

## ASSESSOR C. P. STRAIN ON "INVISIBLE VALUES"

Assessor C. P. Strain has issued a circular letter to the members of the legislature on the subject of intangible wealth or invisible property. He hopes that the coming session may take steps to frame a law to reach this class of property. Following is the circular in full:  
Pendleton, Oregon, Dec. 1, 1904.

DEAR SIR:—The complaint of unequal taxation has prompted me to investigate the subject of invisible property. I find that all the states have experienced the same difficulty as Oregon. The property tax system such as we now use, worked very well during the pioneer days when property consisted mainly of real estate and livestock. But modern industry has developed a vast amount of invisible or intangible wealth, which cannot be reached by the property tax system.

Many states have recently made much progress in exposing these intangible forms of property to the view of assessors. They have found that in order to do this it is necessary either to substitute state authority for local authority, or else to reinforce local authority by state aid. Intangible property consists of money, credits, franchises, life insurance investments, good will, patent rights, etc. It was estimated by George Clapperton, special agent of the United States industrial commission, in his report to them, that one-half of the wealth of a modern state consists of Oregon show that this intangible wealth constitutes less than seven per cent of the taxable property.

**MONEY ON DEPOSIT.** Massachusetts has probably more nearly than any other state reached money on deposit. She taxes deposits up to the bank direct, levying one-half of one per cent on average deposits in lieu of all other tax on deposited money.

This method so simplifies matters that money bears its share of taxation with certainty. Such a tax in this county would produce about \$10,000.00 revenue per annum, for the combined deposits of our five banks are not less than \$2,000,000.00. Allowing one-half of this for duplications, there would yet remain \$1,000,000.00 subject to taxation.

But under our method of letting money to individuals, I have discovered only \$200,000.00 of this, while \$800,000.00 has escaped me, resulting in a loss, approximately of \$600,000.00 annually.

Umatilla county possesses only one twenty-third of the state's population, and perhaps about that proportion of its money supply. Assuming, therefore, that other counties have sustained a loss equal to ours, the combined loss in Oregon is twenty-three times \$8,000.00, or \$184,000.00 each year.

The only defect which I have discovered in the Massachusetts law consists in its restricted application. It seems to apply only to Savings banks. But the legal definition of a savings bank may remedy that seeming imperfection.

Legislation should be enacted concurrently by Oregon, Washington and Idaho, so as to protect competing banks situated near together on opposite sides of a state line.

The savings bank tax in Massachusetts was \$1,291,286.00 in 1896, out of a total tax for the state of \$6,075,284.00.

**CREDITS.** Many states suffer great loss by escape of notes and accounts, which are inevitable where exemptions are allowed for indebtedness. Since we allow no exemptions, assessors have only to discover all property that serves as security directly or indirectly, in order to prevent escape of taxable property in this respect.

The borrower and the lender constitute a class. "A" borrows \$1,000.00 of "B" with which he builds a house worth that sum. The two together have only \$1,000.00 involved in this property. If both be taxed they pay double what "C" pays on another house of equal value free from debt.

**LIFE INSURANCE.** Life insurance has come to be a field of great investment. The cash surrender value of policies held in America represents a vast accumulation of wealth. And old line insurance belongs largely to the wealthy and high-salaried classes, who are better able to contribute toward support of government than ordinary taxpayers. And yet this great quantity of property escapes direct taxation. The only tax paid in the state is paid by the insurance companies themselves. They pay ten per cent of net premiums for the privilege of doing business here.

The net premiums in Oregon were \$767,247.65 in 1901, \$500,000.00 of which probably represents accumulated wealth. I have no means of knowing how much of this property is now owned in the state. But it certainly reaches or exceeds \$5,000,000.00, all of which escapes taxation. It may be contended that the two per cent taxes on net premiums covers this. But the two per cent is not intended to cover the investment value of policies at all. It is simply a payment required by the state for the privilege of doing business within it.

The same rate applies to fire insurance companies. And the object of fire insurance is solely for protection against loss. No investment or accumulation of wealth is intended. But life insurance possesses a double purpose. It provides protection against loss by death just as fire insurance does against loss by fire. It also goes further and provides a very attractive means of investment. This invested wealth entirely escapes taxation.

This can be reached by requiring companies doing business here to report the names and addresses of Oregon policy holders, together with cash surrender value of each policy. But a better method is to tax it up to the companies direct, leaving them to square themselves by adjustment of rates. They should be required to pay upwards of four per cent of net premiums to the state as compensation for the escape of wealth now invested in life insurance within the state. Here is the proof: Estimated value of life insurance investments, \$5,000,000.00; estimated average rate of tax, assuming full value assessments, 7 mills; .007 times \$5,000,000.00 equals \$35,000.00.

Annual net premiums, \$767,247.65; four per cent of this is: .04 times \$767,247.65, or \$30,690.00.

**FRANCHISES.** Franchises present a source of great wealth, which county assessors have given their inability to reach in every state where its assessment has been committed to them. This is a matter which grows in importance with the development of the state.

The right to operate street cars in Portland was of small value during the early days when the population was small. The right to operate the O. R. & N. railroad through the Columbia Gap was not a great privilege a few years ago. The possession by the Oregon & California railroad of the pass through the mountains between Roseburg and Astoria Pass was of little value then.

But population and traffic multiply amazingly and traffic arrangements often improve. Twenty years ago the Oregon Short Line was not built. Fourteen years ago the population of Eastern Oregon was about 100,000. It is now 120,000. The population of Idaho was 85,548 in 1890, 171,772 in 1900, and probably 225,000 now. The population of Washington was 75,116 in 1880, 357,232 in 1890, 518,113 in 1900, and probably 600,000 now.

The increased population has enlarged production. The completion of the Oregon Short Line has given the O. R. & N. eastern connections. The extension of the Southern Pacific and its purchase of the O. & C. and the O. & C. to the position of a first-class road.

Population and opportunity have, therefore, expanded the business of Oregon railroads immensely, yet there is but one Columbia Gap, but one pass between the Umpqua and the Rogue. Who, then, is so simple as to contend that the franchises belonging to the O. R. & N. and the O. & C. have remained unchanged in value.

There is but one natural passage between Portland and the upper Columbia basin. But one natural land passage between Portland and the San Francisco. Consequently the business of the O. R. & N. and O. & C. is bound to expand with the growth of the regions which they connect. They own a monopoly worth many millions now, and which shall speedily grow into many millions more.

In the presence of all these considerations, the assessed value of the roads has remained practically stationary outside of this county. I have no railroad statistics back of 1896. The net earnings of the O. R. & N. are now more than four times what they were then. Their net earnings then was \$4,000.00 per mile on roadbed. It remained at that figure until 1903, when I raised it to \$12,000.00 per mile in this county, and other assessors raised it to \$5,500.00 per mile. At the same time I raised the roadbed from \$4,000.00 to \$12,000.00 per mile. I raised the assessed value of the roadbed property less than it appears on its face.

I have examined the reports of various state railroad commissions, and the United States industrial commission, and the United States commerce commission. I have no doubt. Measure the value of Oregon railroads by any other method and you cannot fail to raise the assessed valuation to the extent of many millions of dollars within the state.

But your county assessors and boards of equalization seem powerless to do anything to reach this class of property.

(Continued on page four.)

# A Veritable ... Landslide

In bargains all over the house—values that will do your heart good and make you glad that Lee Teutsch's Department Store is here to benefit you, not only with low prices, but good, reliable merchandise, that is fully guaranteed as represented, or your money cheerfully refunded.

NOTICE WHAT WE ARE DOING FOR YOU THIS WEEK

### Ladies' and Misses' Suits and Tourist Coats

Now is the time to buy. There is no use waiting for lower prices. We are selling them at cost. Only 150 left and we want to dispose of them at once.

All \$10.00 Suits and Coats now.....	\$ 5.00
All \$12.50 Suits and Coats now.....	\$ 8.75
All \$15.00 Suits and Coats now.....	\$ 9.90
All \$16.50 Suits and Coats now.....	\$11.85
All \$18.00 Suits and Coats now.....	\$12.75
All \$20.00 Suits and Coats now.....	\$14.85
All \$22.50 Suits and Coats now.....	\$16.40
All \$25.00 Suits and Coats now.....	\$18.90
All \$35.00 Suits and Coats now.....	\$23.65

ALTERATIONS FREE.

### Extra Special Shoe Values

117 pairs ladies' shoes with either welted or turn soles; sizes 2 1-2 to 5; regular values \$3.50, \$4.00 and \$5.00; sale price ..... \$2.45

109 pairs ladies' fine one, two and three strap slippers, with French heels. Patent leather or kid; regular values \$3.00 and \$3.50; sale price ..... \$1.95

200 pairs misses' and children's shoes in sizes 8 1-2 to 1 1-2; values up to \$2.25; sale price ..... 98c

### Bunker Hill School Shoes GIRLS LOOK HERE

A Doll FREE With Every Pair. The best school shoe on the market, comes in kid and fine box calf; 8 1-2 to 11 ..... \$1.50  
11 1-2 to 2 ..... \$1.75

TRY A PAIR—ALL RIPS SEWED FREE.

### Sil-Kid \$3.50 Shoe



For women. Looks like a \$5.00 shoe; comes in five styles. Patent or kid.

### Ladies' and Misses' Skirts

The largest and most carefully selected stock of Skirts is now being shown, and at a saving to you of from 25 to 33 1-3 per cent. We have 500, all new and up-to-date, skirts, in this section and want to reduce the number just one-half by December 15th. The prices we are quoting will surely make them move.



All \$2.00 Skirts now.....	\$2.25
All \$2.50 Skirts now.....	\$2.75
All \$3.00 Skirts now.....	\$3.20
All \$3.50 Skirts now.....	\$3.65
All \$4.00 Skirts now.....	\$3.80
All \$4.50 Skirts now.....	\$3.95
All \$5.00 Skirts now.....	\$4.25
All \$5.50 Skirts now.....	\$4.45
All \$6.00 Skirts now.....	\$4.65
All \$6.50 Skirts now.....	\$4.85
All \$7.00 Skirts now.....	\$5.05
All \$7.50 Skirts now.....	\$5.25
All \$8.00 Skirts now.....	\$5.45
All \$8.50 Skirts now.....	\$5.65
All \$9.00 Skirts now.....	\$5.85
All \$9.50 Skirts now.....	\$6.05
All \$10.00 Skirts now.....	\$6.25
All \$11.00 Skirts now.....	\$6.45
All \$12.00 Skirts now.....	\$6.65

ALTERATIONS FREE. A PERFECT FIT GUARANTEED.

### Dress Goods

Every piece of dress goods in the house greatly reduced in price for this week.

\$1.50 Dress Goods.....	\$1.20
\$1.25 Dress Goods.....	98c
\$1.00 Dress Goods.....	79c
75c Dress Goods.....	49c
65c and 60c Dress Goods.....	42c
50c Dress Goods.....	39c
40c Dress Goods.....	30c

### Ladies' and Misses' Jackets

Just 78 left that will move rapidly at the prices we ask for them during this sale!



\$ 6.50 Jackets go this week at.....	\$ 4.95
\$ 9.50 Jackets go this week at.....	\$ 6.35
\$10.00 Jackets go this week at.....	\$ 7.40
\$12.00 Jackets go this week at.....	\$ 8.75
\$15.00 Jackets go this week at.....	\$10.75

### Children's Long Coats (Ages 4 to 14.)

Ninety-four garments will be placed on sale for this week at prices that will surely make the mothers smile.

\$3.00 Coats reduced to.....	\$2.00
\$5.00 Coats reduced to.....	\$3.35
\$6.50 Coats reduced to.....	\$4.95
\$7.00 Coats reduced to.....	\$5.25

BRING IN THE GIRLS.

### Children's Ready-to-Wear Dresses

**BIG SALE FOR THIS WEEK.**

\$1.00 Dresses.....	68c
\$1.50 Dresses.....	\$1.20
\$2.00 Dresses.....	\$1.48
\$2.50 Dresses.....	\$1.95
\$3.00 Dresses.....	\$2.35
\$3.50 Dresses.....	\$2.75
\$4.00 Dresses.....	\$3.15

### Santa Claus

Has now an exhibition at our store, a large line of dolls, books, blocks, tool chests, banks, wagons, trains, go-carts, horns, and a very large assortment of all kinds of mechanical toys.

SEE WINDOW DISPLAY.

## LEE TEUTSCH'S DEPT. STORE Main and Alta Streets

### Motherhood

MOTHERHOOD is the reward nature bestows upon healthy womanhood. Women whose vitality has been sapped by disease cannot safely give birth to children. In pregnancy and in childbirth weakness of the mother is revealed in the pain and agony she suffers.

This great medicine drives out every vestige of inflammation and weakness, and gives tone and strength to the delicate organs which mature the child. The pains of pregnancy are banished by Wine of Cardui, and miscarriages, which blast so many fond mother's hopes, are prevented. Flooding, which so often occurs after childbirth, is corrected when Wine of Cardui is used during pregnancy.

Wine of Cardui babies are healthy babies, because, during the months of pregnancy, the mother is able to give them necessary vitality and strength.

With these facts presented to American women so expectant mother should be satisfied without the re-inforcement that Wine of Cardui will give her. Every mother should be able to treat herself in her home with this valuable medicine.

Wine of Cardui can be secured from any druggist at \$1.00 a bottle.

Polyarp, N. C., Jan. 11, 1902.

I am the mother of seven children and while in pregnancy with the first six suffered untold misery until they were born. One month before the seventh was born I began to take a bottle of Wine of Cardui, which gave me relief after taking three doses. I used the remainder of the bottle until the birth of the child, and was stronger in three days after the birth than I was in a month after the birth of either of the first six. I am 29 years old.

MRS. V. ELIZABETH STAFFORD.

### WINE of CARDUI

### GOING OUT OF BUSINESS

My stock MUST be reduced and is now offered at less than regular prices. Lots of articles are going at cost. It will pay anyone to come and see Joe Basler from now until January first, for he is in it on low prices.

### JOE BASLER

**THE KEY TO OUR SUCCESS**

In laundering clothes to the wearer's satisfaction, consists of the three P's—promptness, proficiency, punctuality, with perhaps the loud pedal on the middle number, proficiency. Our work, methods and materials invariably produce good results and we hesitate not a whit in asking your patronage. It's easy to 'phone us hurry orders.

**Promptness  
Proficiency  
Punctuality**

DOMESTIC LAUNDRY.