

CLEVELAND READJUSTS TAX ASSESSMENTS BY TECHNICAL APPRAISAL OF REAL ESTATE

Burden Shifted From Outlying Residence Districts to Business Section of the City; Valuation Increased, Rate Reduction Follows.

From the Christian Science Monitor.
The fight made by the late Tom L. Johnson as mayor of Cleveland that resulted, three years ago, in giving Cleveland its first technical appraisal of real estate, made it, for a brief time, the only technically appraised city in America. A number of other cities now share the distinction.

It is just and natural that Cleveland should be first to clear a space through the jungle of guesswork that so generally obscured tax assessments. Tom Johnson was out of office before the work was done, but it was largely his triumph that Cleveland was able to bring to light \$550,890,160 in realty values in 1910 as against \$142,758,000 in the last preceding appraisal, that of 1900. More than \$100,000,000 of the increase it may be added, was procured in the congested downtown section.

The task was done under immense difficulties. A state law allowed only 60 days in which to organize a board of assessors, train 500 assistants and examine 147,000 pieces of property. Yet the task was done in such a way as to usher in what every one now regards as a new and enlightened era in city taxation. The result can only be taken as an illustration of what every city can do if it chooses to throw off the yoke of political incompetence and begin to think and act in modern terms.

Tax Opposed.
In his last meetings and elsewhere the mayor hammered home the fact that the tax dodger is, himself, the greatest extravagance that any city can tolerate. It was notorious that favored Cleveland taxpayers controlled the assessing and equalizing machinery, a county function wielded by Mayor Johnson's political opponents. The mayor's first move was to found "tax schools" and to install as teacher one Peter Witt, a blacklisted union molder, whose genius for democracy and for "figures" has since made him city traction commissioner. Ward maps, 16 feet square, equalized tax values set forth on each lot, opened the eyes of citizens to the fact that there is more than one place to hunt for graft. They had been so excited about the money which got out of court to stop it and the tax school was more, and its lessons went for naught, so far as reform at that time was concerned.

But the foundation had been laid for a new state law providing for more frequent appraisal of realty and for the listing of actual values. Previously Ohio assessors had dodged complaints by aiming in a general way to list property at 50 or 60 per cent of its value. One who objected to his assessment could always be told that it was low, regardless of the fact that others were proportionately much lower. This custom was supplemented by court decisions to the effect that no taxpayer had any interest in the appraisal of any other taxpayer.

Through Mayor Johnson's influence, the board of assessors in Cleveland secured the services of W. A. Somers, then living in New York, as chief clerk. He had developed, by years of study, a system and a set of mathematical tables for the computing of relative land values, once the common unit of value was ascertained and valued. He did not value the land, in a very true sense the city valued itself.

System Is Described.
Ward associations, real estate boards, improvement and groups of neighbors decided upon values in the localities where they had knowledge. Their judgment was not applied to individual lots, except for illustration, but was translated into terms of a unit of frontage, one foot wide and 100 feet deep, which became the measure for each block, with mathematical allowance for corner influence, alley influence, depth, shape, grade and the other modifying factors. Without this puncty and cooperation, no such radical advance in value could have been secured. Instead of the old customs of hiding each man's appraisal from his neighbor, district maps were generally distributed, showing the proposed street units and criticism was invited.

Most citizens said, "Treat me like the others and I will make no complaint." But of course privilege is never uprooted without a wall from some of its favorites. One of the first and loudest protests came from manufacturing and mercantile corporations, who insisted that local industry was being throttled. Threats were made to remove factories, and the prophecy was uttered that Cleveland could get no new industries under such harsh treatment.

In answer, the board prepared a table showing the old and new valuations of 100 corporations, as well as their capitalization. The old realty valuations were more than tripled, \$35,727,770 being listed where only \$11,161,700 existed before. The lighting company, for example, went from \$2,000,000 to an advance of \$17,727,970 to \$23,318,470. A prominent nut and bolt company was appraised \$184,410 under the old regime and \$1,610,920 under the new, an advance of nearly nine to one. On the other hand, a certain factory of moderate size had been listed at about \$1,000, which was a 75 per cent appraisal, as compared with the new figure of \$16,000. A certain foundry was advanced only from \$71,000 to \$105,000. A variety concern was actually lowered from \$24,140 to \$22,200. All of these concerns saved a vast portion of their taxes by the lowered rates under the new appraisal. The city ice trust, on the other hand, had been listed at \$6000 in realty values and underwent a 10 to 1 advance, being placed on the books for \$67,000.

Discoveries Made.
The outstanding facts in the list were:
Undervaluation under old methods; vast discrepancies in old valuations, generally in favor of the larger corporations as against the smaller and less influential.
Now as to the charge of opposition, the table showed that, by adding the personal property assessment to the old and the new realty appraisals alike, the gross advance was from \$230,000 to more than \$50,000,000. At the same time, the outstanding capitalization of the listed companies fell on deaf ears.

street and hence a cheap lot can no more exist on a high-priced street.

Critics Secure Review.
Guesswork has been eliminated in the valuation of buildings as well as land. A minute description of each building in town was secured on abbreviated record cards. The description served to fix the class of the building, and its value was computed from its measurements, through the application of well-tried units of building cost. Depreciation was allowed for age and use. An additional depreciation was deducted from dwelling houses according to districts, the theory being that two similar houses in different neighborhoods had different values. This principle was criticized, but at least it was done in the open. Later a board of review, hostile politically to the appraising board, restored a part of this district discount. The reviewing board felt called upon to reduce downtown business values by some \$8,000,000, and in looking for a place to show the excess value the poor man's house, as usual, bore the brunt of the advance.

From an educational standpoint, no part of the work was more interesting than the informal appraisal of railroads made by the board. Honest valuations for railroads had been one of Mayor Johnson's hobbies, and his friends on the board could not forbear to follow literally the instructions of the law and value all of the real property within the city limits. The work was purely educational for the valuation of railroads has always been a district or state function in Ohio, and the value is distributed by counties according to mileage, a discrimination in favor of the rural counties as against the terminal cities. Under the Somers' plan every foot of track was measured, every cut or fill recorded, every bridge appraised at its reproductive cost, and the value of right-of-way determined on the same unit basis as the abutting property. The result showed more than \$23,000,000 worth of railroad realty, without counting buildings. The former valuation was about \$4,000,000.

To complete the work of education, the railroad value was distributed by districts.

Results of Appraisal.
The reduction of the tax rate from 35 mills to 13.6 mills was one of the direct results of the reappraisal. The revenue of the city, nevertheless, was increased. Many of the property owners who objected loudest found themselves actually paying less than they did under the old regime. The general effect of the introduction of system has been that the valuation was shifted from the outlying residence districts to the downtown sections, which are always undervalued under a guesswork method. In Cleveland the proportion of increase in realty valuation over the city as a whole was 285 per cent, as compared with the preceding decennial appraisal. In the business district the increase was 323 per cent. The discrepancy between these two figures is even greater than it seems, since the former includes the latter, and since the general increase is partly accounted for by outlying growth and expansion of the city limits. The size of the built up area in downtown was not appreciably larger in 1910 than it was in 1900.

Errors, of course, occurred in the application of the new system. Considering that only two months was allowed which to train 500 employes for an almost revolutionary task the result can only be viewed as a triumph for the system under the most trying conditions. The cost of the work was \$126,473, or 87 cents per parcel of land, Philadelphia's cost of appraisal for the same year was reported at \$3.40 per parcel.

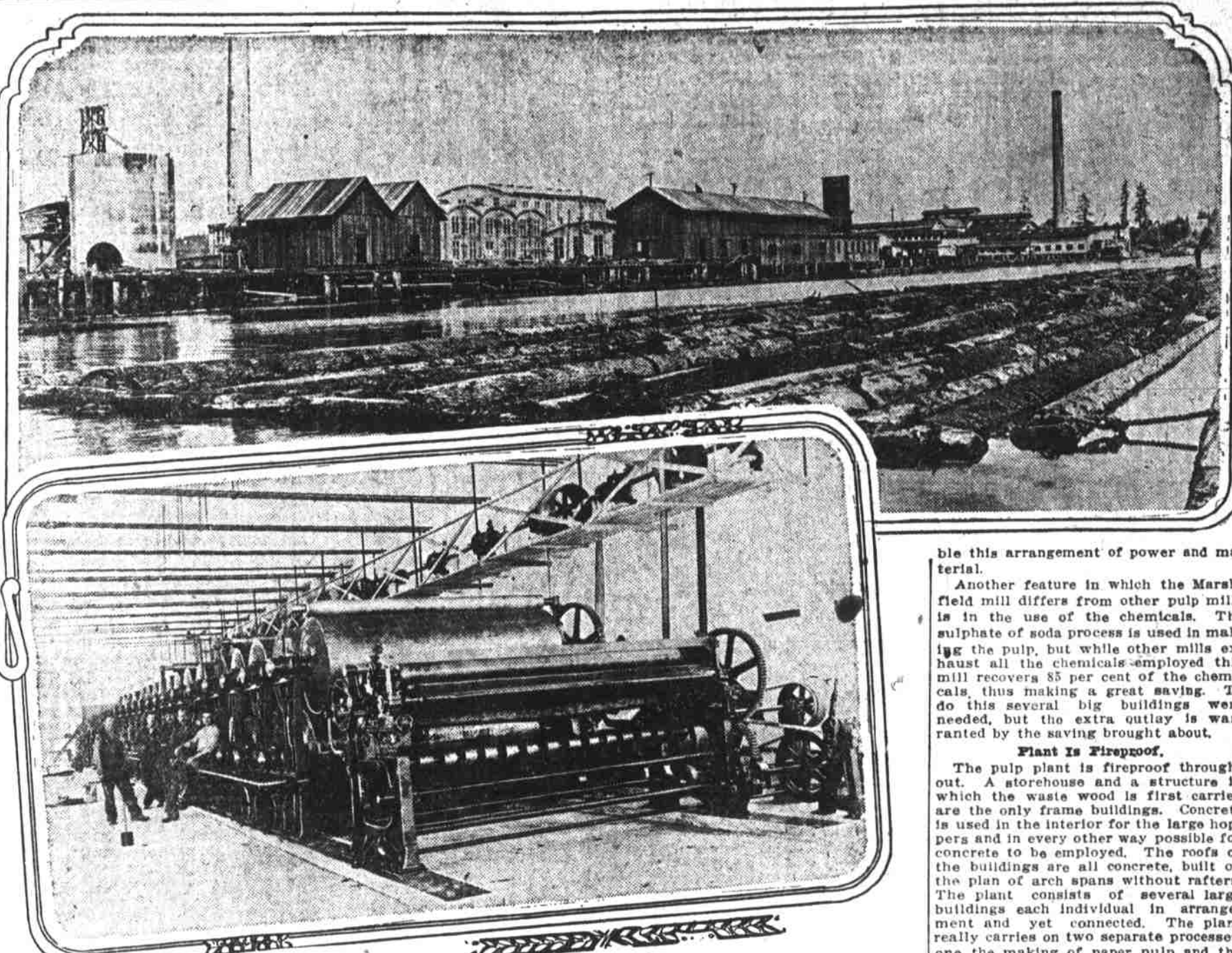
Above all, a city which had been stirred for years on tax questions is satisfied with the substantial justice of its last appraisal. It enjoys the moral consciousness that always follows the dislodgment of favoritism. Men neither fear discrimination nor seek its superior advantages for themselves. The cry of "tax dodger" has disappeared from local politics. For its future advance, the city looks to the state for the repeal of a uniform rule, so-called, and the institution of home rule in taxation. With this right granted it may do many things, perhaps encourage industry instead of fining it while it collects for the public those values which the public creates. Whatever it does will be done systematically and in the open.

OIL PLANT MANAGER SHOT THROUGH HEART
Walla Walla, Wash., Sept. 20.—Standing on a ladder by the side of the tanks at the Standard Oil company's station in this city yesterday morning, Louis H. Wade, manager of the plant, shot himself through the heart with a .38 caliber automatic pistol. Wade was taking tank readings from L. E. Sherrod, an employe, and it is thought that the gun was accidentally discharged. One of Wade's uncles traded him the gun some months ago, because he feared it would go off accidentally. Coroner J. W. Cookerly pronounced death accidental Thursday. Wade transferred his life insurance from his estate to his daughter Helen. The life insurance had been used as security on a loan.

U. S. JUDGE, ATTORNEY AT NOME, ALASKA, QUIT
Washington, Sept. 20.—The resignations of United States Judge Murane and United States District Attorney Rodey of Nome, Alaska, today are in the hands of government officials here. The Wilson administration asked for their resignations "for the good of the service." Both Murane and Rodey are Republicans.

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NEW PULP AND PAPER MILL TO UTILIZE MILL WASTE



Top—General view of the C. A. Smith plant at Marshfield. Bottom—Drying room in new pulp mill.

Manufacturing Plant, Unique in Its Field, Soon to Open at Marshfield.

(Special to The Journal.)
Marshfield, Or., Sept. 20.—The new paper pulp mill which has been in course of construction for the past year adjoining the sawmill of the C. A. Smith Lumber & Manufacturing company in this city is now completed and it is announced that the plant will begin operations about October 1.

The pulp plant will use the waste wood from the sawmill to make paper pulp, but it will be operated as a separate company, the corporation name being known as the Coos Bay Pulp & Paper company.

C. A. Smith is president of the company, Vernon Smith is vice president and Charles Trabert secretary. H. Nerdrum is general manager for the company, and also secretary. Arno Meehan of the Smith lumber concern is a director.

Mr. Nerdrum, the manager, came to this country from Finland, where he was engaged in the pulp business. He designed and built the mill here. The plant cost about \$500,000. For the present pulp will be made, but later the manufacture of paper may be taken up. This would require additional buildings.

Forty Tons Daily Capacity.
The pulp plant will have a capacity of making 40 tons of pulp every 24 hours and it is expected to sell the output in Japan and China. The plant differs from most other pulp mills in several respects. Salt water is used in making the pulp and will be pumped from the bay, thus saving the expense of bringing fresh water a great distance.

A filter which has a capacity of 4,000,000 gallons of water a day is maintained to use the salt water. This is the only mill in the country which will exclusively use waste lumber. Other mills use waste, but also cut good lumber. The waste from the Smith sawmill, which is now consumed in a waste burner, will give a sufficient supply so that the cost of raw material is practically nothing. The pulp mill takes all waste excepting the bark and sawdust, which is used as fuel in the electric plant at the Smith mill, which supplies power also to the pulp plant. The nearness of the two buildings makes possible this arrangement of power and material.

Another feature in which the Marshfield mill differs from other pulp mills is in the use of the chemicals. The sulphate of soda process is used in making the pulp, but while other mills exhaust all the chemicals employed this mill recovers 85 per cent of the chemicals, thus making a great saving. To do this several big buildings were needed, but the extra outlay is warranted by the saving brought about.

Plant Is Fireproof.
The pulp plant is fireproof throughout. A storehouse and a structure in which the waste wood is first carried are the only frame buildings. Concrete is used in the interior for the large hoppers and in every other way possible for concrete to be employed. The roofs of the buildings are all concrete, built on the plan of arch spans without rafters. The plant consists of several large buildings each individual in arrangement but yet connected. The plant really carries on two separate processes, one the making of paper pulp and the other the handling of the chemicals necessary to recover the saving.

The mill will employ 60 men while most other mills operating on other plants would require 75 men to produce the same output.

The work of construction was slow, as much of the machinery was brought from Sweden and Germany, while material in the building and equipment included articles from practically every state in the union.



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MONEY BEING RAISED TO ERECT GIRLS' HOME

Volunteers of America Have Secured Over Half of Necessary Amount.

A practical means of helping to solve the problem of a living wage for working girls has been hit upon by the Volunteers of America.

It consists of a home, accommodating wage earning girls, affording them room, board, laundry and sewing facilities for \$3 per week. This home, known as the Maud B. Booth home, is located at 12 East Seventh street, the property is paid for and the establishment is so carefully and economically conducted that even at the low price charged, the home is practically self supporting.

The present home accommodates only 40 girls, and the demands upon it have become so great that a good friend has offered \$5000 toward the erection of a more commodious home on condition that a similar amount be raised. The first \$1000 of the \$5000 needed has been secured, the following being the list of subscribers up to this time:

- John S. Beall \$200
 - Henry L. Corbett 200
 - B. Lee Paget 100
 - L. A. Lewis 100
 - M. & I. N. Fleischner 100
 - Fred A. Kriba 100
 - J. R. Bowles 100
 - Philip Buchner 100
- Subscriptions for this very worthy fund may be sent either to the Volunteers of America, 6 Grand avenue north; B. Lee Paget, 304 Failing building; or John S. Beall, 309 Yamhill street, corner East First street.

JUDGE TAYLOR LEFT ESTATE OF \$100,000

Astoria, Or., Sept. 20.—In the will of the late Judge F. J. Taylor, which was filed for probate yesterday, the entire estate is left to the widow, Mrs. Mary E. Taylor and her two daughters. The estate, including life insurance, is estimated in the petition at not less than \$100,000. The will is to be probated at once, for until that is done the reorganization of the Peninsula Land & Trust Co., which has been under way for some time, cannot be proceeded with. Mrs. Taylor is named as executrix to serve without bonds.