

HENRY GEORGE PLAN OF TAXATION PUT IN EFFECT IN CALIFORNIA

How Old System Was Changed for New Told in San Francisco Bulletin.

Realizing the flagrant injustice of the old system of taxation which permits the heavy burdens of municipal government to fall on the shoulders of the home owners, while land speculators, whose only interest in the community is to make money out of it, pay practically no taxes, the people of the little city of Piedmont, Cal., rebelled something like a year ago and threw out the old system and put into practical effect the Henry George system of taxation. The result of this experiment as shown by the annual report of the trustees of Piedmont printed in the San Francisco Bulletin of October 1, is that the residents of that city are no longer penalized for building houses and otherwise improving their land, but that unimproved land and land exclusive of the improvements on it are paying nearly all of the operating expenses of the municipality.

System Called "Fair Play."
The chief difference between the Piedmont system as it has been worked out during the past year and Henry George's system of taxation, is that the Piedmont trustees call their system "fair play and common sense," instead of single tax. The report of the trustees of the little city for the fiscal year just passed, which was printed in full in the San Francisco Bulletin, deals briefly and simply with the results of a fight which at one time threatened to bring about open rebellion among Piedmont's wealthy land owners and land speculators. In an explanatory paragraph, and tables showing the relative burdens borne by real estate, personal property and improvements, respectively, under the county system of taxation, and under the Piedmont municipal system, the advantages of the latter adopted by the municipality are fully set forth.

Big Difference Shows.
The municipal assessors of Piedmont last year valued the property within the city for tax purposes at \$3,945,371; the county assessors' figures reached slightly lower, their values totaling \$3,641,192. The vast difference between the two methods is shown in the proportions furnished by real estate and by improvements on real estate.

Under the old system, which represents the old style of taxation, real estate furnished 66 per cent of the valuation and consequently 66 per cent of the taxes; improvements furnished 34.5 per cent, personal property furnished 7.1 per cent and money and credits one-tenth of 1 per cent.

Under the Piedmont system adopted by the trustees of that city, land was assessed at 12 per cent of the entire assessment; improvements at 84.5 per cent and personal property at 3 1/2 per cent; this means that almost the entire burden of the Piedmont city government was borne by unimproved real estate and by real estate exclusive of the improvements upon it. In other words, instead of penalizing improvements on land the trustees of the little California city aim to encourage improvements.

Chief Comment Made.
The report follows the figures with this brief comment: "The two methods of assessment are here submitted. Which is most equitable and easiest for those who pay taxes and most advantageous to the municipality, can hardly be questioned by the community."

The present mayor of Piedmont, which is purely an honorary office, is Hugh Craig. About two years ago Mayor Craig, who was at that time a real estate operator, opened fire on the old method of taxation, which had been in vogue there since the gold hunters came, more than 50 years ago. He realized and preached from the house tops that it was an outrageous injustice to lay the heavy burdens of city government on the shoulders of home owners, while land speculators who were holding their property until the growth of the community made it valuable, paid almost nothing toward maintaining the city government.

Mr. Craig himself was a real estate man, but he rebelled at this kind of injustice. As a result he set to work and had skilled assessors draw up a new list of valuations, some of which increased taxable values of the properties concerned 20 times over. This was followed by strenuous protest from the land owners who were hit hardest by the change. They all came in with vigorous protest but in such case Craig, who was now mayor, fell back upon the state law of California which provides that "all taxable property must be assessed at its full cash value." Some changes were made, but the proportions were not changed—the land speculators were still obliged to pay the greater part of the city's expenses.

Piedmont has a numerical majority of home owners and Mayor Craig and his board of trustees had the support of this

ROSE FESTIVAL ASSOCIATION HEADQUARTERS IN NEW BUILDING



A good idea of the modern type of office in the new Morgan building may be gained by the accompanying picture of the offices of the Rose Festival association on the fourth floor. With the walls finished in stucco, the floor composed of a process cement and the minimum of woodwork, the offices are of the most approved and sanitary type. They are as nearly fireproof as possible. The floors are being painted in either a durable gunmetal gray or a rich brown with an extra heavy border to allow the laying of rugs. The border is washable like tile and will not collect dust like the usual wooden floor. The walls are being tinted to match the office furnishings of the occupants. The windows are the usual heavy glass laid over wire found in office structures with four panes to a window. The lower left hand pane has in every case been composed of clear glass with the others of the cloudy variety. The hardware is of the most approved and latest office pattern. The electrical fixtures are of heavy brass, simple in design and yet rich in effect. Special sockets have been inserted in the walls for reading lamp plugs making outside wiring unnecessary. Hand lavatories, beautiful specimens of the plumber's art, are in every room.

HOTEL AT PENDLETON IS TO BE ENLARGED

Two Stories Will Be Added and Other Improvements Made; Cost \$40,000.

W. F. Matlock, owner of the Pendleton hotel, is preparing to expend \$40,000 in enlarging and improving that hostelry. Two stories will be added and the building otherwise enlarged and modernized. As originally built the hotel cost \$85,000. Mr. Matlock says that it has never paid for its investment, but that Pendleton needs a larger and better hotel and that he is willing to meet the hotel requirements of the city.

TRAVELING MEN MAY CONSTRUCT CLUB HOUSE

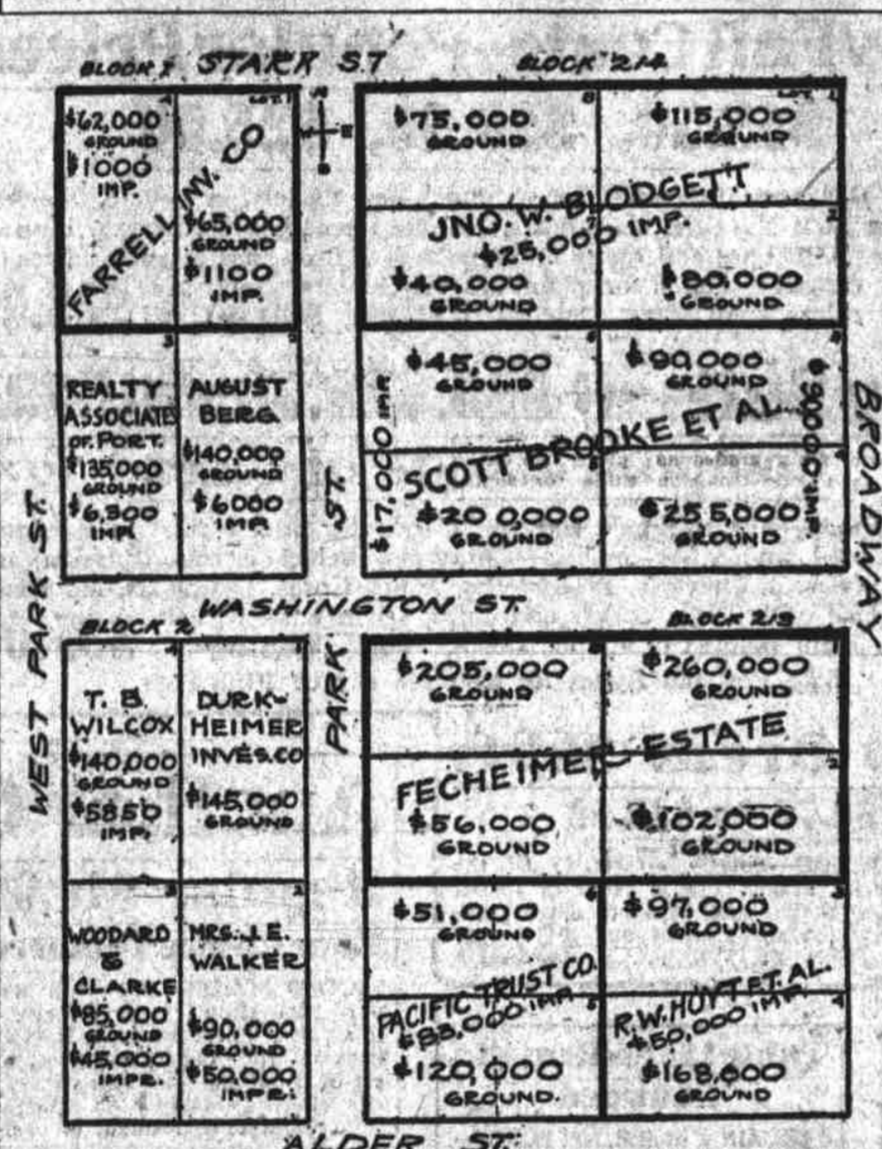
The Travelers' Protective association of Portland has under consideration the plan to build a clubhouse and traveling-men's home on the association property, located on Third street, between Market and Clay. For some time this property has been on the market, but at a recent meeting of the association it was decided to withdraw it from the market.

At the same meeting a committee was named to prepare articles of incorporation, and to devise ways and means to build a clubhouse. While the committee has taken no definite action as yet, the individual members have discussed among themselves plans to raise a building fund. A local architect has been invited to submit tentative sketches of the projected club building.

Company Store Is Dynamited

Trinidad, Colo., Oct. 4.—The Primrose Coal company's powder house and store at Trinidad, near Trinidad, also were blown up last night. United Mine Workers' officials said they knew nothing of either affair.

IMPROVED ASSESSMENT METHODS NEEDED



Plat showing assessments for the current year of subdivisions of blocks 1, 2, 213 and 214, city.

In this week's assessment story, four blocks in the center of the city on which extensive improvements are just being completed, are used. These improvements include the Morgan building on the Fecheimer half block facing Washington street, between Park and Broadway, and the Stephens, at the southeast corner of West Park and Washington.

Considered as a whole, the assessment of these blocks would seem to be fairly equitable and just. It will be observed that the assessor considers frontage on the south side of Washington street slightly more valuable than that on the north side of the street. The Fecheimer half block is assessed for \$564,000, while the half block belonging

ACTIVITY IN SUBURBS AND QUIET IN CITY CONTINUES THE RULE

Expectation of Revival of Inside Realty Is Yet to Materialize; Some Leases.

Conditions in the local realty market have not changed to any appreciable extent in the last 90 days. The present situation seems to be more of a hangover from the dullness of the summer vacation season. Three months ago the best informed brokers were of the opinion that with fall would come a more active market. So far, however, this predicted improvement has not materialized to any noticeable extent. This applies only to inside investment properties in the close in east side and west side districts. By no means should it be confounded with the movement in subdivision properties, for in that line the Portland market has been uniformly active.

There is a fair volume of business in negotiating long time leases on central properties and in exchanging these properties. In this business mortgages and equities are mainly considered, but usually there is an element of cash by

SALE OF PROPERTY AT 4TH AND ANKENY NEXT TO LARGEST OF YEAR

Prospects Favorable.
Considered in the light of current developments, prospects for the winter season are regarded as favorable. No large movement of downtown real estate is looked for, but that there will be a steady volume of sales of considerable magnitude is the belief of brokers who are recognized as men of wide experience and who know Portland realty.

One condition that is not generally recognized is that the money market is not conducive to making investments in real estate. The unusual conservatism of bankers for the last few months has put a premium on the ready cash held by individuals. Industrial and commercial enterprises unable to get the required accommodation from bankers are turning to individual lenders and are offering such rates of interest as will secure the loans. Much of this kind of money has heretofore been available for realty speculation and investment, but not so now.

It is quite different, however, with small opportunities. The savings bank depositors, the laborer, the clerk, and other small investors with a little money on hand, doesn't hesitate to back his judgment in buying a lot or an acre. He has only a small portion down and has a long time to complete the deal.

Suburban Business Good.
The records of the Multnomah county clerk's office prove that there is a steady and strong business done in the outlying subdivisions, where new homes are sold by the score every day and vacant lots are changing hands in considerable numbers. There is no denying that vast sums of money are being invested in ready built homes and vacant residence lots.

Reports from all available sources indicate that but little new money is coming into Portland in such volume as would find its way into large investment holdings. Not since the sale of the old city library property to John W. Blodgett, of Michigan, has there been a considerable deal in local realty in which an outside man was on the buying end of the transaction.

There is no doubt that a considerable sum of money, in the aggregate, will find its way into Portland for investment this fall after the marketing of the big wheat and hog crops of the interior. But this money will be in sums from say \$2000 to \$10,000, and will be available for investment in small and medium value holdings. Operators and brokers look for the advent of this money to quicken activity in the local realty market.

Plot to Assassinate Kitchener.
Venice, Oct. 4.—Eighteen Egyptians were arrested here today charged with plotting to assassinate England's Egyptian agent general, Lord Kitchener. Kitchener was here a week ago.

Hughes Estate Buys Blake-McFall Building for \$350,000; Other Transactions.
With one exception the largest transaction of the year in local real estate was the sale last Wednesday of the Blake-McFall building at Fourth and Ankeny streets for \$350,000. The property was purchased by the Hughes Investment company, which consists of the incorporated estates of the late Ellis G. Hughes, a Portland lawyer and E. A. Dudley, of Umatilla county, were the owners of the building, they having acquired it about two years ago from the Blake-McFall company. The building is a six-story business structure and occupies a 100x125 foot site.

The Pacific Coast Trust company has sold to Charlotte Shrock a residence site containing three lots on St. Francis Hill. The property is described as lots 3, 4 and 5 in block 4; consideration \$3500.

The 50 foot lot at the northwest corner of Thirteenth and Montgomery streets was sold last week by the Bloom Investment company to Claude D. Starr for \$22,000.

One and a fraction acres, part of the Clinton Kelly donation land claim, was purchased last week by Arthur West from A. C. Currow for \$8000.

The Provident Investment & Trust Co. has sold to George D. Hieb the residence property described as lot 6, block 2, Holladay Park, for \$4800.

Charles Schobel has purchased from George C. Halt a house and lot described as a part of lot 4, block 13, Parkview extension, for \$4000.

A new six-room house described as lot 4 in block 47, Varman, was sold last week by Anthon Eckera to J. E. Stansberry for \$4500.

Elizabeth Grimm has sold to A. F. Hug a house and lot described as lot 4, block 32, Central Albina, consideration \$4500.

Daniel Donahue has purchased a new residence located in Hawthorne First Addition. The property was sold by O. C. White for \$4390.

A. W. Osobock has sold to Franklin W. Phillips an improved quarter block in Piedmont for \$3450.

means of which values are adjusted. Just at this time a deal is under way involving an exchange of properties worth in the aggregate near \$500,000, but only about \$15,000 in cash will be

required to consummate the transaction.

Free Car Fare for Two Years

The most unusual offer ever put before Portland investors, now being made by THE FRED A. JACOBS COMPANY, the largest realty operators on the Pacific Coast.

Should you buy one of our dwellings now under construction along the Errol Heights carline—or buy a lot and build at once in that district, you will receive the benefits of this offer.

We will give you a new modern five-room bungalow on a 50x100 foot lot located in the most beautiful residence section in the REED COLLEGE DISTRICT for the astonishingly low price of \$1170, and we furnish you FREE car fare for two years.

THINK OF IT! A new modern 5-room bungalow for \$1170, and on terms like paying rent.

The house alone would cost you that much, or more, to build.

The style, construction and location of these houses will please you.

HOW CAN WE DO THIS? WHY DO WE DO THIS? Meet us there Sunday and we will tell you.

HOW TO GET THERE—Take Sellwood car at First and Alder, transfer to Eastmoreland car and go to the end of the Errol Heights line where our representative will meet you and conduct you over the property.

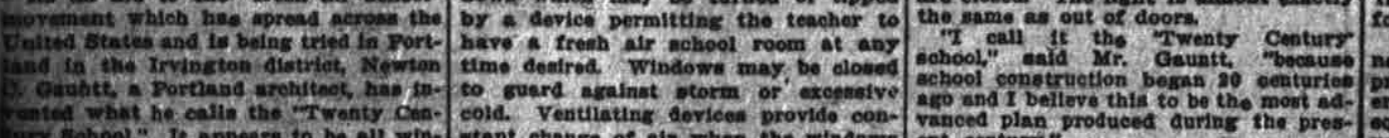
There are only six houses at this price—first come first served.

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Largest realty operators on the Pacific Coast.

269 Washington St., Corner Fourth

NEW DEVICE GIVES SCHOOL ROOM ABUNDANCE OF AIR AT ANY TIME



"Twenty Century School" invented by a Portland architect, in line with fresh air movement.

As an aid to the "fresh air school" movement which has spread across the United States and is being tried in Portland in the Irvington district, Newton S. Gaunt, a Portland architect, has invented what he calls the "Twenty Century School." It appears to be all windows which may be turned or tipped down by a device permitting the teacher to have a fresh air school room at any time desired. Windows may be closed to guard against storms or excessive cold. Ventilating devices provide constant change of air when the windows are closed. The light is almost exactly the same as out of doors.

"I call it the 'Twenty Century school,'" said Mr. Gaunt, "because school construction began 20 centuries ago and I believe this to be the most advanced plan produced during the present century."