

BY CENSUS WILL BE TAKEN TO SHOW GROWTH

Portland Realty Board Backs Plan to Learn Facts About City's Progress During the Past Six Years.

An innovation has been started in realty circles of Portland, backed by the Portland realty board and promoted by Arthur I. Street, former managing editor of Collier's Weekly and editor of the Pandex of the Press, the effect of which will probably be nationwide, namely, the taking of a real estate census of the city.

This census will be a comprehensive report of the development of the city in the last six years and will be practically a stock taking task, that will give an accurate synopsis of the real estate situation in Portland.

In connection with the work that is being done in Portland, Mr. Street said: "I am preparing a comprehensive study of the realty development of the city for the past six years, practically the entire period of realty development since the Lewis & Clark exposition, and ending December 31, 1912.

To Show Complete Record. "I have searched the records for the past seven years, but as yet have prepared no final totals. I have 20,000 card index records. One of the objects of this research is to determine what class of people have come to the city recently and what sections they have located in. This first step of the work will deal exclusively with residences, and I have divided these into several classes, namely, those which have cost less than \$1000, less than \$2500, less than \$3500, less than \$5000, less than \$10,000 and over \$10,000. This also includes flats, apartments, hotels and lodging houses.

"I have found that 85 per cent of the dwellings erected in that time have cost \$2500 or less, and that in the past three years there has been a notable increase in the number of dwellings costing more than \$2500. This can be taken as a good indication of the prosperity of the city.

"One of the most important features of the work will be to show the density of improvements and the comparative number of improved places to the unimproved sections. If one section has too much vacant land, the burden is then greater on the transportation company, and the sewer system, as it compels the transportation company to operate at a loss through the section and makes the assessments for sewers too high on the few people who have to pay for its extension through the vacant sections. By having this data in proper shape, realty dealers can make an effort to build up these sections with great profit to themselves and to the investors.

Will Prepare Tables. "The distances of certain districts from the center of the city and the extent of their improvements will be tabulated. Mr. Street has been in Portland for six months and has been working on this census for the past three months. In that time he has completed the study of all additions to the city of which the initial letter is 'A.' This plan will be followed out until all parts of the city have been covered. Mr. Street came here to make a study of the economic conditions of the whole Pacific coast.

He has prepared a formula, based on the population of the United States, by which he has determined that the Pacific coast states west of the Rocky mountains should have a population of 22,000,000 people, and that the census should have that number. That the Panama canal will produce this great influx of people is the contention of Mr. Street, and an immigration four times greater than has ever before been experienced is predicted.

Referring again to the work of securing this data, Mr. Street said that of the 37 districts on which he already has figures, the density of improvements range from 2 to 86 per cent. In Albin's addition to East Portland, which lies between Holladay and Hawthorne avenues, the density of improvement is 73 per cent of the number of lots. In Albina, the development is 74 per cent. In Altamont the percentage is 83 per cent. In Alta Vista it is 83 per cent. In Annabel, the average is 65 per cent. In the rich addition of Ardmore, where the new dwellings have averaged in cost \$3875, the development is 75 per cent.

"The relative cost of buildings in Alameda place is \$2500, in Alken's addition \$4850 and in Alta Vista \$5200. Over 200 homes have been erected in Albina in the time mentioned and the average cost is \$2567; in Albina Homestead, there have been 105 homes, at an average cost of \$2278, and in Arbor Lodge there have been 59 homes at an average cost of \$3885.

"One of the important results of the investigation will be to show whether or not Portland has made proper provision for the increase of population."

NATIONAL MARKET FOR TRADE LOANS NEEDED

American Commerce and Industry Handicapped for the Want of Modern Credit System.

BY GEORGE W. SIMMONS, President of the Simmons Hardware Company of St. Louis.

Commercial paper is our staple bankable commodity. It plays an exceedingly important part in our credit structure, and so is one of the most potent factors in our prosperity. It speeds faster the wheels of industry. Through its expansion in the volume of business made possible. In many cases it enables the introduction of our products abroad, thus being of invaluable assistance in keeping our trade balance on the right side of the ledger. In my opinion, it is so valuable a contribution to business interests that its use will continue steadily to increase and to broaden.

Generally speaking, bank loans may be divided into two classes: Loans on paper secured by stock exchange collateral and on commercial paper, secured by one or more names. Each of these classes may be subdivided into paper payable on demand, and long or short time paper.

The paper secured by stocks and bonds is, as a rule, not used in commerce and industry, but in speculation. It is one of the evils of our present banking system that under it idle bank funds flow to New York to be loaned there on call, with stock exchange security. And it is one of the system's crying injustices to the American business man that loans secured by stocks and bonds are cheaper in this country than loans which go to further the operations of commerce and industry.

The reverse holds true in Europe. There, commercial paper commands the lowest rate of interest, and it should. The merchant receives accommodation more cheaply than the speculator.

Curiously Based on Commerce. This gross disadvantage to American business arises from the fact that we have no broad discount market for commercial paper, such as is the foundation of European credit machines. Abroad, this market forms the basis of note issues. Our note issues are bonded, and the daily adjustment of interest rate and supply of money primarily results in an increase or decrease of call loans on stock exchange collateral.

If there is pronounced contraction and liquidation then stocks and bonds are dumped onto the market, which sags under their weight. Disturbances are inevitable. How much more logical would be note issues based on commercial paper, which depend for interest on the narrow confines of the stock market, but upon the day to day consuming power of the entire nation?

The commercial paper arising out of the Panama canal, of most other industries, runs from thirty to ninety days. It may be based upon the actual shipment of goods or it may be based solely upon the commercial standing of the issuer. It is likely to be two-name paper. The manufacturer or merchant who sends it to the bank, and to whom he gives a credit, say, of 60 days. When he receives this note, he may endorse it, and then discount it at his bank.

He may draw on the second merchant at 60 days' sight, in which case the second merchant accepts it by writing across its face the word "accepted," with his name and the date; and it then becomes an instrument convertible into cash by discounting it in the first instance. It is likely to be two-name paper. The manufacturer or merchant who sends it to the bank, and to whom he gives a credit, say, of 60 days. When he receives this note, he may endorse it, and then discount it at his bank.

Credit of Productive Industry. In either of these cases, we have two-name paper, based on actual goods in transit from the producer to the consumer, and dependent for payment, in the last analysis, not merely upon the commercial integrity of the man who made it, but upon the ability of the public to consume the goods it represents.

In the case of one-name paper, the wisdom of a bank granting a loan depends upon what it knows of its client. If the total amount desired is moderate in comparison with the client's total assets, and especially in comparison with his current receipts, it is a good loan. There is none safer. It should be understood that the selection of banks of such paper should be carefully made. They must have the facts about the business of the concern asking the loan. Usually banks have a bureau of information devoted to this purpose, called a credit department, thoroughly posted as regards the commercial paper offered to it.

This department may, in some instances, call for a full statement of the concern's business, or may even employ outside accountants to go over its books. It may, if it sees fit, demand to know whether the loan required is based upon an actual commercial transaction, and may demand evidences of the transaction.

It is often found advisable in cases of large loans on commercial paper to split the loan into a number of "notes," which are sold by note brokers to different banks. It not infrequently happens that a small bank will buy four or five pieces of well known commercial paper in this way as an investment for idle funds; and in that case, if some unexpected demand is made upon the bank, so that it needs funds promptly, it will send as



George W. Simmons, president of the Simmons Hardware company of St. Louis.

much of this paper as may be required to fill its need, to its city correspondent for rediscount.

Lower Interest Rates. But by establishing a broader market for such paper, interest rates would be increased of every article into whose production or distribution the use of borrowed capital enters.

The lower interest rates prevalent in England and on the continent give merchants and manufacturers there an unmistakable advantage over their competitors in the United States. England's unrivaled monetary system and her low rates of interest to industrial enterprises are large factors in her commercial supremacy.

The Panama canal, opening vistas of new business opportunities to America, is on the verge of completion. Will we permit it to become an added help to foreign nations, or will we, by adopting a scientific banking system, equip ourselves to reap full advantage of it?

This is a question for the people of the United States to answer. It should be answered before the canal is completed. The answer should be in the form of competent and expert remedial legislation.

Commercial Loans Paid in 1907. Commercial paper already has proved of such value to us that not to broaden its field is folly. It is now liquid within certain limits, being convertible into cash with more or less ease in times of stress. It has demonstrated its worth.

I was immensely impressed with this during the panic of 1907. At that time we had large outstanding commercial accounts, which, although they were not secured by commercial paper, were closely akin to it. We simply stopped buying goods; and as we had always paid for everything, we had nothing but current expenses to meet. At maturity of our current accounts, those who could not pay in full would send us, say, one half, and a little later another remittance, and so on. I apprehend that not two per cent of the commercial paper floating at that time went unpaid, or was renewed.

It is readily apparent that commercial paper bridges the interval between the production and the consumption of goods, and gives the merchant or manufacturer ready funds for the continuance of his business, without waiting for the purchaser or consumer to whom he has extended 60, 90 or 90 days' credit, to make payment. Further than that, it encourages him to use his money more freely in the way of experiments in improved methods and improved machinery—feeling confident that he can be safe from financial embarrassment in so doing. I know of a case in which the manufacturer of one of the important products of the country so improved his processes as to reduce the cost fully one third. This was made possible solely by the fact that, through the use of commercial paper, the manufacturer was enabled to get the money with which experiments were made to devise theretofore unknown mechanical appliances.

A National Credit Bureau. Commercial paper is so important a part of our industrial fabric that I believe the American Bankers' association should establish some kind of a bureau of information to scrutinize the business of the concerns issuing it. In this way a great deal of reliable information could be placed at the service of those desiring to invest in such paper—particularly banks—information not only as to the concern's assets and current receipts, but as to the extent of the loans

MORE OPTIMISM IS SHOWN BY CONDITIONS HERE

Downtown Building Activity Shows That City is on Sound Basis of Prosperity, J. Fred Larson Declares.

"Portland real estate men and merchants are not as optimistic as they ought to be," declared J. Fred Larson, president of the Portland Realty board and a member of the firm of Umbdenstock & Larson.

In reviewing the realty situation in Portland, and the prospects the city has, relative to the realty market, Mr. Larson has the following to say: "If there is one business depending for success and profit on general conditions it is that of real estate, selling it and getting in the collections.

There is nothing mysterious about the business; the real estate operator must supply desirable lots at prices and on terms that attract, and whether or not the lots are desirable and the prices and terms attractive depend upon general conditions.

"Lots will not be purchased for investment or speculation unless the purchasers convince themselves that the demand is at, or will increase to a point that the lots can be resold at a profit.

"Lots will not be purchased for homebuilding unless the purchasers are permanently located in Portland and the future looks promising. To my mind a sure sign of general business conditions is activity in downtown building, the development of business property.

"If there is little or no development in the business district of any city, the condition of business generally, in that town, is not encouraging. On the other hand, if the development is marked, then optimism and enthusiasm should prevail.

"The men who erect big stores, new office buildings, warehouses, are men who are close to the fundamentals of business. They usually know what they are doing. Certainly those new buildings would not be erected unless the demand was there.

"Consider, in this connection, the new buildings of all kinds erected in Portland's business district the past year and consider, in addition, those planned for the present year.

"Go a step farther and consider that the prosperity of the tenants of these new buildings depend on greater population, greater general business activity, then realize that Portland's population is increasing; that each month's figures show that business is increasing.

"There is less vacant surface in the city's limits than a year ago, the population has increased and the number of lots unsold smaller.

"We have taken stock as it were, we find our shelves a smaller number of lots and what is more important, we find we cannot duplicate these lots at the same price—real estate values are going up. In face of these actual conditions, it seems to me that our real estate men and merchants are not optimistic enough.

"We are growing as fast as any other town in the country; our future is just as certain, but our growth will be greater and our future more satisfying, if every one will forget the disappointment that a few weeks' quiet business has caused; and instead, observe the development that is going on on all sides—become convinced that the development will continue and benefit all.

"In other words, every one do their part to boost and help the growth and make the spirit of Portland prosperity something that is on every one's lips."

extended to it from various sources. Commercial paper would be the most desirable paper any bank could buy, so far as regards safety. I believe that when we have a new banking system—for we must have one if we are to avert another panic—it will be perfectly proper to have some arrangement—under careful provisions and regulations—whereby the banks may rediscount their commercial paper with a cooperative agency. This would provide them with a relief in times of stress, and would help to prevent money panics. Such a provision certainly should be a part of any measure looking to a revision and improvement of our present banking system.

New Hotel Building Is Fine Structure



View of the recently completed Willard hotel, erected by the Shasta Investment company, at Park and Morrison streets. This is a seven story structure, which cost in the neighborhood of \$150,000 and is one of the latest and most substantial improvements on Morrison street. The building was constructed to allow the addition of three more stories if needed. Hurley-Mason company were the builders and Doyle, Patterson & Beach were the architects.

NEW REAL ESTATE DEALS MADE IN PAST WEEK

An important realty deal that was announced during the past week was the purchase by J. H. Tipton from M. C. Davis of a lot at the northwest corner of First and Clay streets, improved with a two-story frame building, for a consideration of \$45,000. Mr. Davis took in exchange 25 lots in Meadowhurst and a new eight-room home in Hollywood.

During the week the exchange of a half block on Belmont and East Eighth street for a block of ground opposite the city hall at Walla Walla, a 23-acre tract near Oregon City and two lots in Yale addition to Portland was made by T. J. Leonard to the Oregon Realty company. The deal involved \$63,000.

TO BUILD FINE HOME IN BEAUMONT ADDITION

A magnificent home, to be of the colonial type of architecture, is to be erected in Beaumont addition for Dr. O. J. Griffin, formerly of Beaverton, and a permit for the structure, which is to cost \$8000, has been taken out by the Anderson Construction company.

The house is to be 38x28 feet, with a balcony porch supported by massive colonial columns at the front and porte cochere at the side, extending across the roadway leading to the garage in the rear. The interior of the home has been designed by Mrs. Griffin, and will be one of the most complete and convenient homes in the city. Construction work is to start at once. San Francisco broom makers have received a 19 per cent increase in pay.

TO TALK PLAN OF INCORPORATION

Realty Board Will Devote Next Meeting to By-laws Discussion.

The next weekly meeting of the Portland Realty Board, which is to be held next Friday, will be given over exclusively to the discussion of the proposed plans to incorporate the realty board for the purpose of giving it a standing in court. The constitution and by-laws have already been prepared, and now only await the approval of the organization to perfect the incorporation.

This was decided upon Friday afternoon at the first regular meeting of the board held this year. One of the important matters that came up at the meeting was the recommendation of the arbitration committee of the realty board that hereafter each applicant for arbitration should sign an agreement to abide by the decision of the arbitration committee. This matter was referred to the executive committee.

Another matter of importance was to unanimously extend to a number of realty men of Minneapolis, who are contemplating an excursion to the west, an invitation to visit Portland, and a reception committee was named to entertain them.

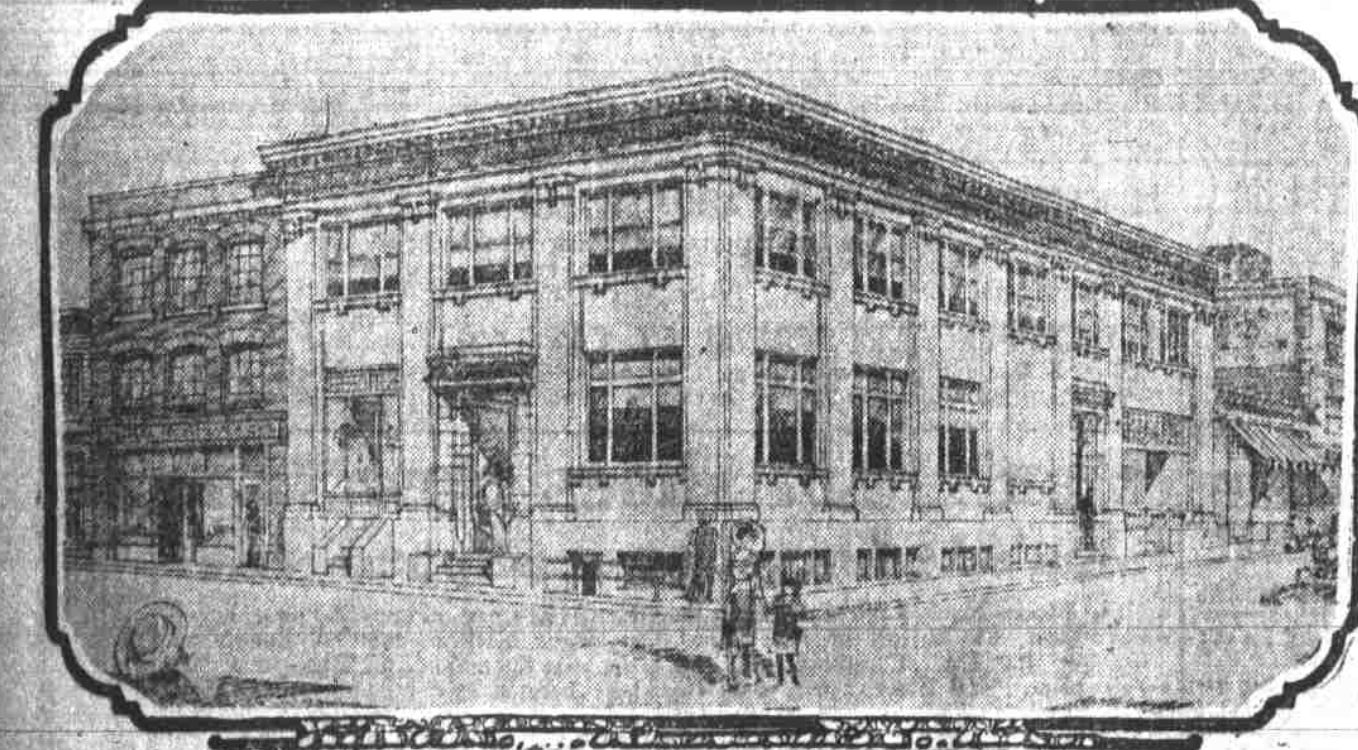
Among the speakers were H. I. Street, Tom Richardson and P. M. Clark. Mr. Clark was the principal speaker of the day, he having been asked to make a talk on observations he had made while in Los Angeles. "The greatest thing that I observed on this trip was the spirit of 'boosterism' that was to be seen on every hand in that city," he said. "Los Angeles is being advertised all over the world, and it is my firm opinion that a more concentrated effort should be made to advertise Portland."

"I have spent barrels of money on advertising, perhaps too much, but I have found that I have never lost a cent by it. Another thing that I have observed is that Portland is not taking advantage of the opportunities. Los Angeles thinks more of Portland than Portland thinks of themselves. Still another thing important in my observations of Los Angeles is the speedy system of closing deals there. No sooner does a man say, 'I will buy,' than he has signed his name to a note or a contract, and his money is paid over. Here it takes three weeks or a month, and many deals go astray in that time."

Because an imperial ukase issued by the czar requires them to give a military salute to all army officers, all the students of the military medical academy at Kiev have gone on strike. The ukase provides among other things that when students meet an officer in a street car they must first ask his permission to be seated.

PACIFIC IRON WORKS STRUCTURAL STEEL ARCHITECTURAL IRON Immediate Delivery Portland, Or.

New Bank Building at Astoria Will Be Beautiful Structure



Perspective of \$40,000 building that is being erected at Astoria by The Scandinavian-American bank. This building was designed and is being erected under the direction of Emil Schacht & Son of Portland. It is a two story reinforced concrete building, the exterior of which will be finished in glazed brick and terra cotta. The interior finish will be in mahogany, and the fixtures will be of white Italian marble. The first floor will be for bank purposes, the second floor for offices and the building will be constructed to stand the addition of two stories, if the business demands.

SCHOOL DISTRICT BUYS LOCATION FOR BUILDING

A deal has just been closed in the office of the Slauson-Craig company for the sale to School District No. 3, Multnomah county, of an acre tract in Parkview, on which is to be erected a new schoolhouse to accommodate the school children of that district. As the present schoolhouse in that district is inadequate, it was decided to make a six mill assessment for the school, which will provide a building fund of \$5400. The proposed building is to be a four-room frame structure, so built that additions can be made from time to time as the need for it occurs. The building will be ready for occupancy next fall.

DEAL FALLS THROUGH CHURCH \$2500 RICHER

One real estate deal that involved \$250,000, and appeared to be almost a certainty because \$2500 had been posted for an option, fell through last week when Otto Goldsmith and associates of New York City failed to pay the balance due for the Unitarian church property on the southwest corner of Seventh and Yamhill streets. The balance due was to have been paid last Monday, but when it was not forthcoming the option money was automatically forfeited and the Unitarian church is richer just that amount.

Are You As Zealous About the Earning Capability of Your Money as You Are of Your Brain and Hands?

You would jump at an offer increasing your salary two and a half times at one clip. That is to say, if you were working now for \$100 a month, and along came another offer for \$250 a month, all things being equal, you would not hesitate. Scarcely any man would. It wouldn't be policy to do so. - We are here to get all we can, honestly.

If you were as particular how your money is employed and as zealous about its power to earn more money, why shouldn't you feel the same way. If a savings account is earning 4% for you, and you know that the amount of your balance could earn better than 10%, you would take your money out of the savings bank and invest it where the 10% was assured, wouldn't you? It is in this connection that we take the opportunity of stating that the stock of a building company like ours, secured at every stage of the game by first-class, gilt-edged mortgages, that has never failed to pay a dividend every three months, averaging 10 per cent, is two and a half times better than a savings account that earns only 4 per cent.

Make Your Money Earn Two and a Half Times as Much

Every dollar of our stockholders' money is invested in homes, or homesites upon which homes will be built, and all is secured by approved mortgages against the lot and the home for which we furnish the money to build. If safety is what you seek, we furnish it. If it is profit, we also provide that.

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