 per session** | 19,691 | 68,892 |
| Amendment permitting location of state institutions at places other than the capital** | 41,971 | 40,868 |
| Amendment reorganizing system of courts and increasing supreme judges from three to five** | 30,243 | 50,591 |
| Amendment changing general election from June to November** | 65,728 | 18,590 |
| Bill giving sheriffs control of county prisoners† | 60,443 | 30,093 |
| Bill requiring railroads to give public officials free passes‡ | 28,856 | 59,406 |
| Bill appropriating $100,000 for armories‡ | 33,507 | 54,848 |
| Bill increasing fixed appropriation for state university from $47,500 to $125,000 annually‡ | 44,115 | 40,535 |
| Equal-suffrage amendment* | 36,858 | 58,670 |

Privilege owners do not want the people to have these powers because, by intelligent use of them, the people can take the hands of Special Privilege out of their pockets.

As to the alleged burden of measures upon the voters, when submitted to popular vote, and the voters have to study such

| | | |
|---|---|---|
| Recall | 32,060 | 60,871 |
| Bill instructing [illegible] people's choice for United States Senators* | 58,381 | 31,002 |
| Amendment for proportional-representation law* | 69,668 | 21,162 |
| Corrupt-practice act governing elections* | 48,868 | 34,128 |
| Amendment requiring indictments to be by grand jury* | 54,042 | 31,301 |
| Bill creating Hood River County* | 52,214 | 28,487 |
| | 43,948 | 26,778 |

* Submitted under the initiative.
† Legislative act submitted to the voters by referendum petition.
** Submitted to the people by the legislature.

The submission of a total of 32 measures at three different elections in Oregon has cost the state $25,000, or an average of about $781 for each measure. At the election in 1908 19 measures were submitted, at a cost to the state of $12,362, or an average of about $651 each. Five of these 19 measures were submitted without argument. Upon the other 14 measures there were 19 arguments submitted, for which the authors paid the cost, amounting to $3,157.

# VOTE AGAINST CONVENTION

## DEMAND FOR A NEW CONSTITUTION IS A BIG BUSINESS SCHEME TO TAKE POLITICAL POWER AWAY FROM THE PEOPLE AND PUT BOSSES BACK INTO THE SADDLE

The bill for a constitutional convention is an auction block bill. The people are asked to allow the sale to Franchise Big Business, at private auction, of all their political rights and powers, and of their right to regulate taxation and exemptions. There are many reasons why the people should vote "NO" on the bill to call a constitutional convention.

### 1. Five Elections in Nineteen Months

If the voters approve this bill, they will vote for five state elections in the nineteen months between April, 1911, and November, 1912, or a little more than one election every four months. The bill it elf provides for three special elections:

Fir t, a special general state election in April, 1911, for the Republican and Democratic parties to nominate candidates for delegates to the constitutional convention.

Second, another special general state election in June, 1911, to elect delegates to the constitutional convention.



Third, a special general state election in April, 1912, to vote on the new constitution. But Franchise Big Business does not intend that this election shall be held. The program is for the convention to "proclaim" the new constitution and put it into effect without submitting it to the people.

Then, in September, 1912, comes the regular primary election for state and county candidates; and in November, 1912, the national, state and county elections.

### 2. No Need for Convention

There is no need for a constitutional convention. In the first place, both the people and the legislature can and do propose amendments to the constitution. In the second place, Franchise Big Business owners could have submitted by initiative petition a constitution that suits them and no special elections would be needed.

### 3. Convention Will Cost $250,000

It will cost the people of Oregon two hundred and fifty thousand dollars if they vote for a constitutional convention. That is what they would have to pay for three special elections and for the expenses of the convention, and it would be useless expense because all the amendments to the constitution demanded could be initiated by petition for $5,000. In fact, all the amendments could have been submitted by the legislature of 1909, instead of the bill for a constitutional convention, and the matters would be settled at the regular election this year without wait'ng until 1912. If the Franchise Big Business corporations want the constitution amended, let them submit amendments openly, as amendments are submitted by farmers, organized labor and other bodies of citizens.

### 4. Legislature Can Submit

In spite of the assertions that we have outgrown our constitution, that it is "obsolete" and in many respects "of uncertain meaning," the legislature has submitted only five amendments at the last four state elections. As compared with the cost of a quarter of a million dollars for a constitutional convention, the expense of submitting seven amendments—which is the number said to be needed—is practically nothing. In 1907 the legislature submitted four amendments, not one of which was intended to remedy the alleged serious defects in the constitution.

### 5. Long and Costly Litigat'on

A new constitution will mean many years of uncertainty in regard to the meaning of its provisions, especially in regard to

the rights of property and of the corporations as against the common good. Uncertainty in such cases means lawsuits and trouble between the corporations and the people, in which the corporations generally get the best of it; and with the scheme to have the new constitution "proclaimed" instead of being submitted to the voters, Franchise Big Business will see that the people get the worst of it.

The meaning of the present constitution is well known. In practically all matters relating to the property rights and political rights of the people the supreme court has told us what the present constitution means. It will cost taxpayers and litigants less in time and money to adopt amendments to the constitution than to have a new constitution.

### 6. How Conventions Have Betrayed the People

In six states, since 1890, constitutional conventions have made new constitutions and then proclaimed or promulgated them without submitting the question to the voters. These six states are Mississippi, South Carolina, Delaware, Louisiana, Virginia and Kentucky. In Kentucky the constitutional convention did submit to the people a constitution, which was approved by a large majority. But after the election the convention met again, made some changes in the constitution that had been approved, and then made a decree promulgating the constitution and declaring that the doctored constitution was the constitution of Kentucky. That act of despotism was upheld by the supreme court of Kentucky.

### The Virginia Bunco Game

In 1900 the legislature of Virginia submitted to the voters the question, "Shall there be a convention to revise the constitution and amend the same?" The election was held in May, 1900, and the majority of those voting on the question voted "YES." In 1901 the legislature of Virginia called an election for delegates to the constitutional conventon, "to consider, discuss and propose" a new constitution or alterations and amendments to the existing constitution. Section 12 of that act of the Virginia legislature, of February 16, 1901, provided:

> If said convention shall agree upon the revised and amended constitution on or before the 5th day of October, 1901, said revised and amended constitution shall be **submitted to the qualified voters of the Commonwealth as a whole or by separate articles or sections, as** the convention may determine, **for ratification or rejection, at the general election to be held on the 5th day of November, 1901.**

Section 17 of the same act—the one submitting to the voters the question of holding a constitutional convention—provided:



> But if said convention shall not propose a revised or amended constitution on or before the 5th day of October, 1901, it shall remain for the next General Assembly to enact such measures as it may deem proper **for submitting the revised and amended constitution to the people of this Commonwealth for ratification or rejection.** (See Acts of the General Assembly of Virginia, extra session, 1901, pages 262-266.)

The constitutional convention met in June, 1901, and adjourned in June, 1902. It did not submit the new constitution to the voters, but put it in force by its proclamation, saying:

> We, therefore, the people of Virginia so assembled in convention through our representatives, **with gratitude to God for his past favors and invoking His blessings upon the result of our deliberations, do ordain and establish the following revised and amended constitution for the government of the Commonwealth.**

That is, the Virginia convention in betraying the people, thanked God for the opportunity and asked His blessing upon its treachery. Every member of that convention, when he took the oath of office, thereby swore that he would obey the law that said the new constitution must be submitted to the people. By accepting a nomination and an election as delegate to the convention, every member thereby gave a pledge to the people that he would vote against proclaiming the new constitution. That was a solemn contract between the delegates and the people. The Franchise Big Business owners that persuaded Virginia delegates to commit perjury and break faith with the people may persuade Oregon delegates to do the same thing. The supreme court of Virginia, in June, 1903, upheld and endorsed the infamy of that constitutional convention, in the case of Taylor vs. Commonwealth (Virginia Supreme Court Reports, Vol. 101, page 829), and in making its decision the court avoided the only question before it.

### Victory for Special Privilege

First, the court said that "the **sole ground** urged in support of the contention that the constitution proclaimed in 1902 is invalid is that it was ordained and promulgated by the convention without being submitted for ratification or rejection by the people of the Commonwealth."

Surely that was ground enough for holding that the new constitution was invalid, because in approving the act calling the convention the voters distinctly reserved to themselves the right to reject the new constitution, and had thus denied to the convention the right to "ordain and promulgate" the constitution. That was the only question involved, but in order to uphold the power of the convention to take away the right of the people, the court avoided that question except to say that it expressed no opinion upon it, for two reasons, namely:

1. Because the library at hand is not sufficient to enable us properly to investigate and consider the question. m

That is, the court had to have a library to tell it whether the convention had stolen the people's power.

2. Because, if it were conceded that the convention was without power to promulgate the constitution, it would not alter the result in this case, inasmuch as the constitution of 1902 has become the fundamental law of the State as already shown, by being acknowledged and accepted by the governor and the people of the state.

That is, the governor and the legislature had approved of the stealing of the people's power, so it made no difference if it was stolen; for in saying that "the people of the state" had accepted the constitution, the court meant that the legislature met a month after the convention "ordained and promulgated" the constitution, and adopted a resolution recognizing the document as "the constitution of Virginia."

The Kentucky supreme court gave a decision similar to the Virginia decision in the case of Miller vs. Johnson (92 Ky., page 589), though the law creating the Kentucky constitutional convention provided that before any constitution should be in effect it must be submitted to and be approved by the voters.

### The Delaware Case

In 1894 the electors of Delaware voted for a constitutional convention to meet in December, 1896. Section 8 of the act calling the convention said: "That in the opinion of this legislature the constitution hereinbefore provided for should be submitted for the approval of the legal voters of the state." (Passed at Dover, May 7, 1895.) The convention prepared a new constitution and ordered it submitted to the voters; but before the date of the election the convention met again, canceled the election and proclaimed its constitution to be the constitution of Delaware, without submitting it to the voters.

These three cases show that a constitutional convention can take away from the people their right to approve or reject a new constitution, in spite of a plain provision of law requiring the submission of the new constitution to the voters. The decisions of the supreme courts of Virginia and Kentucky mean, in plain English, that when the people of a state vote for a constitutional convention they give the convention full power to cheat them out of their rights; and that the people have no red ess, no matter what the law may say about submitting the new constitution to the voters.

The supreme court of Virginia affirmed the validity of the "proclaimed" constitution because, for one reason, it had been endorsed "by the people in their primary capacity by peacefully accepting it and acquiescing in it." That is, according to the court, the theft of the people's power by the convention was valid because the people submitted peacefully, instead of lynching the members of the convention; and that no citizen should ask for relief in court until he had tried to get his rights by resorting to lawlessness and disorder. Yet, if any voter of Virginia had resorted to violence against the convention that embezzled public rights, the supreme court would have said, had the case been taken to it on appeal: "The courts are established and maintained to do justice between man and man, and no citizen has a right to resort to violence. For the courts to uphold violence, lawlessness and disorder, is to uphold anarchy; and there is no need nor excuse for anarchy on American soil."



### 7. To Steal the People's Power.

These court decisions show how a constitutional convention may steal the people's power, or sell it to Franchise Big Business. The politicians and the bosses out of a job don't like the people's power any better than Special Privilege does, for the amendments to the Oregon constitution that the voters made by using the people's power have turned the political bosses out of good jobs, and are interfering with the profits of their corporation masters.

The more power the people take the better for them. If they leave the door open for Franchise Big Business to steal their power, or to buy it from persons elected as representatives of the people, they must expect to lose that power. If they give any set of men full power of attorney, in a constitutional convention, to sell their political rights or give them away, they must expect to lose their rights.

The only safe course is to vote "NO" on that bill to call a constitutional convention. Franchise Big Business owners have everything to gain and nothing to lose through a constitutional convention; while the people may lose the supreme powers of direct initiative, referendum, direct primary and recall and cannot possibly gain anything.

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## WHO PAY FOR THIS PAMPHLET?

The expense of preparing and distributing this pamphlet is paid out of "The Joseph Fels Fund of America," by the Fels Fund Commission, which consists of Daniel Kiefer, of Cincinnati, Chairman; Jackson H. Ralston, of Washington, D. C.; Lincoln Steffens, of New York; Frederic C. Howe, of Cleveland, Ohio, and George A. Briggs, of Elkhart, Indiana. Joseph Fels has agreed to give to this Commission $25,000 a year for

five years to get the people of the United States to study and apply the science of just taxation in support of their government. He has agreed to give the same amount for the same purpose in Great Britain, and smaller sums for Canada, New Zealand, Denmark and other countries. He does not handle nor does he supervise the spending of the money. That work is delegated, in America, to the Fels Fund Commission.

Joseph Fels' offer, for America as for other countries, is to give a dollar for every dollar given by others. If one hundred thousand men in the United States give a total of fifty or one hundred thousand dollars, Fels will give the same amount. Money given to the Fels Fund by Americans will be used only for work in America; none of it will be sent to a foreign country.

Joseph Fels is an American, and a wealthy manufacturer whose business offices are in Philadelphia and London. He divides his time between his American and English interests. He was born in Virginia, of Jewish parentage. He does not give money to endow colleges, libraries or hospitals, because he knows there will be no need for this so-called "charity" of the millionaires when the people enact just laws for collection of all taxes from the special privilege and natural resource values that are created by the presence and industry of all the useful workers who labor in all the trades, from ditch diggers to bank presidents.

He believes in the wisdom and power of all the people to abolish poverty by making just laws that will insure to every man all the wealth he produces and every dollar he earns, and that will compel every man to earn every dollar he gets. Then the crimes caused by poverty will disappear.

Joseph Fels believes that Special Privilege, in the form of private ownership of values created by all the people is the cause of most of the political and social crimes. His object in establishing "The Joseph Fels Fund of America" is to help to provide an educational fund so that the people may learn to use their power to abolish the "game of politics," and apply the science of government to their public business.

It is a sign of better conditions that at least one millionaire has the conscience and public spirit to endow a fund for justice and the common good, when so many millionaires are secretly using their fortunes to take from the people what little comforts and political rights they now enjoy.

The great corporations and the "malefactors of great wealth" spend money freely to persuade th people to submit peaceably to public taxation for private profit. For many years the owners of the Franchise Big Business Interests have en



dowed colleges, bought and subsidized newspapers, hired orators and paid high salaries to the most skillful and unscrupulous lobbyists but never in any case to increase the power to advance the common good of all the people. This effort by Mr. Fels is probably the first attempt by a rich man to establish an educational fund for protection and increase of the People's Power in government, without any chance of selfish profit or advantage for himself.

The Fels Commission pays for this pamph'et because the Commissioners endorse its purpose, which is not only to defend the rights and powers already won by the people of Oregon, but to give good reasons for their taking additional powers, and especially the direct power to regulate taxation and exemptions. Also, the Commission sees that the owners of Special Privilege are fighting in Oregon to take away from the people the political powers they have won.

Some of the subscribers to "The Joseph Fels Fund in America" are Oregon men. There are others in the state to whom this cause should appeal. The Fels' Commission is glad to get any sum that any one may wish to give. Some contributors have agreed to give 50 cents a year, others as high as five hundred dollars a year.

There is this advantage in subscribing to the Fels Fund; for every dollar paid to it, Joseph Fels will pay another dollar, so that every payment of one dollar means the addition of two

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**In regard to the Joseph Fels Fund and the Fels Commission, see pages 1, 2 and 3.** **If you wish to contribute, fill out this card and mail it to Daniel Kiefer, Cincinnati, Ohio.**

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# THE JOSEPH FELS FUND OF AMERICA

**TOM L. JOHNSON, Treasurer**

I hereby pledge to THE JOSEPH FELS FUND OF AMERICA and the work the Commission of Five has undertaken, the sum of..... a year, for five years, payable | monthly | quarterly | semi-annually | annually | (Please designate).

If for any reason I should desire to revoke this pledge at the end of my annual period, I reserve the right to do so, upon notice to the Commission of Five.

Signed.....

Address.....

**Remit to order of TOM L. JOHNSON, Commercial Tribune Building, Cincinnati, Ohio.**

dollars to the Fels Fund. The fight against Special Privilege will be easier for us in Oregon, as the people of other states obtain and use the Initiative, Referendum and Recall in their contest for political self-government and equality of opportunity. Therefore, we earnestly hope all progressive citizens in Oregon will subscribe to the Fels Fund.

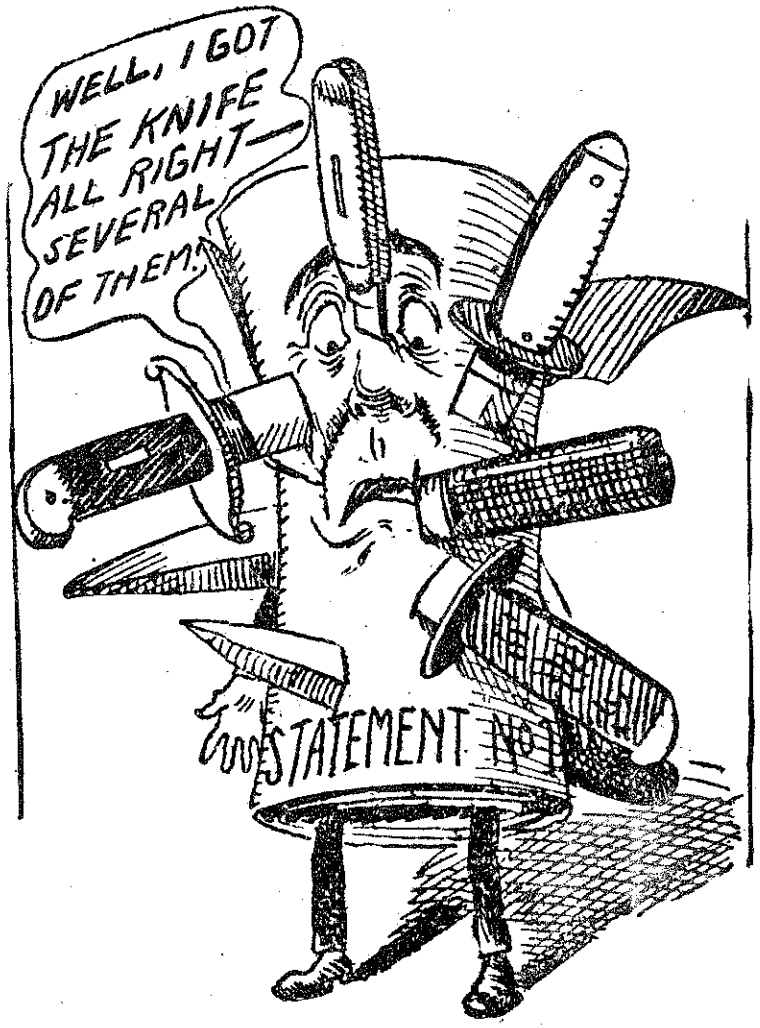
A public statement will be made of all money spent by the Fels Fund Commission in Oregon. Will the men who are spending money for the "assembly conventions to select and recommend candidates," and for the constitutional convention bill, publish full accounts of their expenses? No money will be spent in Oregon by the Commission unless the expenditure is approved by the Oregon Committee, and then approved by the Fels Fund Commission.

The statement has been published that Joseph Fels and Senator Bourne have contributed the sum of $120,000 to be spent in Oregon this year. That statement is absolutely false in every particular. Senator Bourne is not associated with Joseph Fels or the Fels Fund. The fund is for political educational purposes on measures only. It is not partisan and cannot be used to help any person to get or keep any office.

If you wish to contribute to the Fels Fund, fill out the blank printed on page 127 and send it to Daniel Kiefer, 530 Walnut Street, Cincinnati, Ohio. If you cannot contribute more than 50 cents, that will mean one dollar for the People's fight against Special Privilege. If you wish further information about the Fels Fund, Mr. Kiefer will be glad to answer your letters.



**The Oregonian Sneers at the People's Right to Elect Their U. S. Senators. It Prefers the Old Auction-Block Way.**




**Right Up to the Hilt.**

**The Oregonian's cartoon of July 20, 1910, showing that the real purpose of the "Assembly to select and recommend candidates" is to kill the Direct Primary Law.**