ASSESSOR TELLS OF FIXING VALUATIONS

Rentals Are Considered Big Factor in Determining True Cash Worth.

EXCEPTIONS ARE SHOWN

New York City Department of Taxes Accepts as Universally True Rule That Improved Parcel Is Worth Sum of Net Rents.

BY HENRY E. REED,

cash value of property to be the amount such property would sell for at a voluntary sale made in the ordinary course of business, taking into consideration its earning power and such other fac-tors as may be applicable for determin-

Ing such value.

Earning power is taken into consideration, but is not conclusive. This brings into the question rentals as a guide to value, and the experience of other communities is interesting.

The department of taxes and assessments of New York City accepts as universally true the rule that an improved parcel of real estate is never worth more than the sum produced by capitalizing its net rents at an appro-

worth more than the sum produced by capitalizing its net rents at an appropriate rate until the value of the land slone exceeds the capitalized sum.

For example, a two-story brick building, with stores below and offices or ledgings above, is crected at a cost of \$20,000 on land having a market value of \$20,000. Total value represented by of \$20,000. Total value represented by land and building \$40,000. Prospective gross rentals are sufficient to justify the investment and the owner is satis-

Conditions Rule Land Values.

Conditions Rule Land Values.

As conditions change, the land rises in value for other uses than for modest stores, offices and lodgings, but the rental remains stationary. The property as a whole is worth no more than \$40,000. In course of time the land is worth \$30,000; still the property as a whole is worth no more than \$40,000. The land finally rises to a market value of \$40,000. When this stage is reached, the building adds practically nothing to the land value, and in New York is assessed at approximately one year's rental.

There are old office buildings in Portland from three to eight stories high, some of them on streets which long since passed their crest and others on streets which have later been main

since passed their crest and others on streets which have later been main arteries of traffic. The land now in many cases is worth much more than when the building was erected, but the aggregate value of the property is to-day no more than the net rental capi-talized at 5 to 6 per cent. The build-ing may be worth only 50 per cent of its original cost of construction or less than that. The increase in land value adds nothing to the selling value of the property as a whole, unless that increase is accompanied by an increase in the rentals which may be obtained.

on a lot worth \$2000. The annual rental at the time of construction is \$500 a year. If the land does not rise in value the time is certain to come when the rental will decrease. If the rental has declined to \$350 a year the property as a whole will generally not be worth more than \$5000. If the land is still worth \$2000, the building adds but \$3000 to the value of the land.

a whole will generally not be worth more than \$5000. If the land is still worth \$5000. If the building adds but \$3000 to the value of the land.

Rentals Generally Surest Guide.

As has already been pointed out, rentals are generally the surest guide to value in the case of buildings depreciated by age or obsolescence when the value of the land alone does not exceed the rental capitalized at an appropriate percentifice rate. When a site is suitably improved by an adequate structure the rental is almost an infallible guide to its full value unless the building decreted as an income dinary building erected as an income producing property, the gross rental is a sure and safe guide to value.

The foreigning acts are worthy of the careful consideration of the real extact when more careful consideration of the real extant community enjoys the great commercial stability and is freest from monetary tightness and distress arising from unemployment, in which real estate is sufficient with the text to be a sure and stability and is freest from monetary tightness and distress arising from unemployment, in which real estate is sufficient with the mexit described.

Reports from 135 cities in the middle of August showed an increase of nearly 44 per cent, than which no better at the United States National Bank, has been appointed assistant to J. M. Logan, has been appointed assistant to J. M. Logan, the newly appointed Nather in the Portland the will be case of the will be such as a son-in-law of Senator Chamberlain. He will be specially the a son-in-law of Senator Chamberlain. He will be specially the first will feel work in his territory. With Mr. Gaither the will be work on some of the Portland banks aften charge of the Congress should be discouraged, because it is absolutely unnecessary.

The agricultural districts wi

tary tightness and distress arising from unemployment, in which real estate i bought and sold on the basis of its pro-

MORE HOLD RAIL STOCKS

vice-president of the Exchange National Bank of Atchison, Kan, who visited Portland on his way home from the Seattle convention last Saturday, "If it were left to me I would insure a merchant marine by Government a merchant marine by Government subsidy," said Mr. Balley at the Port-land Hotel.

"It is the big thing that is needed by this country and we must take some steps to get bottoms to handle our commerce."

Mr. Ballay and

our commerce."

Mr. Balley says that the famous editorial on "What's the Matter With Karsas" is still a living document. "Thers is nothing the matter with Kansas that I can see," he said. "We have 100,000,000-bushel wheat crop and a bumper crop of corn and you don't find anyone in Kansas preaching hard times.

"Even the weather is tempered to the Kansans. The heavy rains of the Spring may have out a few bushels off the wheat yield, but how that water lid force the corn. We can't lose. If one crop falls short, we make it up an another."

Mr. Balley is a power in Middle Western Anance, being managing of-ficer of the Exchange National Bank, of Atchison, Kan, and a director of the Federal Reserve Bank District No. 10, Kansas City, Mo.

GRANT AREA IS SHOWN

County, has compiled complete statis-tics on the Oregon & California Rail-coad lands in that county, which with similar lands in the other counties of tics on the Oregon & California Rail-road lands in that county, which with similar lands in the other counties of Western Oregon now are the subject of much discussion, following the Su preme Court's recent decision that title to the property remains with the rall-

road.
Mr. Jack's report on the Clackamas
County land is substantially as fol-

Owe;
The Oregon & California Italiroad lands in Clackamas County consist of two classes, nown as the inseld land and the contract and. The unseld land consists of 50,765 cres. The contract land is that part ob which contracts have been issued, but no leeds have been given, and consists of 641 acres. The whole amount of land, neluding both of these classes, is 98,208 cres in Clackamas County, and is classified is follows:

Unsold land—
Adapted to agriculture (seres). 24844
Adapted to grazing (acres). 55,124
Timber land (acres) 24,881
Total amount timber (feet) 1,281,026,000
Contract land—
dapted to agriculture (acres). 5,023
Chapted to grazing (acres) 8,418
Timber land (acres) 1,182
Sotal amount timber (feet) 23,400,000
Contract land 4,000,000
Contract land 4

Orchard Near Gaston Gives Big Yield, Establishing Industry.

H. R. Gaither Becomes Assistant to National Bank Examiner.

lishment of British Credit.

EXPORT BALANCE GROWING

Further Improvement Is Expected as Crops Are Marketed and Utmost Confidence Expressed in President's Leadership.

Some relief in the foreign exchange situation is imperative, says Henry Clews, the eminent New York banker, in his weekly review of the financial He expresses belief that the pres-

BY HENRY E. REED,

Assessor of Mulinomsh County.

The laws of Oregon define the true cash value of property to be the amount such property would sell for at a volumntary sale made in the ordinary course of business, taking into consideration its earning power and such other factors as may be applicable for determining such value.

Earning power is taken into consideration for S61,113.98.

CLACKAMAS CONTAINS S9,765 ACRES

UNSOLD, S441 SOLD.

"Our foreign trade," he continues, "citil is seriously deranged, imports being greatly curtailed, while exports from New York during the week ending August 14 were \$31,300,000 against \$10,700,000 the same week last year; while our imports, though increasing slightly, our imports, though increasing slightly, are still running far below normal. This excessive preponderance of exports will

Export Excess Huge.

"On June 38 the excess of exports had reached \$1,000,000,000, and some authorities estimate that it will touch as high as \$2,000,000,000 by December 31. Euas \$2,000,000,000 by December 31. Europe cannot pay in merchandise or gold; some form of credit must be established if we are to accept foreign war orders. The urgency of the crisis is emphasized by the coming to New York of London's leading bankers. The idea of importing \$250,000,000 gold is less popular here than when first broached. The supply of the precious metal in this country—now estimated at nearly \$2,000,000,000—is so excessive that our bankers are naturally unwilling to see any further addition because of its usclessness and its possible infinitionary tendencies.

"There has been some talk of mobilizing or massing British holdings of Americans and depositing them here as collateral for loans. But even this plan arrows no particular enthusiasm. On

Americans and depositing them here as delayed to agriculture (acres).

5.023 (alleged to grazing (acres) . 5.418 (alleged to grazing (acres) . 1.182 (alleged to grazing (acre one of these plans may possibly be adopted and an important loan, possibly \$500,000,000, arranged for at an early date. Others would follow, provided the United States itself is not drawn into the war.

Clearings Show Increase GASTON, Or, Sept. 12.—(Special.)—
The initial shipping season of the Laurelwood Orchard Company is bringing in returns which put peach growing in this section on a sound basis, Since August 10, from a 30-acre tract, they have shipped 2800 boxes to Portland and vicinity, and a little over 1000 boxes have been used by the local dealers here and the people who go to the orchard for their supply. The peackes raised here, in size, color and flavor, equal those raised in any part of the country.

Clearings Show Increase.

"Some idea of the increase in business activity can be obtained from a comparison of bank clearings with a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 against \$5,947,000,000 a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 against \$5,947,000,000 a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 against \$5,947,000,000 a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 against \$5,947,000,000 a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 against \$5,947,000,000 a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 a year ago. The total clearings at principal cities for the first three weeks of August was \$2,977,000,000 a year ago. The total clearings at New York increase of \$2,035,000,000, against \$2,715,000,000 and year ago. The total clearings at New York increase of \$2,035,000,000, against \$2,715,000,000 and year ago. The total clearings at New York increase of \$2,035,000,000, against \$2,715,000,000 and year ago. The total clearings at New York increase of \$2,035,000,000, and increase of \$2,030,000,000 and year ago.

Different Cases Are Cited.

As a rule such increase in land value inder these circumstances is not accompanied by an increase in rental become and it is a section on a sound basis. Since August 10, from a 30-acre trading to nearly all classes of improvements, and it must always be borne in mind to nearly all classes of improvements, and it must always be borne in mind that a building is worth no more than the abuilding is worth no more than the case cited above it has been in the case cited above it has been a sharp certain of the case cited above it has been a sharp revival of the case cited above it has been a sharp revival of the case cited above it has been a sharp revival of the land remains substantially stationary. In such cases the building depreciates and its depreciation is evidenced by the rental derived for its use. The property as a whole, land and building, is worth no more than the rental derived for its use. The property as a whole, land and and building, is worth no more than the rental derived for its use. The property as a whole, land and and sulcing, is worth no more than the rental derived for its use. The property as a whole, land and and sulcing, is worth no more than the rental derived for its use. The property as a whole, land and and sulcing, is worth no more than the rental derived for its use. The property as a whole, land and and sulcing, is worth no more than the rental derived for its use. The property as a whole, land and and sulcing is worth no more than the worth of the class of the New England states, 10 per cent in the Middle West, 2 per cent in the Pacific states, 10 per cent in other Western states and 4 per cent in the Southern states

Crop Benefit Expected. "Reports from 135 cities in the mid-

OF WANT' BY INSURANCE

Why, in World of Plenty, Do We All Live Worried and Die Harassed? Asks Life Insurance Editor, When Challenge Can Be Given and Won.

Asks Life Insurance Editor, When Challenge Can Bs. Given and Won.

Asharcholders, Increase of 31.58.

The number of stockholders of the pennsylvania, of the first of the pennsylvania, of the p

when Congress, which is only a legiz-lative and not an administrative body, is not in session. On the Stock Ex-change business continues to show feverish activity, speculation being most pronounced in the industrials benefiting by war orders."

take Henry Clews Predicts Estab- BIG WAR ORDERS RECEIVED Chicago Bankers Flooded With Allies Contract for Clothing and

> Submarine Batteries. PHILADELPHIA, Sept. 5.—War orders amounting to huge sums still are being received by Philadelphia manufacturers. The latest firm mentioned in connection with a large contract for one of the allies is the A. R. Kirschbaum Company, clothing manufacturers, at Broad street and Washington avenue.
>
> SOME MOTIVES SUSPECTED in Some Motives Suspected in Company and Suspected in Savings Suspected in Savings Bank Will

avenue.

It is well known that a huge order for overcoats has been pending from the Italian yovernment, and this order is said to have been placed with Kirschbaum. The contract is said to amount to more than \$1,000,000. When questioned, members of the firm refused to confirm or dany the report. Inquiries also are being made in this

FRANCISCO - RESERVE BANK GAINS IN GOLD AND CERTIFICATES.

SAN FRANCISCO, Sept. 11,—
(Special.)—An increase in gold coin and certificates in the vaults is shown in the statement of the Federal Reserve Bank of San Francisco for the bank's \$2d business week, ended September 10. Total gold is \$6,630,000 and total reserves \$8,514,000. The statement follows: lows:

Resources

Total reserves....\$ 8,514,900 Commercial paper (rediscounts) 1,227,000 Bank acceptances 631,000 United States bonds 1,001,000 Municipal warrants 1,574,000 Municipal warrants... Federal reserve notes Total resources \$16,169,000 Linbillties-Capital paid in.....\$ 3,921,000 Deposits, net 12,238,000 Total limbilities \$16,169,000

500,000 suits of men's fleece-lined un-derwear. As soon as satisfactory finanhere, it is said, the order will be placed.

A shipment of merchandise of this size probably will be ordered via Archangel, as deliveries can be made by that route in about two weeks, and it is safe.

The Electric Storage Battery Company is expected soon to be the re-

pany is expected soon to be the re-cipient of orders for electric batteries. These will be used in the hundreds of submarines being built by the various powers, all of which are strengthening the undersea branch of their navies.

VIOLINS STORED IN BANK

Maker Says 20 Instruments Will Be Worth \$5000 Each in Future.

BALTIMORE, Sept. 7.—Back in the vaults of the Mercantile Trust & Deposit Company, where thousands of dollars' worth of securities and other valuables have been placed for mare keeping, 20 or more violins of all descriptions have been packed carefully away by their owner in the hope that some day they will make him independently rich.

Wagon Way From Horse Heaven to Carley Station Proposed.

GOLDENDALE, Wash., Sept. 12 .-(Special.)—The Commissioners of Ben-ton County conferred at Goldendalo yesterday with the Klickitat Commis-sioners regarding the construction of a wagonroad out of the lower Horse-Heaven country to the Columbia River at Carley station on the North Bank

The lower portion of the proposed The lower portion of the proposed highway will cross the line into Klick. Itat County and the Benton County officials were assured that Klickitat County would build the part of the road on this side of the line.

The Benton County board also made note of the number of deputies employed, salaries paid and the amount of business transacted in the Klicking business transacted in the Klicking the salaries and the salaries paid and the salaries paid and the salaries paid and the salaries are transacted in the Klicking the salaries are transacted to the salaries are transa

business transacted in the Klicki of business transacted in the kilcki-tat County Courthouse with a view to retrenchment whey they return to Prosser. The Benton County officials are traveling by auto accompanied by Sheriff Duffy.

TELEPHONE LINE IS SOLD

Pacific Company Buys Glenada-Gardiner Stretch.

Threatening Letters.

Not Be Used to Finance Allies' Munitions Credit.

CHICAGO, Sept. 12.—(Special.)—Ne-otiations now being carried on in New ork between the ailies' financial comnission, representing Great Britain and France, and a group of American bank-ers for a loan of \$500,000,000 for war ers for a loan of \$500,000,000 for war purposes, appear not to meet with the approval of some Chicagoans.

News that certain Chicago bankers are participating in the Eastern conferences has brought a flood of letters to Chicago banks protesting against the advisability of making war loans. Many of these who have complained insist that the bankers have no right to make such use of their depositors.

nake such use of their depositors' Threats to withdraw deposits from banks assisting in making war loans or financing munition-makers were

from a small town in lowa to make sure that his \$2500 deposited in one of the savings banks would not be used for this purpose. He announced his in-tention of closing his account in the event that his protests were unavail-

On the other hand, the bankers on the other hand, the bankers looked with suspicion on various threats which have been reported since the question of the proposed loan was first discussed. Some are wondering whither or not the threats are being instigated by persons with ulterior mo-tives. However, they have refrained from making any comment. Instead they are waiting developments tomor-row from the New York conference.

VANCOUVER FAIR CLOSED Attendance Insufficient to Make Affair Financial Success.

VANCOUVER, Wash., Sept. 12 .- (Special.)—The Columbia River interstate fair is closed for a year after seven days of an agricultural fair and Wild West stampede. A performance was given this afternoon by the Irwin Bros. Wild West show, but the threatening weather interfered and the at-

ening weather interfered and the attendance was small.

The directors of the Clarke County Fair Association, which put on the fair, held a lengthy meeting last night and will hold another meeting tomorrow to settle up the business of this year's fair. The attendance was not enough to make the fair a financial success, though the crowds on Labor. and Wednesday, Vancouver day

NEW LINE SPANS COWLITZ

Steel Strands Replace Copper for Kelso Power Transmission.

KELSO, Wash., Sept. 12.—(Special.)

The Washington-Oregon Corporation has had a crew at work the past few days building a new transmission line across the Cowlitz River at Kelso to replace their old lines. The new system consists of six three-eighths-inch steel strands. The old copper lines at the same place, and at the bridge, will be tora down.

Three of these strands will be high-tension through wires to the northern plants of the corporation at Winlock and Chehalis and they will carry 45,000 voits. The other three will be distributing lines for West Kelso and Ostrander and will carry 2300 voits.

Few Hopyard Scales Incorrect Buchtel, State Sealer of Weights and Measures, today denied a report that scales at numerous hopyards are not accurate. He said: "A few incorrect scales have been found by the district scales. Pickers who suffered as a result of them were immediately relimbursed by the owners of the yards, under instructions of the district scale. rs. Only a few incorrect scales wer

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Small accounts, as well as large ones, are welcome here. Our patrons, regardless of the amount of business done, receive every courtesy in all matters entrusted to us.

Capital and Surplus - - - - \$3,500,000

THE BEST EVIDENCE OF OUR CONTIN-UAL AND RAPID GROWTH IS THE GREAT NUMBER OF SATISFIED CUSTOMERS WHO ARE DOING BUSINESS WITH US.

THE NORTHWESTERN NATIONAL BANK

ALBANY, Or., Sept. 12.—(Special.)—
With prospects for a 25 per cent gain in number of students over the registration of last year, Albany College will open tomorrow for the year's work. The faculty this year includes 18 instructors.

ALBANY, Or., Sept. 12.—(Special.)—
With prospects for a 25 per cent gain in number of students over the registration of way are secured.

Victim of Auto Accident Dies.

SPOKANE, Wash., Sept. 12.—(Special.)—John Pruitt, age 45, laborer, whose skull was fractured by an are-

work. The fa

used, which soon were found by the deputtes from this office and corrected or ordered discarded."

Albany College Opens Today.

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Albany College Opens Today.

ration of last year, Albany College vill open tomorrow for the year's vork. The faculty this year includes a instructors.

Railroad Right of Way Sought.

ROSEBURG, Or., Sept. 12.—(Special.)

Victim of Anto Accident Dies.

SPOKANE, Wash., Sept. 12.—(Special.)—John Pruitt, age 45, laborer, whose skull was fractured by an automobile accident, died of his injuries tonight. Pruitt, who is near-sighted, was crossing Sprague avenue when the car struck him.

TRAVELERS' GUIDR

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TRAVELERS' GUIDE.



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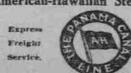
LA TOURAINE ... Sept. 25, 3 P. M. ESPAGNE Oct. 2, 3 P. M.

ROCHAMBEAUOct. 9, 3 P. M. C. W. Stinger, 80 6th st.; A. D. Chariton, 253 Morrison st.; E. K. Garrison, C. M. & St. P. Ry.; Dorsey B. Smith, 116 2d st.; E. F. Baird, 100 5d st.; H. Dickson, 248 Washington st.; North Bank Road, 5th and Stark sts.; E. S. McFartiand, 3d and Washington sts.; E. B. Duffy, 124 3d st. Pertland.

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"BAILEY GATZERT" enves Portland daily at 7 A. M. excursion cascade Locks leave 9 A. M.

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Steamer Breakwater Suits From Allegworth Duck, Fortished, every Thursday at S A. M. Freight and Ticket Office, Alnaworth Dock, Phones main 3600, A 2232. City Ticket Office, so oth St. Phones Marshall 6500, A 4131, PORTLAND & COOS BAY S, & LINK

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