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City Club of Portland (Portland, Or.)

"Harmony in Diversity"

PORTLAND CITY CLUB BULLETIN

"Active Citizenship"

VOLUME V | PORTLAND, OREGON, OCTOBER 31, 1924 | NUMBER 5

FRIDAY, OCTOBER 31 *Hotel Benson, 12:10*

ELECTION MEETING

SPEAKERS	*SUBJECTS*
JOHN A. LEE	WORKMEN'S COMPULSORY COMPENSATION LAW
C. W. PLATT	INCOME TAX REPEAL
DR. C. H. THIENES	NATUROPATHS
DR. GEO. E. BURGET	OLEOMARGARINE AND CONDENSED MILK
B. A. THAXTER	BONUS AMENDMENT
FRANCIS H. MURPHY	$500,000 BRIDGE BONDS
ORMOND R. BEAN	ZONING
JAMES J. SAYER	2.2 MILLS CITY TAX
	ASSESSMENT BONDS
	STREET LIGHTING DISTRICTS
	SHRINE HOSPITAL TRACT
	6% ENGINEERING COST

SYMPHONY STRING QUARTET

ELECTION MEASURES ARE STUDIED

City Club Committees Present Reports on State, County and City Questions

WORKMEN'S COMPULSORY COMPENSATION

Your committee appointed to investigate and make report upon the pending amendment to the constitution of Oregon relative to workmen's compensation begs to submit the following report:

We have made a careful study of the amendment in itself, in its relation to the existing law and as compared to the compensation laws of some of the other states. We have sought to familiarize ourselves with and to give full and fair consideration to the various arguments advanced, both for and against the amendment. To this end, we have invited expression from a number of representative persons, a few outside of Oregon, and have conducted two hearings. One whole evening was given up to the pre-

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ZONING ORDINANCE

Your committee appointed to make a report on the City Zoning Ordinance has given the matter thought and consideration and submits the following report:

Before taking up an analysis of the proposed zoning ordinance which is to be submitted to a vote of the people of Portland on November 4th, it might be well to give a brief resume of the history of zoning in this city:

During the year of 1912, E. H. Bennett of Chicago was employed by this city to prepare a city plan. This plan to a certain extent was a forerunner or indication of future zoning. The plan was adopted by a vote of the people and by the designation of certain sections of the city as potential industrial districts, business

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PORTLAND CITY CLUB BULLETIN

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CITY CLUB PURPOSE

"To inform its members and the community in public matters and to arouse them to a realization of the obligations of citizenship."

CLUB WORK APPRECIATED

Some of the City Club's best work in former years has been done in preparing and presenting reports on ballot measures for the information of club members. The value of comprehensive and unbiased reports prepared after thorough study by capable club members who have no direct interest in the questions involved has been appreciated.

The custom of other years is being followed this year and reports on the state and local measures which come before the voters next Tuesday are published in this special number of the *Bulletin*.

These reports have been approved by the Board of Governors and will be presented to the club on Friday.

ZONING ORDINANCE

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districts and residential districts, was zoning in the broader sense. This city plan although prepared by one of the greatest of all city planners and approved by direct vote of the people, was soon after its passage ignored and forgotten. The ordinance has never been rescinded but now probably very few people know that such a plan ever existed.

The next step in zoning was undertaken by the City Planning Commission in 1918 under the guidance of Chas. H. Cheney of Berkeley, California. This ordinance was passed March 17th, 1920 by the City Council and later referred to the vote of the people on November 2nd, 1920. Its defeat was probably brought about by an accumulation of circumstances, among which were too fine classification, too many different types of districts and lack of understanding by the people of the value of zoning.

After the defeat of this measure it was found necessary to amend the building code so that some few uses of buildings would require a special permit. This list of restricted uses has been increased year by year until at present it is necessary to obtain special permits for almost all types of buildings except single family dwellings. These special permits are granted or refused by the council after notifying all legal owners of property where-in the improvement or any part thereof comes within a radius of 200 feet of contemplated building, thus giving adjoining building owners chance of protest.

The past experience should be kept in mind when considering the new ordinance.

The proposed zoning ordinance for the City of Portland was compiled by the joint zoning committee of the City Planning Commission and the Portland Realty Board; Fred W. German, Realtor Chairman; H. E. Plummer, Head of Bureau of Buildings, Vice Chairman; C. A. McClure, Secretary of City Planning Commission, Secretary.

The members of the City Planning Commission Zoning Committee are: A. E. Doyle, Architect; Coe A. McKenna, Realtor; E. B. MacNaughton, Property Manager; H. E. Plummer, Head of Bureau of Buildings; Henry E. Reed, Appraiser.

Members of the Portland Realty Board Zoning Committee are: Fred W. German, Henry W. Goddard, J. Logie Richardson, A. R. Ritter, J. Fred Staver and L. B. Symonds.

Districts Classified

The proposed ordinance recognizes four major classifications or use districts, together with two special classifications as follows: Class I, Single Family Dwellings; Class II, Multiple Family Dwellings; Class II Special, Temporary Residences; Class III, Business; Class III, Special Business Districts; Class IV, Unrestricted.

In the following discussion of the above use districts we have not attempted to go into detail statement as to all uses enumerated in the text of the ordinance. We have taken the principal uses mentioned in order to give a fair understanding of the type of district under consideration. Class I permits single family dwellings, private garage for not more than three motor vehicles, pergolas, greenhouses for private use, and gardening of vacant lots. It provides that public utility buildings may make additions with certain qualifications as to appearance, etc., and also provides that private or public amusement parks existing at time of passage of this ordinance may be added to, repaired, or entirely rebuilt within this classification without interference by adjoining property owners. Sign boards, bill boards, temporary residences, together with all uses not allowed above are prohibited in this district. The repainting of existing sign boards is prohibited. By local option proceedings, churches, schools, school dormitories, public parks, park buildings, garages for more than three motor vehicles as an accessory to a dwelling may be allowed. A Class III Special, Business District, may be established in a Class I district by amending the zoning ordinance. This Class III Special Business District will permit uses allowed by Class I, together with store building limited to one story in height, except when a second story is authorized by Local Option proceedings. The use of such store buildings are limited to uses needed to supply a residential district. In the Class III, Special Business District, flats, apartments, hotels, signboards and manufacturing buildings are prohibited.

Class II permits those uses allowed in Class I, together with multiple dwellings, flats, apartment hotels, boarding houses, parks, truck gardens, farms, and provides that property now maintained and used exclusively for educational, hospital, religious or public utility purposes or on property contiguous thereto but in same block, may be used for expansion or addition to buildings then in use under certain qualifying conditions. By local option proceedings, the following uses will be permitted: billboards, churches, babies' homes and similar buildings; hospitals and sanitariums provided they are not for treatment of insane or narcotic cases; public service buildings, R. R. stations, undertaking establishments. Temporary residence or shacks are allowed under local option for term of two years. Stores, mercantile buildings, manufacturing plants, places of amusement, together with other uses not included in above, are prohibited in Class II.

Class II, Special Temporary Residence District, has regulations same as Class II, except that temporary residences will be permitted and maintained for a period of two years without being approved by local option with certain qualifications as to location in regards other districts.

Class III, Business Districts, permits all uses allowed in Class I, Class II, and Class II Special, together with uses devoted to general assemblage, general business, public buildings, residential buildings, etc. By local option the following uses may be permitted: Metal products, heating plants, fuel yards, gas holders, lumber mills or yards, vinegar manufacturing and similar uses. The more objectionable uses such as fertilizer plants, packing houses, tannery, clay products, chemical products, explosives, incinerator, boiler shops and similar use are prohibited. Class IV, Unrestricted District, will allow of any use that does not conflict directly with the general ordinances of the city.

Changes Possible By Local Option

The ordinance does not affect the continuance of property used at time of passage of the ordinance for non-conforming uses, except that they are not permitted to expand, alter or make additions without local option or change of district proceedings, and in case of fire where building is damaged so that repairs exceed 90% of cost of replacing entire structure. Rebuilding is not permitted except through local option or change of district proceedings. Public utility buildings and private or public amusement parks are permitted to expand, alter, or rebuild in Class I and Class II districts, while educational, hospital, religious or public utility buildings are permitted to expand in Class II districts without local option proceedings, as heretofore noted under Class I and Class II.

Local option proceedings are governed by the following regulations: The person or persons desiring change of classification shall submit to the Bureau of Buildings, the description of building and property on which it is or is to be located, the use desired, a list of names and

addresses of the owners of all property within a radius of 200 feet of the property in question (contract owners are permitted to sign as owners of property) a list of all properties within a radius of 200 feet of the property in question, with legal descriptions of all such property. The Bureau of Building shall then notify all the owners of such listed property of the contemplated change, and if within ten days the owners of more than 50 per cent of property represented, calculated by area, shall have protested against such change, the application shall be denied. If there is no such protest or if the protest is 50 per cent or less, the Bureau of Building shall issue a permit and such use shall be lawful.

A more rapid method in case of local option proceedings, is to file with the Bureau of Buildings signed statements of owners of not less than 75 per cent of the area of property within a 200 foot radius, stating that they approve of the change desired. The permit will then be issued.

The City Council may on petition after notice and public hearings, amend the ordinance and may change the boundaries of districts, or may change the classification of districts by the following method of proceedure: The change shall first be submitted to the City Planning Commission for their approval. If the Planning Commission does not give their approval the ordinance cannot be passed by the Council except by a four-fifths vote.

All petitions for change of district classification submitted to the Council shall be accompanied by the following: List of names and addresses of the owner of all property within the district affected; a legal description of all properties within the district affected. If the area proposed to be changed is less than one block in area, the list of names and properties shall include all property within a radius of 200 feet (width of street shall not be included in this 200 feet radius). The owners of the property shall be notified of the contemplated change. Ten days shall elapse between the sending of these notices and the public hearing held by the Council. If written protest against the change is presented to the Council by owners of 20 per cent of area of land proposed to be changed, the change shall not be passed by Council with less than four-fifths vote. When owners of 50 per cent or more petition the Council in favor of the change, the Council shall vote on the change within 90 days.

The ordinance makes provision for establishment of set back lines when wanted by districts.

A Board of Appeals is created to be made up of one architect, one civil or structural engineer, one building contractor, and one realtor; each member of the Board shall have had 10 years' experience in his profession. The duties of the Board are to interpret the meaning of the ordinance, and to recommend changes in the ordinance or in the districts. The Board is to serve without compensation; the Bureau of Building furnishing the secretary.

In the proposed ordinance, Class I, or exclusive single family residential districts, have been confined to such portions of the city as are at this time subject to restrictions, or who have asked for such classification. These districts are made up of the more pretentious type of dwellings, such as Portland Heights, Westover, Arlington Heights, Kings Heights, Willamette Heights, Laurelhurst, Irvington, Piedmont, Alameda, Ladds Addition, Murrymead, East and West Moreland, portions of Kenton, Alberta and Willamette Boulevard, and property west of Terwilliger Boulevard.

Class II includes all outlying and undeveloped residence districts, together with smaller home communities and extending in to boundaries of Class III or business districts. Typical outlying districts included in this classification are Mt. Scott, Montavilla, Creston, Woodstock, St. Johns, most of Kenton, most of Alberta, Sellwood, all property on west side of river from Willamette Heights to north city boundary, extending from St. Helens road to west boundary of city, together with hillside property adjoining Terwilliger Boulevard on the east from Whitaker street south end of boulevard, and all the hillside property in southwestern corner of city, is so classified.

Class II special residence districts do not show on maps published by the Daily Record Abstract.

Class III or business district, has followed the more or less definite boundaries of existing business, together with the creation of business districts for portions or entire length of major traffic streets, such as Foster Road, Hawthorne Avenue, Belmont, East Morrison, Sandy Boulevard, Lombard Street, Russell Street, Killingsworth Avenue, Columbia Slough Road, Mil-Waukee, Powell Valley, Alberta, St. Helen's Road and similar thoroughfares.

Class III special business district, has been created on east side of Vista Avenue between Spring Street and Elm, Portland Heights.

Class IV, unrestricted or industrial district, extends along water front on west side of river, from southern boundary to Jefferson Street and back approximately to Virginia Street, Macadam

Road and Front Street. In north western part of city the district extends from Nicoli Street to northern boundary, and north to within 200 feet of St. Helens Road at R. R. right of way; on east water front from Russell Street north to north city boundary, and extending back to bluff edge. Ross Island, Swan Island and part of the north St. Johns District north and west of R. R. right of way is unrestricted.

Zoning Must Be Reasonable

Your committee believes in the principle of sound zoning and believes that our city is ready for such a step. The knowledge of and desire for zoning is spreading rapidly throughout the United States. There are approximately 260 cities in the country which are now under some such system. The question of soundness, sanity and reasonableness in zoning is the question that usually is involved in passage and enforcement of an ordinance of this kind. The courts have held in numerous cases that under police power a city is permitted to zone if it so desires. Police power is held to be based on the health, safety, morals and general welfare of a community. The few cases in which zoning has not been upheld by the courts are cases in which reasonableness and impartiality are lacking.

Mr. German, Mr. Plummer and Mr. McClure who have been instrumental in successfully compiling the proposed ordinance, are to be commended for their untiring effort to bring about a satisfactory and workable ordinance. They have been handicapped by lack of funds to carry on their work as they might otherwise have undertaken it. Nevertheless they have produced a complete zoning system that may work out quite satisfactorily.

Violates a Sound Principle

The resulting ordinance in its classification of outlying, undeveloped and modest home districts in Class II instead of Class I seems to your committee a violation of one of the underlying principles of sound zoning. The usual procedure has been to classify single family communities in Class I unless because of future development or other good reasons they should receive other classification. The ordinance has classified all undeveloped, potential residential districts such as portions of undeveloped hillside property along east side of Terwilliger Boulevard, and the hillside property from Willamette Heights north to city boundary in Class II where multiple dwellings, flats, apartments, etc. may go in without protest. The same is true of the communities of modest home owners or districts where property owners have not been sufficiently informed or have not asked for Class I classification. As a result, districts such as St. Johns, Mt. Scott, Sellwood, Montavilla, Creston, most of Kenton, most of Alberta, Woodstock, and many other similar districts are placed in Class II.

The St. Louis system, we believe, is similar to the proposed Portland Ordinance. The local option proceedings to allow of construction of building not conforming with use in that district is practically the same as the procedure gone through with at present in obtaining a special permit for buildings now restricted by building code, except that under the present ordinance "legal" owners of "buildings" within 200 feet are notified, and under the proposed ordinance the "legal or contract" owner of all "property" within 200 feet are notified. Thus giving owners of vacant property equal rights with home owners is a dangerous procedure and appears to have been brought about by real estate interests.

The City Council has in no way delegated or relinquished its powers, and although the proposed ordinance enumerates "prohibited uses," the council may if it so desires, grant or refuse permits wherever or whenever they choose.

Method of Preparation Faulty

Your committee feels that the people of the city have had insufficient knowledge of the method employed and results accomplished in the preparation of the proposed ordinance. We will quote from a statement by one member of the Joint City Zoning Committee as to method used in developing the zoning map.

> "The method adopted for preparing the plan was as follows: The secretary of the city planning commission prepared a set of small maps covering the east side section, setting forth his ideas as to the way the city should be zoned. These, in turn, were placed together in sections or districts, 13 in number, and then turned over to 13 committees consisting of realty board members, who thoroughly canvassed each section or district. On the completion of their work they turned in a written report to the general committee with recommendations of changes that they deemed it advisable to make."

These maps after being properly revised were taken before the community club meetings in different parts of city and discussed by them. Twenty-three of these meetings were held at which the attendance was estimated as averaging approximately 50 persons per meeting. The method of notifying the people of the district that such a meeting would take place was

through the offices of the community clubs if there was one, and by putting notices in the daily papers. Some communities responded, others did not, and as a result, the general public knows little if anything about the ordinance. The City Planning Commission has tried unceasingly to persuade the City Council to appropriate money enough to properly inform the voters concerning the ordinance. Last spring they were able to print some few copies of the proposed written ordinance, but since that time the clause in Class I concerning public utilities and amusement parks and in Class II concerning educational, hospital, religious or public utility buildings, has been added to the written ordinance, and therefore any of the printed pamphlets entitled "Proposed Zoning Ordinance for City of Portland, Ore." are void and should not be considered when studying the ordinance.

On October 16th, 1924, the Daily Record Abstract printed a copy of the revised written ordinance, together with a zoning map made for publication and which is copied from the official zoning maps kept at the City Hall. The official zoning maps mentioned in the ordinance are approximately 300 in number. The wall map in the office of Secretary of the City Planning Commission is copied from these maps. The legality of submitting to the voters a redrawn copy of the official map instead of a direct copy of the original map might be questioned.

Your committee is attaching to the report a copy of the map published in the Daily Record Abstract, the same being colored to show use districts. Also a copy of the proposed written ordinance is attached.

Ordinance Is Recommended

In conclusion your committee recommends the passage of the proposed ordinance. The members of the committee feel that while the ordinance has many weaknesses and defects, it is probably a step in the right direction and should be adopted by the people, and upon such adoption it should be carefully revised by the City Council without waiting for further action by the people.

Your committee would also call to the attention of the City Council the lack of publicity given such an important measure. This seems a dangerous precedent to establish and should be avoided whenever possible.

GEO. J. BEGGS
C. V. LUTHER
ORMOND R. BEAN, *Chairman*

Approved by the Board of Governors.

ASSESSMENT BONDS

Charter amendment for the simplification of the method of financing the purchase of property by the city when special assessments become delinquent.

504—Yes.
505—No.

Originated and referred to the voters by unanimous action of the City Council.

The City Charter now provides that the city may purchase and take title, as a private individual may do, to all property against which special assessments for sewers, sidewalks, pavements, etc., have become delinquent and are unredeemed. To provide funds to complete these purchases of delinquent property and to save tying up the city's current funds or levying from year to year of a special tax to provide these funds, the city may issue and sell assessment collection bonds, endorsed by the city, the immediate underlying security being the property purchased.

From time to time the sheriff sells at public sale property which has become delinquent for the payment of state and county taxes on which city liens are overdue. The city treasurer holds frequent sales of property where special assessments are delinquent in order to act in the capacity of a purchaser of this property at these public sales, the city must have ready cash to satisfy the sheriff and city treasurer. In order also to comply with the requirements of the assessment collection fund there are real estate commissions, court costs, legal and clerical services, bonded or open liens to be paid. Under the charter provisions as it stands today a part, but not all of this ready cash may be supplied from the assessment collection fund. The remaining cash needed must be advanced by the city and this is done by the city council authorizing a loan from the general fund, to be paid back when all of the legal angles to the transaction are settled, the city has taken title and it is possible for the city auditor to sell additional bonds with the property as security. The bonds are eventually called in when the property is again sold by the city to a private individual. The result is that the city has had to advance as much as $80,000 out of its current funds to keep progress with the continual demand for these temporary loans. The tendency, because of the limited tax-revenue, is to keep these loans down to the minimum. Many transactions that might be closed up and the city take title and again offer them for sale to the general public are delayed, and action on much property which

might be restored to the tax roll more quickly is deferred.

The measure before the people at this election would permit the setting up of a rotary fund to cover all these emergency expenditures from within the assessment collection fund itself.

There are still remaining unsold $250,000 of the $1,500,000 of bonds authorized under the charter, and this will amply meet the demands for a rotary fund.

The charter amendment is endorsed by the city officials as being good business practice. It was suggested by James Gill, deputy city auditor, who has special charge of this class of work, and the reasons set forth above are given as the direct purpose of the amendment.

—JAMES J. SAYER, *Chairman.*

Approved by the Board of Governors.

SPECIAL STREET LIGHTING DISTRICTS

Charter amendment to provide for the creation of special street lighting districts under the local improvement code.

506—Yes.
507—No.

Amendment proposed by Broadway Improvement Association and Referred to the people by unanimous action of the City Council.

The local improvement code permits the organization of special districts for undertaking their improvement by the construction of sewers, sidewalks, paved streets, etc. The cost of these improvements is assessed against the benefitted property. Bonds, secured by the district property but guaranteed by the city, are issued to furnish the necessary capital. The property owner is permitted to pay the city for the money advanced in 20 semi-annual payments, with 6 per cent interest charged on deferred payments.

The proposed charter amendment permits the organization of districts, large or small, for the construction, operation and maintenance of special street lighting systems. The procedure is the same as for any other local improvement. Fifty per cent of the property owners may petition for the improvement and 60 per cent of those who would be assessed for the expense may remonstrate against and prevent the undertaking. The abutting property, to the depth of the lot in this case only, is assessed for its share of the expense involved. Bonds are issued for the capital cost of the installation, payable in five years in ten semi-annual payments. For the maintenance and operation, a contract for five years is to be awarded to one of the public service companies and this amount is prorated against the abutting property owner and one-tenth of the amount becomes payable every six months.

The Broadway Improvement Association consists of owners of Broadway frontage from the Bridge to Madison street. They are organized to make their street ornamentally attractive and to do such other things as will contribute to its improvement and standing as a high class retail business street. An improved lighting system is the first demand, one that would be much more elaborate than the city as a whole would be entitled to maintain. The amendment is made general so that other streets or business or residence centers may follow the example of the Broadway property owners.

The special assessment plan necessary to other public improvements is followed in this case because otherwise either one or two property owners could hold back the improvement of a district or refuse to pay their share of the benefits received. The city council will be charged with the responsibility of not granting permits for the organization of these districts, when there is doubt of their ability to meet the special tax imposed.

JAMES J. SAYER, *Chairman.*

Approved by the Board of Governors.

SHRINE HOSPITAL TRACT

Amendment to charter extending city boundaries to include the 10-acre tract owned and operated by the Shriner's hospital for Crippled Children at Sandy Road and 82nd Street, North.

508—Yes.
509—No.

This measure referred to the voters by unanimous action of the City Council on the request of the hospital authorities.

The Shriner's Hospital for Crippled Children is located at Sandy Boulevard and 82nd Street North. The grounds comprise 10 acres adjoining the eastern city limits. Because of the fact of the property being outside the city limits, it is technically without fire and police protection,

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SHRINE HOSPITAL TRACT

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light and water services, except such as might be furnished in a general way by the county.

The authorities of the home have held an election and have voted to annex their tract to the city. The city voters are now requested to change the boundary lines of the city to permit of the annexation.

This situation has some unique features. Never before, it is said, has the city limits been increased by the addition of so small an area. A case somewhat similar was when the city annexed the area owned by the Peninsula Lumber Company between the river front and Willamette Boulevard. In this case there was added to the city a valuable tract of tax-paying property. Because the Shriner's hospital is an eleemosynary institution, no additional tax-paying property will be added to the city, so whatever expense is incurred by the city for the services it may furnish will be an expense not offset by tax-revenue.

School District No. 1 of Multnomah County is also directly interested in this annexation. It will be necessary for the district to furnish a special teacher or teachers for these children as they must be given schooling. The capacity of the hospital is 50 children. It is always occupied to capacity. This will be an additional expense, but this expenditure will be partly or wholly offset by the pro-rata of the state fund for the education of crippled children that will be distributed to Multnomah County.

It is urged, in favor of the proposed annexation of the district, that by the fact of the location of the home in Multnomah County a large investment was made here by the Shriners of the United States. Only a relatively very small proportion of this amount represents local contributions. The maintenance cost of the institution is proportionately heavy, because of the specialized character of the philanthropy, and Portland commercially and financially is the beneficiary, because this money is contributed from the general funds of the order.

For the foregoing reasons, it is believed there will be no opposition to the measure. Similar institutions have been made welcome in other parts of the country where they are located, to the same extent as is asked of the City of Portland.

JAMES J. SAYER, *Chairman*

Approved by the Board of Governors.

$500,000 BRIDGE BONDS

In order to reach a proper understanding of the adivsability of voting for the $500,000.00 additional bonds for the purpose of constructing the Ross Island and Sellwood Bridges, it is eminently desirable that a resume of the situation regarding these two bridges to date, be presented.

In 1922, when the agitation relative to a bridge across the Willamette River at or about the foot of Ross Island was at its height, there were no funds available in the County Treasury for carrying on proper surveys, investigations and designs to determine the probable cost of constructing such a bridge. At this time, certain engineers in the City Engineering Department volunteered their services and made sketches, preliminary studies and approximate estimates in the time they could spare from their regular duties. They, however, had no money to make proper soundings and their estimates were of necessity based upon assumptions which might or might not be correct. This too in the case of a bridge which was to be over 4000 feet in length, 2500 feet of which must be over a navigable stream or alluvial lands immediately adjacent thereto, and the highest point of which was to be approximately 175 feet above the bed of the stream. Furthermore, the estimates were based upon a plain steel structure of minimum dimensions. Upon such an estimate which was submitted to the Bridge Engineer of U. S. Bureau of Good Roads, and the Bridge Engineer of the Oregon State Highway Commission, the County Commissioners asked the people of Multnomah County to vote for the necessary bonds, the natural assumption being that this amount would be sufficient to complete the bridge ready for use, and bonds to the amount of $1,600,000.00 were voted at the general election in 1922.

Following the selection of Hedrick and Kremers as bridge engineers, a thorough examination of the river bed by means of boring disclosed the fact that the foundations must be carried to a greater depth and be more solidly constructed than was originally anticipated, thus adding materially to the cost.

It was quite generally felt also that the public preferred to have a bridge of this importance embody some elements of beauty as well as utility. Accordingly, some changes were made to improve the appearance of the structure and this also added somewhat to the cost.

The tentative locations of the bridge approaches used in the preliminary estimate were

for very good and sufficient reasons found unsuitable. This conclusion was reached after a careful study of traffic flow and a conference with the U. S. engineers relative to navigation. While these changes undoubtedly added to the cost of the bridge, they are absolutely essential.

It was also decided as a measure of safety to embody the suggestions of Mr. J. P. Newell, Engineer for the City Planning Commission, who recommended 10 feet instead of 9 feet lanes for each of the four lines of traffic across the bridge.

High Bridge Is Necessary

Mr. Lindenthal, the present engineer, recommended a bridge 80 feet above mean low water, but this height was opposed by the Port of Portland and the industries along the river south of the bridge location. At a public hearing attended by members of the Board of County Commissioners, the City Council, the Port of Portland, the Commission of Public Docks and the City Planning Commission, a height of 120 feet above mean low water was agreed upon, and all the above changes approved by a vote of 15 to 1 of the 16 members of the above Commissions present at the meeting.

These necessary changes make the cost of the bridge $2,000,000 or $400,000 more than the amount approved by the people at the election of 1922.

The present estimate has been carefully made with all necessary information available, and with the type, height, width and location of the bridge finally determined. It would seem, therefore, that the figure of $2,000,000 could be safely relied upon to complete the bridge at this location.

In the territory which would be directly benefitted by the Ross Island Bridge, there are approximately 37,500 city lots on the east side of the river and about 1,500 on the west side, making 39,000 lots upon which it would seem safe to estimate an average increase in assessed valuation of not less than $60.00 per lot. The taxes from this increased valuation would practically carry the interest on the bond issue required to construct the bridge.

Seizing upon the idea that the steel from the old Burnside Bridge might be utilized for another bridge farther up the river, an active campaign was waged for a so-called Sellwood Bridge.

Hedrick and Kremers estimated that, by using the Burnside steel, the proposed Sellwood Bridge would cost approximately $350,000 and this amount was voted by the people at an election held in 1923.

Since taking charge of the bridge work for the county, Mr. Lindenthal has announced that he does not consider it advisable to use the old steel from the Burnside Bridge.

The steel did not come out of the old bridge in as good shape as had been anticipated, there is not sufficient steel to complete the Sellwood Bridge, the old steel would not have the life that the new steel in the balance of the bridge would have, and Mr. Lindenthal feels that the old steel would not be safe for loads that the Sellwood Bridge would be called upon to carry. Furthermore, modern engineering practice combines strength with beauty in design, and the old steel work would not harmonize with the new work in the bridge. These reasons would seem to be sufficient to justify the use of new steel only in the Sellwood Bridge. The change however will necessitate the provision of an additional $100,000 to conplete the work. This will leave the old steel for use in bridges of minor importance.

The present ferry costs about $25,000.00 a year to operate and provides intermittent service for twelve hours per day, while a bridge would give continuous service for twenty-four hours a day, yet the annual cost of operating the ferry would pay 5% interest on an investment of $500,000.00.

Bridges Are Needed

The question of whether or not the bridges are needed seems to have been answered in the affirmative by the people in voting for the bonds in the first place. If the bridges were needed one year, or two years ago, and the public apparently felt that they were, then they certainly are needed today and it is only a question of whether this additional money shall be voted.

While the measure calls for an appropriation of $500,000.00, the Burnside Bridge will be completed for about $250,000.00 less than the amount voted for it. This means, therefore, that approval of this measure would increase our bonded indebtedness by only $250,000.00 above what has already been voted.

The reasons for opposing these bridge bonds would appear to be either a desire to give our public officials to understand that we do not approve the idea of asking the public for money to carry on certain work when they have not determined with reasonable accuracy whether or not the work can be done for the amount stated; or else, because we do not wish to provide any more money for bridges at the present time.

In the first place, the officials who were responsible for submitting the incorrect data to us

for approval, are all out of office now, and we would not only be working an injustice against ourselves, but also against our present officials who seem to be doing everything possible to give us an efficient administration.

Additional Amount Recommended

In the second place, granting that the bridges are needed, it would hardly seem advisable to refuse this comparatively small additional amount when there is apparently every reason to believe that there is an actual need for the money in order to properly complete them. In a growing city, the size of Portland, it would seem to be poor economy to build bridges of a temporary or cheap type. They should be substantial and durable and of a type requiring a low cost for maintenance.

It is evidently not good business practice to launch upon any project without carefully analyzing the need for, and exact location of, such a project and following this up with a careful estimate of the probable cost of making the installation.

Such an investigation, however, costs money, but it is money well spent, for it shows, before being committed to the expenditure of the major sum, whether or not the project is commercially feasible.

No sane business organization would undertake to make an investment of a couple of million dollars without previously spending money to determine as nearly as possible what the ultimate cost of the project might be.

This, however, is not the customary method of making public improvements. Nor are our public officials entirely to blame for this for while it may often be political expediency to show a very low first cost in order to get an improvement started, yet the public is to blame for often insisting upon being thus fooled. Whenever any official body does wish to make a preliminary investigation it is accused of playing politics and of squandering money, especially if the investigation is unfavorable to proceeding with the undertaking. What we need is an aroused responsibility on the part of the public toward looking on public projects with a sane business-like frame of mind.

However, to vote down these additional bridge bonds at this time, would accomplish no useful purpose, since the bridges are undoubtedly needed and the additional funds are justified, and your committee recommends favorable action on the Bridge Bond Measure.

F. H. MURPHY, *Chairman*

Approved by the Board of Governors.

6% ENGINEERING COSTS

Charter Amendment providing that 6 per cent of the City Engineer's Estimates of a city improvement for sewers, sidewalks, street paving, etc., shall be included in the bonded cost of the special assessment instead of being paid, as now, from the general fund.

510—Yes.

511—No.

This measure referred to the voters by unanimous action of the City Council.

The issue involved in this amendment is whether it is a fair practice to follow, so far as the city itself and the property owners are concerned, to charge up a part or all of the city's overhead cost of engineering incurred in planning for a special assessment public improvement.

The local improvement act originally provided that 5 per cent of the engineer's estimate of the cost of a local improvement must be added to the contract price of the job, and assessed and paid for by the abutting property owner. At the election on November 5th, 1918, this part of the act was repealed, with the result that the city's general fund now bears the entire expense of the engineering costs, and the property is bonded and liable only for the amount paid to the contractor. The proposed amendment will restore the principle which was eliminated but will fix the amount of the engineering expense at 6 per cent of the city engineer's estimate.

The reason for the change from 5 per cent to 6 per cent of the engineer's estimate is that since a cost-accounting record has been kept, it has been found that the cost of the engineering work on a local improvement job will vary from 5 to 14 per cent. The ratio of the cost of engineering to the total cost is naturally greater in a small job than a large one. The public works department in 1923 completed contracts valued at $1,600,000, and the exact ratio of the engineering cost was 5.46 per cent of the contract price. That this average in 1923 was slightly under 6 per cent was due to the fact that the principal piece of work done was the Lents sewer, this being a large job. The program of $1,302,000 in 1924 required engineering costs of 6.52 per cent. A total of $172,000 for the two years was paid out of the general fund. Of course, these figures do not include the necessary appropriation from the general fund

of money sufficient to meet the cost of the routine work of the engineering department.

The reason for again adding the engineering cost to the total cost of the improvement is, therefore, the saving of a draft on the general fund to whatever amount is called for by the program of the public works department for the year.

The public works department has on file requests for $3,000,000 of public improvements, and the department says it can do all of the work in one year, if given the opportunity. The property owners are insisting that their work be undertaken without delay. Under the present law this would require a budget item of $180,000 for 1925. The majority of the city commission do not favor the appropriation of this much money in any one year, when a tax levy of even 10.2 mills, they assert, would produce barely enough to meet all other necessary city expenses.

The tax conservation commission is inclined to hold down the public works department to a budget appropriation of 6 per cent of the program, which it believes can be carried out and what the tax roll can stand, and there is a difference of opinion between the public works department and the tax commission as to how much work can be done.

Commissioner Barbur is not publicly opposing the submission of this charter amendment. He is out-voted, on the point, by the four other commissioners and is submitting to the inevitable. He has not changed his opinion on the merits of the issue and still believes that the entire engineering expense of all these special assessment improvements should be paid out of the general fund. He believes they are a general public benefit, and that the least the city should do would be to bear the engineering cost. The people want these improvements made, he says, and are entitled to get them as fast as they can be done. The city, says the Commissioner, requires 50 per cent of the property owners (it used to be 40 per cent) to sign up for an improvement before it is undertaken, and careful investigation is made beforehand to determine the ability of the property owners to pay their assessments as they fall due, and to see that the underlying security, the land, is assessed for more than the cost of the improvement.

JAMES J. SAYER, *Chairman.*

Approved by the Board of Governors.

2.2 MILLS CITY TAX

Charter Amendment to provide for the levying of an additional tax of 2.2 mills, payable in 1925 and 1926, over and above the 8 mills already authorized by the charter.

502—Yes.
503—No.

Initiated and Referred to the People by Unanimous Action of the City Council.

In view of the excellent informative address and presentation of facts made to the members of the City Club, by Sigmund Grutze, chief deputy city auditor, as recently as October 10th, and the further fact that much of the essential statistical information presented appears in the Club *Bulletin* of October 17th, it is really not necessary to make an extended statement to our members concerning the city's contention that an additional tax levy is needed.

The city of Portland has been growing rapidly in population and in commercial and manufacturing importance in the last 10 years. With this growth there is need for corresponding increase in governmental functioning. The tendency of the age is to demand of our governing bodies more social and paternalistic service.

The fact of the matter is that the city has been spending an average of 2.5 mills more a year than the 8 mills of the assessed valuation allowed by the city charter. Whether this increased expenditure is justified or how much extravagance can be pared down, is really beside the question for the moment, for it would seem to be practically impossible for the city to get along with 21 per cent less income than the past several years, no matter how great the demand for economy may be, and when no preparation to meet such an emergency is planned. In this connection, it is quite pertinent to suggest that when the Tax Conservation Commission requested the city officials to submit its 1925 budget based on the legal limit of 8 mills it should have done so. The commission was within its right in making the request. The city exceeded its legal authority when it based its budget on a 10.2 mill levy. The taxpayers may refuse to sanction the extra 2.2 mills levy. The city commissioners also missed a splendid opportunity to show to what extent the city would be crippled by the lack of funds.

While the population and geographical area of the city has grown consistently, or at least with but slight variations over a period of years, the sources of the city's revenue have fluctuated radically and tax levies have been increased

quite notably on this account. In 1916, when the 6 per cent state limitation of tax expenditures went into effect, with the assessed valuation of the taxable property of the city 36 million dollars less than in 1913, in order to adjust itself to this limitation the city, according to Mr. Grutze, should have had 80 millions more assessed value. Loss of licenses under prohibition in 1916 accounts for a $375,000 decrease. The elimination of 5 per cent of the engineering fees on public improvements is another item of diminishing returns. The changing of automobiles from personal property subject to tax to the straight license system was another factor. So much for decreasing income.

Increasing expenditures have been permitted by the city fathers or have been thrust upon them. The various departments of the city administration show the following increases in expenditures between 1914 and 1923: Fire, 73 per cent; police, 100 per cent; parks, 32 per cent; lighting, 32 per cent; public works, 37 per cent; health, 107 per cent; auditor's office, 48 per cent; treasurer's office, 115 per cent.

The remedy for the present situation, therefore, is not the defeat of the present request of the city commissioners for money enough to get along with, but a study of the question of tax limitations, wise and unwise.

JAMES J. SAYER, *Chairman.*

Approved by the Board of Governors.

COMPULSORY COMPENSATION

Continued from page 1

sentation of the affirmative side of the argument, at which meeting were present C. J. Stack, Secretary of the Oregon Workmen's Compensation League, and Wm. A. Marshall, the labor appointee on the State Commission. Another whole evening was devoted to a hearing of the views of the liability insurance people, presented by Walter A. Pearson, Stanley G. Jewett and Albert A. Comrie. Several prominent employers and some workmen were interviewed and officers of two employers' organizations. The readiness of all to present their views is proof of the great interest in the measure.

The subject of workmen's compensation is a big one, complex and puzzling in some of its phases, and we do not pretend to have sounded all of its depths. We conclude, however, that the amendment should not receive the approval of the voters, and for the reasons as set forth below:

The present compensation law has been in force since 1913. It is a lengthy law, and to furnish even a brief synopsis of all of its provisions would exceed the proper limits of this report. Its purpose is to provide, through the creation of a state insurance fund administered by a commission of three men, known as the State Industrial Accident Commission, just compensation to workmen who may be injured in hazardous occupations and to their dependents in the event of death. It seeks by this means to make compensation certain, adequate, prompt, and without the cost to the employer, the employee and the general public incident to the old method of settling personal injury cases through the medium of the courts. The prevention of accidents through insuring the use of proper safety appliances is another important purpose of the law, though, strangely, as it seems to the committee, the execution of this part of the law is placed in the head of another department of the State, the State Labor Commissioner. The rehabilitation of injured workmen is also a feature of the law. The committee believes that, in the main, the law has been fulfilling its purpose and is one of the best laws in force in the respective states that have enacted compensation laws, of which there are forty-two in all.

Present Law Automatically Covers

The present law does not provide for exclusive state compensation, nor in a strict sense does it make it obligatory upon the employer to provide compensation in any way. All employers in hazardous occupations are automatically under the law unless they elect not to be, in which latter case they are denied the common law defenses of contributory negligence, negligence of a fellow servant and assumption of risk.

Most of the employers of the state have been under the law. But in recent years quite a number of large employers, in the mills and logging camps especially, and more especially in the mills and logging camps in the eastern part of the state, have served notice of withdrawal and ceased to be under the law. Their chief complaint appears to have been that the rates of insurance charged them were inequitable as compared to the degree of risk. These withdrawals create alarm among the friends of the law, and it became quite generally recognized that some amendments were necessary. Accordingly, the Governor appointed a committee, consisting of three employers, three farmers, and three representatives of organized labor to decide upon

the changes necessary. This committee held numerous meetings, but their deliberations failed of agreement, for the reason, as frankly admitted by the proponents of the pending amendment, that organized labor would be content with nothing short of a compulsory compensation law providing for exclusive, that is to say, monopolistic state insurance, and this the employers on the committee would not accede to. Within a few days the pending amendment was framed and placed upon the ballot by initiative petition.

Changes Proposed

The amendment provides for radical changes in the existing law and was framed, it is conceded, by W. S. U'Ren, the great exponent of single tax and other socialistic doctrines. For these reasons it is charged that the purpose behind the amendment is the gradual socialization of all the industries of the state. We will not assume to pass upon the merits of this charge, though accepting the principle that the state should not withdraw from private enterprise and take upon itself the administration of any business unless plainly to the best interest of the people; we have felt it our duty rather to consider on their merits the various provisions of the amendment and to conclude fairly whether they are good or bad.

The committee conceives the proper issue to be decided by the voters is not so much whether the measure upon the whole is good or bad or whether it is mostly good or mostly bad, to be approved or disapproved accordingly, but this instead: Are there such defects in the amendment, either in principle or phraseology, or both, as to render advisable the postponing of its adoption until these defects can be eliminated and a more perfect and generally satisfactory law framed. Whatever imperfections the present law may have, we do not believe that such an emergency exists as to make it wise to rush through to enactment a measure framed ex parte by those favoring radical changes in the present law, unless such measure be free from serious defects and generally acceptable.

The proposed amendment contains a number of features that, as to the principle involved, are, to say the least, seriously debatable. As regards the phraseology of the measure, one of its main provisions, as presently will be noted, is so loosely drawn as to render its meaning uncertain, and the wording of another is such as to produce an effect even more drastic than was probably intended. The constitutionality of one provision is very questionable.

Legislative Action Encouraged

We believe that the legislature is the proper tribunal to thresh out and whip into shape a measure such as this, and the legislature will be in session this coming January. If the amendment should be rejected at the polls, and we are loath to believe that its fate can be otherwise, we trust that during the intervening period a renewed effort will be made by the friends of state compensation to reconcile their differences and to frame a measure that, if not in every respect satisfactory to all, will be one that can be concurred in by the more important interests involved. If such an effort should be made, we feel it no more than fair that the great body of employees in the state who are not members of the American Federation of Labor, as well as the Federation itself, should be represented on the committee, of which class first named there are 45,000 in the lumber industry alone. They have an organization known as the Loyal Legion of Loggers and Lumbermen. Concededly no more than two-sevenths of the employees of the state engaged in hazardous occupations (20,000 out of a total of 70,000) are members of the American Federation of Labor.

Proposal Is Monopolistic

The proposed amendment provides for compulsory and exclusive or monopolistic state compensation. This is the feature of the amendment that its proponents deem of the greatest importance, though by no means clearly indicated in the wording of the ballot title. Six of the states, of which Washington and Ohio are most frequently referred to, have such a law. Oregon has been classed with the monopolistic states, making seven of this class, but Oregon is monopolistic only in the sense that the employee must insure with the state fund in order to be free from damage suits for injuries to his workmen. Only sixteen of the forty-two states having compensation laws have state funds. The others are on the regulated private carrier basis. Wisconsin, the first of the states to pass a compensation law, has no state fund. Of the sixteen states having state funds, six, as before stated, are monopolistic—one, Oregon, is semi-monopolistic—and nine provide for competition between the state and private carriers on a prescribed basis, among which latter are California, New York and Pennsylvania. Oregon is, in a sense, a competitive state, since private liability companies are now actually competing with the state fund for insurance. But Oregon is not a competitive state in the strict sense, since private liability companies are not recog-

nized by our compensation law, and compete outside and not under the compensation law. Twelve of the states have compulsory laws of some character. The remaining thirty of the forty-two having compensation laws have laws containing an option feature similar to the present Oregon law, permitting the employer to come under the law or not as he choose.

Your committee has grave doubts whether it would be best for Oregon to adopt the plan of state monopoly, though we are convinced that compensation should be made compulsory and in a double sense. The employer should be made to provide compensation, either through the state fund, through a private insurance carrier or provide it himself if he can show sufficient financial strength. He should be made thus to provide compensation by imposing upon him all necessary penalties in addition to denying him the common law defenses before referred to. Further than this, all private carriers, including the employer who carries his own insurance, should be under such state regulation that they will certainly pay the compensation that they contract to pay. California has such a compulsory law. In California, if an employer has not provided for compensation and is sued by an injured employee, he is denied the three common law defenses and further than this, his negligence is prima facie presumed, which presumption he must rebut; and as a still further penalty, his property may be attached in such damage suit as in an action on contract. Massachusetts has no state fund, hence is not classed as a competitive state, and does not make compensation compulsory further than to deny to the employer the three common law defenses before referred to. But its regulation of the liability companies to the end that they shall be made to pay their losses is most stringent. A liability company in Massachusetts may be required to deposit a fund with the state treasurer or an approved trustee, out of which fund the state treasurer or such trustee may pay the company's losses under the direction of the Commissioner of Insurance.

But, we submit, before the monopolistic plan shall be adopted in this state a very careful study should be made of its workings in the states where now in force. Our state fund should not be abolished, for it has served the people well. We doubt if it would serve them as well if it should be made monopolistic. We believe that the stimulus of competition as between the state fund and private carriers has contributed to the efficiency of administration of the state fund, even though this competition has been an unregulated one. The state fund, however, should not be handicapped in competition as, indeed, the private carriers should not be, and any handicaps shown to exist, through inequitable ratings in the law, or otherwise, should be removed.

As regards the workings of the monopolistic Washington law, it has been charged that it has suffered much from politics. It is pointed out that during the period from 1911, when the law was adopted, to 1919 there had been no less than thirteen changes in the personnel of the commission administering the fund. The same and other charges have been brought against the administration of the Ohio law. It has been shown to have been very lax in its accounting system, to have had practically no factory inspection system, and that its payments to workmen have been hedged about with much beaurocratic red tape and very much delayed. It is pointed out also that only one State in the Union, North Dakota, has adopted the monopolistic plan in recent years, which occurred in 1919, under the Non-partisan League movement in that State.

Private Companies Compete

The proponents of the amendment contend that the private insurance conpanies have been undercutting the rates charged by the State and have been doing this in the face of the fact, as they contend, that it costs the State only nine cents out of each dollar collected to do business, while it costs the private carriers 44½ cents. They contend that the private carriers are either operating at a loss (content to do this with a view to putting the State fund out of business) or are skimping in their payment of claims, or both. The answer of the insurance representatives that appeared before the committee is, in brief, as follows: They contend that the true difference as to cost of carrying is the difference between 15 and 38 instead of 9 and 44½, pointing out various items of cost to the State that are not taken into account in arriving at the figure 9 and that while 44½ cents is the cost of carrying all kinds of liability insurance in the United States, the cost of carrying workmen's compensation insurance is only 38 cents. These figures are for stock insurance companies, and all private insurance companies doing business in Oregon are of this character. The carrying cost of mutual companies, which write much liability insurance in New York and other States, is much less.

The insurance people admit that in some instances their rates are lower than those charged by the State, but contend that in these instances the State rates are entirely too high as compared to the risk. They vehemently deny that they are skimping in the payment of benefits. They contend that where competing with the State their scale of benefits is the same as that allowed by the State, and that invariably where suits have been brought, the injured workman has sought to obtain more than the benefits allowed under the State scale. They contend that the principal reason they have been getting business, aside from lower rates, is that their service has been more efficient. They claim that their payment of benefits has been more prompt, though admitting that the Oregon State fund is probably more prompt in the payment of benefits than any other State fund in the United States. They contend also that their inspection system is much better than that of the State and that employers have come to welcome inspection rather than regard it as an intrusion, since it serves to reduce accidents and lower their rates.

Regulation Desirable

The committee will not assume to state just where the truth lies as between these opposing contentions. We repeat, however, that the end to be sought is compensation to the injured workman, through whatsoever means it be attained, compensation that will be prompt, certain, and adequate; also, and of no less importance, that accidents be reduced to the minimum. It is our belief that these ends are the most likely to be gained through competition rather than by State monopoly. But private carriers should be under strict regulation and should be made to compete on equal terms with the State fund. As a part of this regulation they should be made to deposit with the State such bond or pledge as will insure the payment of all benefits, even though the private carrier become insolvent. If, on these terms, private carriers cannot successfully compete, then let them go out of business.

Theoretically private carriers should have been forced out of business in all of the competing States because of the low carrying cost of State insurance as compared to that of private carriers. But this has not been the result. Taking the three most populous of the competitive States, the following are the percentages of State fund insurance premiums paid as compared to the percentages paid to private carriers, using the latest figures reported: California, 37% paid to the State fund as against 63% paid to private carriers; Pennsylvania, 13% as against 87%; New York, 8% as against 92%. The average for the nine competitive States is 15% paid to the State funds as against 85% paid to private carriers. For the whole United States, the comparative figures are 21% paid to State funds and 79% to private carriers.

Meaning Uncertain

The pending amendment further provides that "every citizen of Oregon is entitled on his or her voluntary demand to all the benefits with all the obligations of the workmen's compensation laws." We don't know what this language means, nor have we talked with any one who could say certainly what it means. For example, suppose an employee in any non-hazardous occupation, a farm hand, we will say, should demand State insurance; who is to pay the premium, the employee or his employer. If the employee, would he be likely to insure; if the employer, would it be fair that he should be thus forced under the law when other employers in the same line of work were not under it. Admittedly the compensation law of no other State has any such provision. It was original with the proponents of the amendment.

The present law names specifically the occupations that shall be classed as hazardous. Few will contend that the classification is a perfect one, and that it might not well be modified in some particulars. But it is definite; employers know what to count on. The amendment places it in the power of the commission to make the classification and to change it at will. We question the wisdom or justice of placing such power in their hands. If, for example, it is proposed to class farming as a hazardous occupation, we deem it only fair to the farmers to afford them an opportunity to vote upon that specific question and to have a voice in deciding whether or not they are to be brought under the compensation law.

The amendment empowers the commission to fix and change the rates of payment of employers and employees. The present law gives power to the commission to change the rates of payment of employers (not of employees), but only under a well-defined principle, namely, that the change shall be based upon the degree of hazard of the occupation as shown by experience. The amendment omits to require that the rule of experience

shall be followed by the commission in determining the degree of hazard that is to fix the rates of payment of employers and further empowers the commission to change the rates of employees. The commission could, if it chose, eliminate all payment by employees, which it might see fit to do, as Oregon is the only State which requires employees to pay any premium at all. But the commission could, if it chose, very much increase the rates of payment of employees. The power conferred is too broad.

Drastic Provision Condemned

The amendment contains a further drastic provision that, as framed, should, in our judgment, alone serve to condemn the amendment. It, in brief, provides that an injured workman shall, upon demand, be entitled to an additional award of not less than fifty and not more than one hundred per cent of the maximum award ordinarily allowed in such case, if it is found upon investigation by the commission, that, to quote the exact language, "the injury, disease or death was caused by the failure of the employer to install and maintain in use any safety appliances or to obey any law or any rule of the commission for the protection of the lives, safety and health of employees," and, "in every case the decision of the commission shall be final." Such compensation is to be paid by the employer, or, if not then paid by him, is to be paid out of the State fund and charged to him.

In the framing of this provision a recent amendment to the Ohio constitution was used as a guide. But the manner of its framing renders it much more drastic than the Ohio law. In the first place, the additional compensation allowed under the Ohio law is from fifteen to fifty per cent, as against the fifty to one hundred per cent under the proposed amendment. Again, thus to be penalized under the Ohio law, the employer must have failed to comply with "some specific requirement," note the language, "some specific requirement" for the protection of the employee, whereas under the proposed Oregon amendment the employer is to be open to such penalty if he has failed to "install and maintain in use *any* safety appliance" for the protection of the employee. The Ohio employer is told beforehand what safety appliances he is expected to use; the Oregon employer can do no more than guess as to his requirement. Furthermore, the Oregon amendment does not provide that the employer shall be privileged to present his side of the case at the hearing of the commission, but does provide that "the decision of the commission shall be final." It may be that the theory of this provision is sound—that the employer who fails to provide proper safety appliances should incur increased penalties and that the employee who is made to work under such conditions should, if injured, receive increased compensation; but, as framed, this provision of the amendment is most unconscionable and, as we believe, is unconstitutional. Our guess is that the commission would be swamped with hearings, even though, as it appears, only six cases have been heard by the Ohio commission under this section of their law, since January 1, 1924, when it went into effect.

The amendment, if it carry, would repeal that provision of our present law which has to to with contract medical and hospital service, its proponents contending that this system is very odious to the workmen. We cannot find that there is any wide-spread objection to the system on the part of the workmen. On the contrary, we have been furnished most reliable testimonials in its behalf. We, therefore, would not recommend that this part of our law be disturbed.

The amendment finally provides that no amendment of it by the legislature shall become effective unless ratified by the people at the next biennial election following the time such change be made. This means that the amendment, if it carry, together with such rules and regulations as the commission may adopt, for which wide powers are given, must, of necessity, stand as law for almost two years before it can be modified in any way.

Conclusion and Recommendation

As a concluding general observation, we feel that the amendment was framed in an ultra-radical spirit and confers powers upon the commission that are much too broad—broader than is necessary to successful administration. Under a wise, just and discreet commission the law might be administered with a moderate degree of satisfaction, but so long as such a law remained in force there could be no feeling of comfort or security on the part of either employer or employee. We respectfully submit that the amendment should be defeated.

JOHN A. LEE, *Chairman,*
M. D. WELLS,
JOHN C. VEATCH,
A. L. VEAZIE,
JAMES H. POLHEMUS,
Committee.

Approved by the Board of Governors.