FRANCHISE TAX

Big Corporations, Which Pay but Little Into the Treasury,

PUBLIC UTILITIES

Although Their Revenue Comes From Their Monopolies in the Streets, They Contribute Much Less Than a Few Merchants.

WHAT THE CORPORATIONS PAY. Companies holding street franchises in Portland and the sums which they pay annually to the city:

*Business Roenne; no compensation for franchise.

All the foregoing companies have special privileges from the public in the use of streets. Many business firms of the city, without such priv-Heges, pay as high as \$200 and more a year for license, or as much as the gas company, the electric company or the telegraph companies, while the ratiroad companies pay nothing at all. Eight of the foregoing companies held franchises which are perpetual in the sense that no time is specified in them for their termination.

For use of public streets for electric light, telephone and telegraph wires, street-cars, railrouds and hydraulic elevator pipes, the City of Portland, which granted franchises for those public utilities to 11 companies, is compensated less than \$7000 a year. Four of the companies, returning nothing for their occupation of the streets, pay \$200 for what are termed "business licenses."

Therefore the francisces on which

Therefore the francisies on which the 11 companies do their business and maintain their monopoly and make their profits from the public do not pay the city \$8000 a year for their spe-cial privileges. But 33 business firms, owning no

franchises from the public, endowed with no special privileges, and no me-nopoly, yield \$8000 a year for "busi-ness licenses"; and 80 such firms contributs in that manner twice as much as the 11 companies for franchises.

Thus it is clear that the private business houses are victims of discrimina-tion, in that they are taxed far beyond their proportion for use of the public streets and other privileges while the 11 companies, making their use of the public thoroughtares the one source of their revenue, and enjoying monopoly of those privileges, pay much less than their fair share of the burdens of gov-

Hold Perpetual Franchises.

Eight of the companies hold franchises which are perpetual in the sense that no time is specified in the grants for their termination; they are the gas company, the electric light company, the Southern Pacific, the O. R. & N., the terminal company, the hydraulic elevator company, and the Western Union and the Postal Telegraph Com-

Four of these eight pay busienss li-censes to the city—the gas, the electric light and the telegraph companies while the four others pay nothing save regular taxes. But the 80 business firms pay licenses in addition to their regular taxes. And these firms include no sa-loons, restaurants or drugstores—only mercantile, banking and theater compantes and the like

Taxation of Franchises.

All this gives impotus to the popular demand for taxation of public franchises and makes this subject the most import ant that will come before the State Tax ant that will come before the State Tax Commission, which has just been appoint-ed, and which will druw up a tax code for enactment by the next Oregon Legisla-ture when it shall meet in January, 1997. The franchises granted by the City of Portland cost grantees nothing, and the city derives revenue from only three-those of the Portland Consolidated Rail-way Company, the Telephone Company and the Oregon Water Power & Railway

This revenue, however, is ridiculously small, in view of the fact that the franchises, costing nothing when granted, are now capitalized at millions; witness the sale of the Portland Consolidated Railway Company for \$6,000,000, two-thirds of which sum is based on the value of the franchises. By the terms of those franchises, the company pays to the city only \$600 a year for the use of the streets in all parts of the city, or \$555 a month—a sum that would hardly pay for rental of a good-sized store on Third street, past which the company drives its cars, yet which makes only a small fraction of the revenue riding past its doors in the Con-

solidated Company's cars. Has Long Time to Run.

The franchises of the company are yet The franchises of the company are yet to run 275 years, and as time goes on the revenue it is bound to pay the city will be increased; during the period from 1827 to 1832. It years hence, the annual payment will be 22,000, or \$3000 a month. This figure will probably turn out more ridiculous than that which the city is now receiving, inasmuch as the earning power of the car system is expected to be immensely greater than now, owing to growth of the city.

The car company's franchises were granted by the present Council two and a half years ago. They were put through hurriedly, in order that they might bind the city before the present charter should go into effect, for if granted under the charter now in force, a number of im-portant limitations would have curbed the schemes of the two companies which re-ceived the franchises, and which have been consolidated-the Portland Railway Company and the City & Sub-urban Railway Company. For example, the franchises could not have lasted more than S years, whereas their life was fixed at 30 years: the city would have been empowered to exact from the grantee been empowered to exact from the grantee a percentage of their gross revenue as compensation to the city; the grantees would not have been permitted to shut out competing companies from joint use of their tracks for short lengths, as in the crowded business districts; the grantees would have been compelled to make reports of their earnings to the

City Auditor: and other limitations of lesser importance would have been im-

Made a Thrifty Turn.

Consequently the car companies made a thrifty turn when they secured the fran-chises, turned in their old franchises in exchange and paid nothing to the city treasury for the trade. All the foregoing restrictions they escaped, and, instead of allowing the city a revenue from their use of the public streets, commensurate with their carnings, and based on their income, they allowed only a lump sum, absurdly small compared with the exclusive privi-leges and monopoly conferred on them by the city.

the city.

Two companies holding franchises also profitable and relatively more so than those of the car company, since the gantees pay nothing for the privilege, are the Portland Gas Company and the Portland General Electric Company. These franchises cost the grantees not a dollar to acquire, not a dollar to hold. They pay no franchise tax to the city, and the only revenue the public derives from the pipes of the one under ground and the wires of the other overhead is a 100 annual business license from the gas communication. nual business license from the gas com nual business license from the gas com-pany and a 3500 license from the electric company. The one company digs up the streets where it pleases, and until recent-ly has been filling up the holes to suit its own pleasure, while the other has been setting unsightly poles in the streets, sometimes in the way of properly-owners and mutilating shade trees that thrust their branches between the wires. And, though the exempty power of these two their branches between the wires. And, though the earning power of these two companies is based wholly on their use of the public streets, they pay nothing for the privilege. Furtherhore, their franchises have no time set for their ending, and if the city is ever going to collect revenue from these two important utilities, or terminate the franchises so that it may acquire the utilities itself, it will have to battle long in the courts.

Terms of Their Grants.

The gas company's two franchises were granted, one by the Territorial Legislature in 1855, the other by the City Council in 1855, the electric company's by the City Councils of Portland and East Port-land and Albina, at various times from 1823 to 1821, ope in Albina, two in East. Portland and two in Portland.

Portiand and two in Portland.
Though these two companies are possessed of large privileges, granted by the public, they pay but \$500 a year into the city treasury, besides the regular taxes on their tangible property, while many on their tangible property, while many business houses, not possessed of such business houses, not possessed of such business houses, not possessed of such business couloment in order to be able to handle souloment in order to be able to handle business houses, not possessed of such privileges, pay as much for business ilcenses, towit:

American Steel & Wire Co.,
American Steel & Wire Co.,
Amer & Harris, bags.

Arcade Theater
M. L. Asher, pawnbroker
Baifour, Guthrie & Co.,
Earr & Hayen, pawnbrokers,
Canadian Bank of Commerce.
A. Delovage, pawnbroker Ioman, Poulses Co. Inra.
Lang & Co.
Lipman, Wolfe & Co.
Lipman, Wolfe & Co.
Lipman, Ban Francisco Bank,
A Lavie, pawnbroker,
Dan Mark, pawnbroker,
Mason, Ebrran & Co.
Meler & Frank Co.
Meler & Frank Co.
Metha Myera, pawnbroker,
North Pacific Flour Mills Co.
Lett. ter)
Olde, Wortman & King,
Oregonian Publishing Co.
Park Theater
Fortland Cordage Co.
Portland Flouring Mills.
Standard Oil Co.

Inion Meat Co. Wells-Purgo & Co. Bank..... Nathan Wolfe, pawnbroker What the Firms Pay.

The 30 firms just named pay \$3000 a year to the city in addition to their usual taxes, a larger sum than that paid by the II companies in addition to the taxes on their physical properties. The II com-panies contributed to the city government last year for franchises and licenses \$7600. And there are many other business firms in the city which are taxed in large sums for licenses, yet enjoying no mon-opoly nor special privilege from the pub-lic, among them being:

Ellman Auction C Jeon Company
wood Bros. & Wakefield Co.
, Gifford & Co.
, George Lawrence Co.
es Marmer & Company
Grand

Revenues From Franchises.

The city's revenue last year from fran-chises of all kinds was as follows: Pacific Coust Telephone & Telegraph Portland Consolidated Railway Co... 4500 'nion Market Association (rent)..... City Messenger & Delivery Co.

The Union Market Association's pay-ment of \$100 was for rental of what is now known as the market block, where public markets are to be maintained. The telephone company's payment is un-der a franchise granted three years ago for a period of 25 years. In addition to the payment of money, a large number of telephones are supplied the city free of cost. The telephone company's franchise is not exclusive and the company is soon to have a competitor, a franchise having just been granted for a system of auto-

matic telephones.
In addition to the foregoing sums paid the city last year may be mentioned \$1200 from the Oregon Water Power & Railway Company, for licenses on its cars in accordance with a franchise granted by the Council in November, 1962.

FIRE SALE.

Thomson's corset warehouse, 343-347 Broadway, New York, damaged by fire. We secured five large cases of the best number for less than 1-3 of actual cost. The corsets are in perfect condi-tion and will be placed on sale Monday morning at 10 o'clock. Corsets worth 12 go at Sc pair, only two to a customer. By mail \$1.25. Send in your order for the best all-round style of corset made. McAllen & McDonnell, the store than

LET US INCREASE YOUR BUSINESS.

By lighting your stores and show win dows with our new methods of electric and gas lighting, we can increase your business 50 per cent. Telephone or see us at our shewrooms, 341 Washington street, corner of Seventh, for estimates.

Have you heard the new twostep, "Kat-

Eastern Banking-Houses Now Are the Owners.

CORPORATION

It Proposes to Extend the Suburbar Lines Greatly and May Ultimately Build as Far South as Salem.

The Portland Consolidated Street Rallway Company is now the property of Eastern banking houses and great things

are to be expected from the change. Yesterday morning the change of own Yesterday morning the change of ownership was made when the holders of the majority of the stock in the Portland Consolidated Company transferred their holdings to the firms of Seligman Brothers, of New York, and & W. Clarke & Co., of Philadelphia. The consideration in the transaction is approximately \$6,00,000, that being the selling price asked by the stockholders in control of the company at the time the representatives of the two banking houses visited Portland a short time ago.

the two banking houses visited Portland a short time ago.

The capitalization of the Portland Consolidated Company is rated at a total of \$5.000,000, of which \$1.000,000 is treasury stock and not issued. It is held as a reserve fund for future contingencies that it was thought wise to provide for at the lime of the reorganization of the company some months ago, when the two old companies were consolidated. The old companies were consolidated. The outstanding capitalization of the companies \$4,900,900.

The value of the company's property

the crowds consequent upon the Exposi-tion. The company has added new cars and improved its lines throughout the city, but has not as yet finished all that has been planned

has been planned.

The property, however, is a valuable one, as is shown by the fact that the stock is paying a large dividend to the holders. It is the earning capacity of the road at the proportionate value of the property taken in common with the chances for expanding and growth with the enlargement of the city, that has made the Bastern financiers look upon the project with so much favor.

It is understood that the new management of the road will at once begin to plan for the further extension of the

plan for the further extension of the lines of the company into the suburban districts. While nothing has been stated authoritively it is shown in a semi-official way that it is the intention of the new way that it is the intention of the new company to build on the west side of the river in the direction of Hillsbore, though the exact route of the new road will de-pend upon what is done by other com-panies now working in the same line. It is also hinted that the construction of a line up the east side of the river, paralleling the Southern Pacific, perhaps as far as Salem is under actions considas far as Salem, is under serious consid-

If these plans are carried out it wi

mean a great deal for the development of the Willamette Valley. For the present it is not thought that there will be any change in the manage-ment of the company locally, though the personnel of the board of directors will perhaps be changed to a certain extent by the retirement of some of the present stockholders, who will turn their time to other business. No statement will be made at this time by the officials of the company as to the plans to be followed

GOVERNMENT READY TO GIVE IN-STRUCTIVE EXHIBIT.

Moving Pictures of Military and Naval Maneuvers, and Sham Battles

Will Be Presented.

The Government working exhibit, in every detail tomorrow. A large force of electricians will work all of today rearranging the wires of the building so that extra voltage can be secured which has been found necessary for the proper op-eration of the working exhibits.

Government exhibit, and were installed at considerable expense. This was the only exhibit in the Government building that was not in readiness when the struc-ture was thrown open to the public on

opening day.
So much has been said of the Government moving pictures, which will be given daily free of charge, that large crowds have assembled nearly every day in anticipation of seeing them. The visit-ors who have called at the building have been greatly disappointed because the biograph was not in operation.

biograph was not in operation.

The biograph is located in an auditorlum, capable of scating more than a hundred people, in the main building of the
Government exhibit. The room is darkened so that the pictures can be seen in ened so that the pictures can be seen in the day. There will be several exhibitions both in the morning and the afternoon. It will show all the different phases of military and naval life, from the drills of the regular troops of infantry and cav-alry to the maneuvers of the powerful battleships and cruisers of the United States Navy. It is understood that there will be pictures of nearity all of the ships will be pictures of nearly all of the ships that compose the Navy, including the tor-pede-boats and submarines. Pictures will be shown of torpede-boats

firing their terrible projectiles and the de-struction wrought when they explode. Exploding submarine and floating mines will also be shown. There will also be illustrations of the torpedo-hoat destroy-ers, which are somewhat larger than the

topedo-boat, carrying a heavier armament and a larger complement of men. It will show pictures of the battleships saluting and the naval maneuvers of recent years. It will show the ships in full speed. It is understood that the visitors to the exhibitions will be treated by the biograph with a sham battle of the regular troops.

lar troops.

The pictures will show thousands of men in the field, from all appearances in deadly combat, with batteries of artillery in action. Soldiers by the hundreds will be seen to fall to the ground, and when the scene of the conflict passes out of view of the audience the ambulance corps will remove the dead and wounded from the field. There will also be charges by

the cavalry.

At this time, when the attention of the entire civilized world is centered upon the gigantic struggles which have taken place in Manchuria and the waters of the Japan Sea, between the land and naval forces of Russia and Japan, the pictures of the battleships and regular troops will prove to be particularly interesting.

Old Pioneer of Oregon Dies. Professor Richard H. Hurley, whose

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two weeks the

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STRANGERS

IN THE CITY



Should remember that the Oregon Optical Co. is the best equipped optical institution in Oregon.

All glasses bought of us kept in repair one year. This includes broken lenses (the rimless kind included) whether specially ground or other-

OregonOpticalCo.

death occurred June 1 at the residence of F. Hackman, in Crook County, was a pioneer of this state. He came to Oregon in 1855, and for several years conducted an iron foundry at Oregon City. In the Spring of 1852 Professor Hurley moved to Idaho and after engaging in the mining business for ten years, returned to Oregon. In 1879 he located mines in Crook County, which he owned at the time of his death. Besides many friends, Professor Hurley left a widow and seven children; General George Hurley, Efmer S. Hurley, of New York; Mrs. Fred Terry, of Oregon City; Mrs. J. T. Le Roy, Mrs. George C. Caraline, Mrs. C. L. Pease and Mrs. A. E. Labowitch, all of Portland, Or. death occurred June 1 at the residence of

THEATRICAL TRUST AGAIN

Suit Will Be Filed in Behalf Mrs. Fiske.

The next step in the theatrical war-fare is the filing of a suit temorrow by John F. Logan against Calvin Heilig and George L. Buker enjoining them from interfering with the playing of Mrs. Piake at the Empire Theater. While been found necessary for the proper operation of the working exhibits.

The moving pictures, which will starts tomorrow, are considered one of the most attractive and instructive features of the interprising press agent to "boom" lirs. Fiske, yet the facts are that those in the Government exhibit, and were installed at considerable expense. This was the only exhibit in the Government building that was not in readiness when the structure was thrown open to the public on opening day.

Mrs. Fisks at the Empire Theater. While the contemplated step may be the work of the enterprising press agent to "boom" lirs. Fiske, yet the facts are that those in the enterprising press agent to "boom" lirs. Fiske, yet the facts are that those in the enterprising press agent to "boom" lirs. Fiske, yet the facts are that those in the deal wish the aid of the law to help them out of their tangle. When the emissaries of Mrs. Fiske consulted Mrs. Fiske yet the facts are that those in the deal wish the aid of the law to help them out of their tangle. When the emissaries of Mrs. Fiske yet the facts are that those in the deal wish the aid of the law to help them out of their tangle. When the emissaries of Mrs. Fiske consulted Mr. Logan to Secure 2 to be a secure 2 to be a secure 2 to be a secure 3 to be a secure 3 to be a secure 4 to be a secure 5 to be a secure 4 to be a secure 5 to be a secure 5 to be a secure 5 to be a secure 6 to be a secure 6 to be a secure 8 to be a secure 9 to be Robert W. Galloway, who has a lease on the Empire Theater from Mr. Hellig and Mr. Baker. Supposing there would be no blich in the arrangement, from the theatrical trust. Mr. Logan gave the the theatrical trust, Mr. Logan gave the word to go shead, and the Fiske mean began to get out their lithographs. Then the Heilig-Baker forces got busy, and Mr. Logan was informed that he could not play Mrs. Fiske at the Empire Mr. Logan Innisted that he had a right to do so under the rights of Mr. Galloway's lease. "Nay," said the theatrical trust. So the war is on it's an old story that So the war is on. It's an old story that fought tooth and nail to prevent Mrs. Fiske playing at any of their theaters

in this country, and that this course of procedure has given Mrs. Fiske consid-erable free advertising. She has clever press agents. ************************************

COMMENCEMENT.

Commencement exercises of the Gilles ple School of Expression, Arion Hall, Friday evening, June 16.

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We make terms suit the convenience of your income. Have no hesitancy whatever in making your wishes known in this respect. If you want the goods, we can do business with you in a way that will make and keep you our exclusive customers.

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