

EARLY LAW PREVENTS TAXING OF PORTLAND CEMETERY PROPERTY

Question Now Is, Does Provision 59 Years Old Hold Good at Present?

What was the intent of the legislature of 1854 when it enacted a law containing these words: "All burial grounds shall be exempt from taxation, and what construction would the courts of the state place upon this law? This question is just now affording the assessor of Multnomah county food for much thought.

In 1854 when the Oregon legislature passed the general revenue law and exempted burial grounds from taxation there was not, in the modern meaning of the word, such a thing as a cemetery in the state.

Money invested in a modern up to date cemetery near a large city is a yielding investment. One of the big cemetery corporations of Portland is selling its burial plots for a price which will ultimately bring to its stockholders a profit of more than \$10,000 an acre, for land which probably did not cost to exceed \$250 an acre.

Another cemetery corporation operating near Portland sells its burial plots for \$125 to \$150 each. It is only fair to say, however, that the plot which sells for as much as \$750 to \$1000 contains sufficient space for 20 to 30 burials.

Not only is the county assessor giving serious consideration to this question, but the average taxpayer is revolving in his mind the problem whether it is just and equitable that unimproved plots in cemeteries, operated for profit, should continue to go untaxed.

SEVEN NEW BUNGALOWS IN PAST SIXTY DAYS

George A. Ross, the bungalow builder, reports the sale of seven new bungalows during the past 60 days. Mr. Ross operates as a builder in the Hawthorne avenue district, and usually disposes of his houses in advance of their completion.

A roughened rubber pad for cleansing the tongue has been attached to the handle of a tooth brush patented by an Englishman.

LONG TIME LEASES FOUND BENEFICIAL TO CITIES' INTERESTS

Being Equivalent to Purchase - Builders Do Not Hesitate Erection of Great Structures.

(Paper read by Alexander S. Taylor Cleveland, Ohio, before the National Convention of Real Estate Exchanges, held in the days of July at Winnipeg, Manitoba.)

The term, "99 years," as applied to leases, is rather one of custom, having originated in England in the seventeenth century, and in most common use in that country, having been operative there since the time lands were deeded by the crown to men of power and nobility for services rendered their government.

Why leases were entered into for a defined period of 99 years we do not know, excepting that investigation has shown us that evidently during that period there was a statute in force in England placing restrictions against a lease made for 100 years or more, so that 99 years being the longest term allowable, that was generally adopted.

The greater portion of land in London today is under long term lease, some renewable forever. I am informed that on some of the original leases there are as many as 20 overlying leases, each based on an increased rental.

The custom was brought to this country by the early English settlers and first became operative in Maryland and Pennsylvania. These states being amongst the first settled by the gentry class. Gradually the custom found its way west and the Englishman with his splendid inbred desire for sentimental life ownership and income has imbued us with this custom.

In many cities it is common to enter into leases for various terms varying from 20 to 50 years, but the 99 year lease is becoming most common and gaining in popularity. I am convinced that its operation in the city of Cleveland has done more to expand, build up and solidify our business section than any other source of effort.

There are three classes of leases in force upon which are erected splendid types of mercantile buildings, but not of the monumental character of the Statler hotel, costing over \$2,000,000, or the Leder Ncw and Williamson high types of office buildings of almost \$1,000,000 value, each erected on ground covered by 99 year leases.

Recently there has been taken 99 year leases, renewable forever, upon which will be erected a magnificent terminal station. The 99 year leasehold has provided us with a source of remunerative and successful operation and gaining constantly in favor in our country, the fee under the leasehold being especially sought after by careful investors as one of the safest and most reliable forms of investment.

There are practically three classes of leases, the fixed rental lease, the graduated rental, the fee under the leasehold or the reversion of lands. A fixed rental lease is one upon which the rent is agreed at a fixed sum for each year during its full term and operative where land values are somewhat stationary or where the assessor is satisfied with the value of the land and content to allow the lessee to receive the increment.

The reappraisal or revaluation of land lease is one based upon a fixed interest charge varying from 4 to 6 per cent on the value of the land at certain defined periods, these periods of revaluation usually every 10 or 20 years with clauses in the lease providing for a method of determining the value at those periods by appraisal.

Experience tells us the latter form of lease is burdensome on the lessee, who creates a value through his efforts and is taxed accordingly. Such leases should provide for a maximum and minimum rental. The uncertainty of the amount of rent to be paid during the next reappraisal period prevents the lessee from entering into leases with sub-tenant for a longer period than the present fixed term and requires an adjustment of affairs at every period of valuation to meet the conditions of uncertainty of the new appraisal.

The governing factor after determining the value of the land is the interest rate charged as rent. Where land values are enhancing and not drifting the rent is based on an interest charge varying from 4 to 6 per cent, on a value somewhat higher than its present value.

In the east the investor is usually satisfied with 4 per cent. In the western portions of our country their rates of interest are usually higher on all classes of investments. A higher percentage is applied.

A 99 year lease is essentially a sale of the land. The owner permanently parts with possession of his property, but with all opportunity of increasing his income or deriving any profit of consequence from increased land values. It has the same practical effect as though the owner had sold his land at a fixed price and reinvested the proceeds in some security which would yield an income equal to the proposed rental. It is essentially a capitalization of his investment.

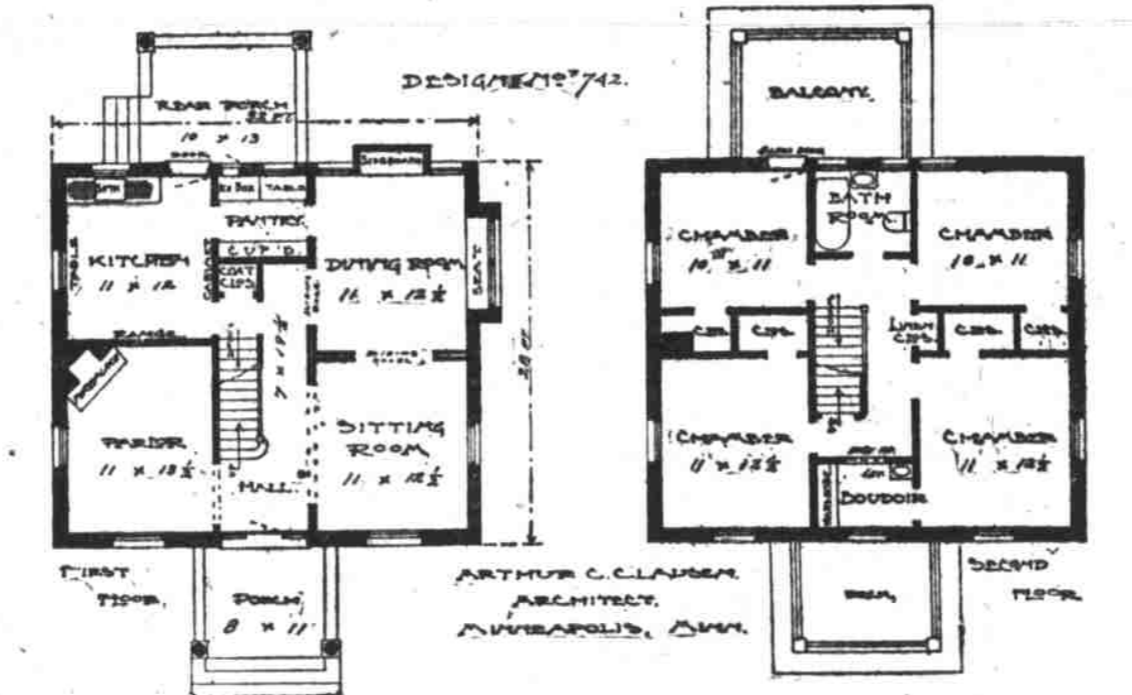
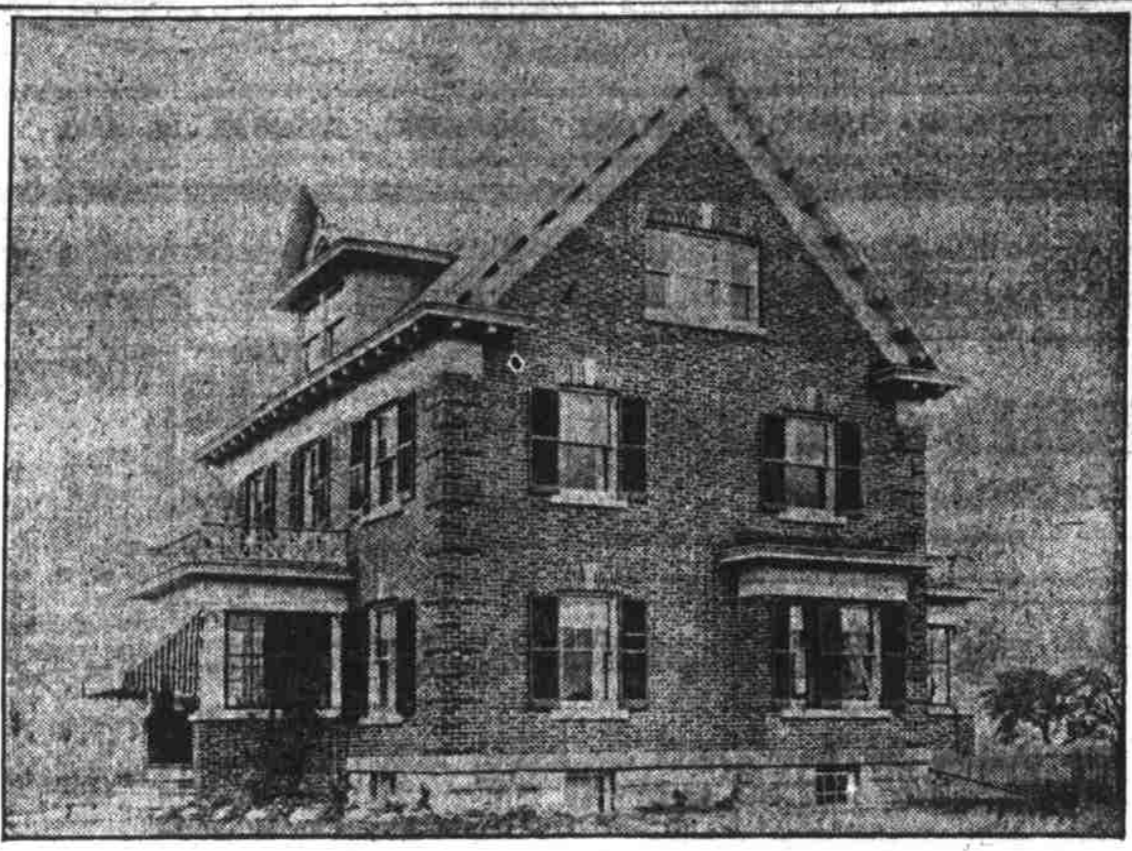
You will find land under long leasehold is more stable in value and less liable to extreme fluctuation. It is an element of security with characteristics peculiar to itself.

English iron masters have submitted a plan to American smelters to establish an international selling agency for pig iron, the chief purpose of such an enterprise being, according to the prospectus of the English makers, to eliminate all speculation in iron warehouse warrants, a practice which is said to have been the bane of the iron market for 25 years.

The plan of the English iron masters, in which they are now persisting, despite the strong protests of the merchants and iron founders, apparently is a matter of more than local interest. This scheme ostensibly aims at the establishment of a central selling agency and the regulation of prices and production as far as the makers are able, but its real purpose is the killing of the warrant market and the doing away with the middleman.

If the plan finally prevails, the present indications are that it will be met by consumers and merchants with a new standard contract embracing all kinds of English iron and also American iron. In order to broaden the speculative field, it is probable that the English trade may import for store, large quantities of southern iron from the United States.

PERTINENT HINTS TO HOME BUILDERS



Exterior and interior arrangement of ideal residence.

By Arthur C. Clausen, Architect, Minneapolis.

It seldom occurs to the average man that there is a great difference in the quality of painting materials, and in still greater difference between the different ways in which it can be put on.

Starting with the outside, about the first thing that shows up defective materials or workmanship is the stained shingles. If the material was of a cheap or inferior quality, the remedy would have been a better grade of material, but it sometimes happens that when using the very highest grade of shingle again the results are unsatisfactory.

The failure to stay on is then a matter of poor workmanship. It is best to first dip the shingles about one third of their length, and then, after they are laid and have been on the building for a month or two, give them another good coat on the outside of the same stain. Even then it is best to use a little darker shade of stain than the color desired, especially in the green stains, for the very best grade of shingle stain will fade a little. The shingles should be banded when they are dipped, so that they will absorb as much of the stain as possible, and the last brush coat should not be put on within five days after a rain-storm on them.

Shingles Must Be Dry. This is quite an important point, for if the shingles are not dry they will not absorb the required amount of stain and the little that they do stay near the surface and will soon be washed off.

For all exterior woodwork nothing but the best lead and oil paint should be used. The material for the painting and finishing of a home is such a small item of cost compared with the cost of labor that there is little excuse for anything but the very best materials.

Every house should be painted at least three good coats, including the priming coat. The woodwork should be as dry as possible, for the paint will cling to it better when perfectly dry than if damp.

If the woodwork is actually wet the paint will hardly hold at all and will blister off later on. The priming coat should be put on as fast as the woodwork is put up, if it is dry. The second coat should then be put on, leaving about a week between each—several weeks would be better. A third coat can be put on shortly after the second coat, but it would be better to wait until one summer season has had a chance to thoroughly dry out the woodwork and oils from the previous coats of paint before applying the third coat.

Paint Shrinkage. After the walls have had a chance to thoroughly dry out it will always be noticed under a magnifying glass, that the paint has apparently shrunk, leaving the entire surface covered with fine hair cracks. If the third coat is not put on until the second coat is thoroughly dry, then this network of minute cracks is filled up in good shape with the third coat, with the result that the moisture is kept out of the woodwork that would have been admitted to some extent through the fine cracks.

Many homes of attractive design are ruined through a poor combination of colors when painted. This is an important matter which should be carefully studied by every homebuilder, and unless he has more artistic talent than the average man he would do well to find some home of similar design to his own having a combination of colors pleasing to him and deliberately copy its color scheme.

Light Colors Best. For all colonial work with the mouldings broken up into small members, some of them ornamental, it is best to use white or light colors. When the woodwork is dark the shadows, which make these mouldings stand out by contrast, are not seen, and that is the principal argument in favor of light paint for colonial work.

In architecture as in life it is the shadows which make true character and beauty stand out by contrast. On a mission or craftsman house it is best to use dark colors, so as to hide the very absence of mouldings or ornamental treatment. When all exterior woodwork is to be stained have all millwork made with the rough or undressed surface out, for smooth boards never take a good, even appearing stain.

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Some well informed men in the trade believe that as much as 1,000,000 tons of Alabama iron may be required for this purpose. The final result would be the opening of an international market in pig iron under which metal would be sent back and forth across the Atlantic according to the fluctuations of the market on either side. The plan for a central organization of English makers is now being drawn up.

Halfway House Changes Hands. The property known as the Half Way house, between Port Orford and Bandon,

which has been run for a number of years by Richard Quillen, has been sold by him to F. F. Friant, late of Silverbell, Ariz., for \$10,000. Included in the deal was 300 acres of land and a good farming equipment. It is understood that the new owner will at once erect a hotel for the accommodation of tourists through southwest Oregon.

Journal Want Ad bring results.

SELLING AGENCY FOR PIG IRON IS PLANNED BY BIG IRON MASTERS

English Operators Want to Eliminate Speculation in Warehouse Warrants.

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SUBURBAN REALTY IS ACTIVE BUT MARKET IS QUIET OTHERWISE

Belief General That Better Financial Condition Insures Good Business in Future.

Last week's real estate market from the local aspect reflected the same general conditions which have been noticeable here for the last few months. Three was the usual considerable movement of residence property representing new transactions and somewhat above the average of transfers which represented the closing up of contract sales made anywhere from one to five years ago. There was also some trading in flat and suburban business sites.

In the downtown section, however, there was a complete absence of activity both in sales and ground leases. Dulness continues to be the prevailing note in this field although now and then a sale is reported at a figure which indicates that holders are firm in the belief that prices will rise before they fall. Just now there are several promising transactions in course of negotiation, but none of them are far enough along to warrant publication.

Suburban Activity. But for the activity in suburban residence properties, which is the sustaining factor of the local market and has been all summer, the condition would be discouraging. This very activity, however, testifies to the inherent strength and soundness of Portland real estate, and is plainly indicative of the fact, noted by visiting real estate experts that values in this city have not kept pace with the growth in population and the general development.

There is no denying that both speculators and investors are keeping out of the market pending solution of several disturbing problems, such as the tariff and the currency bill. And with the solving of these issues the belief is universal that a general improvement in business will follow. The result is that those people who generally pay close attention to the real estate market, and who keep their money working in real estate deals are this summer paying more attention to their outtings and recreations than for several years past.

Looming in the background, however, is a growing confidence in the future. That the critical period has passed as regards tight money and other financial disturbances, the belief is general. That the slowing up of the realty market for the past year has been good for everybody involved is the general opinion expressed by those who have an intelligent conception of what is best for Portland.

It afforded an opportunity for the slaughter of a number of promotion schemes of doubtful worth and precipitated a general chopping away of dead timber, and otherwise cleared the way for a period of healthy and sustained business activity.

AUTO FACTORY LOCATES BUYS SITE AT GRESHAM

As a site for its projected factory buildings, the Beaver State Motor company has purchased from the Portland Railway, Light & Power company a five acre tract of land located near Gresham near the car line. The property is less than half a mile from the Mount Hood railway station and is connected with that line by a spur track.

Prior to his departure for the east to buy machinery, D. A. Coombs, president of the motor company, announced that his concern will soon begin the erection of the first unit of the plant, which will be a 60 by 200 foot structure, and which will cost \$25,000.

IMPROVED PROPERTY SOLD FOR \$13,500

Willis Maguire, secretary of the Commercial Trust company, has purchased from the Tomlinson Investment company a five acre tract of land and a good farming equipment. It is understood that the new owner will at once erect a hotel for the accommodation of tourists through southwest Oregon.

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PORTLAND MEN BUY BIG TRACT OF TIMBER

Nearly 12,000 Acres of Douglas County Land Involved in the Deal.

Nearly 12,000 acres of Douglas county land containing about \$50,000,000 feet of standing timber was taken over last week by a syndicate of Portland investors. The transaction was in the nature of a trade, the owners of the timber accepting a large amount of Portland property as part payment for the Douglas county land.

In the trade the timber was valued at \$1.10 a thousand or a little less than \$400,000 for the tract. C. C. Craig, sales manager for Hartman & Thompson, and J. F. Mundy of Medford handled the transaction. A considerable sum of money has been paid over by the Portland buyers to bind the deal, and as soon as the titles are approved a formal transfer of deeds will be made and the transaction closed. Until this formality takes place, the names of the principals in the deal will not be made public.

According to a German official test networks of telephone wires over a city tend to diminish the danger from lightning.

BUILDERS' AND FINISHERS' DIRECTORY

- BRASS AND MACHINE WORKS
HARPER'S Brass Works, Brass casting and machine works, 106 5th St., M. 3705.
DESIGNERS AND BUILDERS
THE E. M. MILLER CO.
Designers and Builders, general contractors, 226 Shaw Ave., Phone Woodlawn 2125, evenings.
FURNITURE REPAIRING
BOWERS & PARSONS, 1004 Front, Main 7643. Furniture repairing, packing.
GLASS AND GLAZING
TIMMS, CRESS & CO., 104-106 3d St. Prompt service. Ring Main or A-2023.
INSURANCE
M'CARROLL, Bates & Lively, 301 Yeon bldg. Every form of insurance, bonds.
IRON WORKS
PACIFIC IRON WORKS
All Architectural Iron
Castings, Channels, Beams, Angles.
LANDSCAPE GARDENING
BETTER landscapes and general gardening. SWISS FLORAL CO., C-1113, East 87th. PACIFIC Landscape Gardening company, 515 Kotchick bldg., Phone Marshall 2508.
MATTRESS FACTORY
MATTRESSES made over and to order. Resou. bolstering of all kinds. Call Marshall 2807.
ORNAMENTAL WIRE AND IRON
PORTLAND WIRE & IRON WORKS, 204 2d St. Architectural wire and iron.
PAINTING AND PAPERING
PAINTING—Paper hanging, tinting, carpet cleaning, bottom prices. Mar. 2186; Sellwood 1203 or Sellwood 2122.
TINTING, PAPERING
Main 7432.
GOOD work by motto, A. Unbrun, 285 East Washington, B-2197, East 4214.
FOR best work, prices right, call F. A. Deane, 252 E. Washington, Sellwood 1105.
JOHN HILLET—Specialty in painting and papering. M. 1572, Belmont 120, 1113 st.
PAINTS, OIL AND GLASS
PIONEER PAINT CO., 186 1st St. Main 1824, A-1043.
KAMMUSSEN & CO., "High Standard" paint, N. E. corner 3d and Taylor, M.-A-1771.
PLUMBING AND PLUMBING SUPPLIES
STARK, DAVIS CO. BATH TUBS, sinks, lavatories, laundry tubs, pipe fitting & g. contracting, plumbing, Phone Main 797.
BATHS, Tubs, basins, boilers, pipe, general contracting, Jobbing, M. 6207, 527 1st.
SHEET METAL WORKS
JACOB LOSLI, sheet metal works, hotel, restaurant work, roofing, general jobbing, Main 1424, 310 First, bet. Columbia and Clay sts.
WALL PAPER
MORGAN WALL PAPER CO., 230 2d St., between Salmon and Main.
WHITEWASHING AND TREE SPRAYING
COLUMBIA Whitewashing Co. — By machine, water painting, tree spraying, Main 7222.
WINDOW CLEANING
EXPERT window cleaners; employing only exp. white help. Call for prices. M.527, 273 Burnside.

REVISED ASSESSMENT METHODS NEEDED

Table showing property assessments for blocks 48 and 49, including names like FRED H. PAGE, H.G. PLATT, M.G. HART, J.D. HART, M.G. GORDON, FANNIE F. PAGE, A.S. NICHOLS, M.M. NICHOLS, MARY NICHOLS with ground and improved values.

Plat showing 1912 assessment of blocks 48 and 49, Carter's addition, Portland Heights.

Choice Portland Heights property was assessed last year for less than 42 per cent of its actual, bona fide, selling value. This is the lowest assessment, in proportion to the selling value, so far shown in the series of articles on land assessment appearing in the Journal.

Blocks 48 and 49, Carter's addition, shown in the above drawing, contain what is generally regarded as the most valuable residence property on the Heights. Both blocks face the Heights car line, and both command an unexcelled and unobstructed view of nearly the entire city. Lots in block 49 have the usual 50 foot frontage, but the depth is 141 feet, while the subdivisions of block 48 are 80 feet front and 141 deep.