

On April 11, 1966 I met with Richard L. Uhlman who is now retired but was for many years in charge of the timber taxation phase of the Weyerhaeuser Company operations headquartered in Tacoma Wash. We were furnished with office space in which we could work with a tape recorder and while the following is not a verbatim transcript of the recording, will serve as a reminder for the further researching of old records and long unused memories.

I furnished Dick with an outline which I had prepared for the purpose of bringing into focus some of the phases of timber taxation which could be used in the HISTORY OF FOREST TAXATION IN OREGON.

There was some discussion of the matter of taxation of timber and timberlands on the basis of acreage alone and when cruises were first used as a basis for the taxation of the timber in itself. Dick asked for some clarification as to whether this was in reference to lands which were carrying timber or lands denuded of timber. It was explained that the information needed was for the purpose of establishing the time in history when ad valorem taxation was on the basis of actual cruises to which the millage was applied rather than on the basis of timberland carrying timber rather than being classed as non-agricultural land, as some of it was, without actual recognition being given to the amount of timber which it carried.

Dick stated that in so far as he could remember, no lands of the Weyerhaeuser Company ~~which~~ which carried timber were valued on an acreage basis since his connection with the problem in 1929. He stated that practically all counties had cruises by that time and were using such cruises in their assessment to timber.

The matter of cruises in Jackson County came up and in the absence of definite information on when cruises were made I agreed to check with the Tax Commission and find out when the first cruises were made.

Dick stated that many of these things would need to be checked by him due to the fact that he had been retired for about ten years...

I agreed to take the tapes and write up the pertinent facts and furnish a copy to Dick so that he would have something from which to work and then a finished interview supplemented by facts which could be developed by other interviews and/or research could be typed up for approval and correction.

Dick stated that he had records at home which were duplicates of some of the office records. He stated that the company had an annual report of timber taxes by counties which he could examine to determine the basis of early day taxes. He stated that this would enable him to determine what took place and the time that it occurred.

I stated that in Klamath County I was under the impression that Jack Kimball and Mike Dooher made one of the earliest cruises (prior to 1908) and that Dooher, Miner & Ryan made a later cruise (about 1913) (I ran compass for Mike Dooher and we double ran each section with a goal of six sections per day. The contract price was nine dollars per section.)

The question then came up as to when the later cruise was made by Edgar & Cullison and it was decided that it must have been in the 1920's.

Dick stated that practically all of the work done in Oregon from 1929 up to the time EKE C.S. Chapman passed away in the mid-1930's. and that he had concentrated his efforts principally in the state of Washington. Dick stated that during Chapmans tour of duty in Oregon most of the information he got was more of less second hand. Dick stated that from 1929 to 1939 we were in a period of depression, as a result there was more talk of decreasing taxes than increasing them.

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Dick does not recall any re-cruises during that ten year period at least on any wide scale. He believes it was some time in the forties before any real attempts at re-cruises were made.

(Dick was to find out when the Edgar & Cullison cruises and others were made in Klamath County.) He believes that the E & C. cruise was made in the twenties.

Dick says that he thinks the county most affected by delinquent taxes during the depression years was Douglas County. He stated that a great deal of good mature timber went back to the county and was subsequently sold to others. (Ken Ford, Hewitt and others) I stated that it was my impression that the larger timber owners felt some responsibility to the counties ~~them~~ and as a result very little if any cutover lands from the larger ownerships were allowed to be delinquent for taxes. This together with the fact that the companies might feel that they would have to take up the slack in tax receipts by additional taxes on the standing timber has probably worked to the advantage of those companies who are now actively engaged in growing new crops of timber. Dick stated that he knew of very little cutover land which went back except in a few instances in Washington where the lands were assessed at \$2.50 per acre and they could buy all they wanted at \$1.00. This was not the general rule but was the case in several counties. I stated that in Klamath County the taxes were five cents per acre per year on cutover lands and if they became delinquent for five years they were sold for twentyfive cents per acre. Dick agreed with me that no Weyerhaeuser lands reverted for taxes in Klamath County. I explained the moratorium on taxes which was passed by the 1933 Legislature to Dick. I stated that the large timber companies and utilities felt under obligation to keep taxes current in order to maintain county services at a time when delinquencies were so prevalent.

Dick stated that he knew very little about the Weyerhaeuser connection with the yield tax. I told him of some pine lands which had been classified prior to the time that Fir timber was considered as other than a weed tree and that when the mills began cutting fir it was necessary to get the lands declassified.

I pointed out that under the original law it was the practice to classify all lands under the Forest Fee & Yield Tax unless the owner appeared at a classification hearing and presented what was considered to be valid objection to the classification. This resulted in much land being classified which later was declassified for various reasons.

Dick said that while he did not remember of any great amount of classified land in the Klamath Area he did remember that on some occasions the company would start to log a block of timber and find that they were logging on a classified area for which a permit had never been issued, he said that this caused some difficulty with the Tax Commission from time to time. I pointed out that in later years this might have occurred due to a purchase of Yield tax lands which had been previously classified. In discussion of the administration of the Yield Tax Law and comparison of the methods used by the Forestry Department which administered the law prior to 1953 and the Tax Commission which took over after that time I pointed out that the emphasis changed from an attempt by the Forestry Department to promote forestry and retention of ownership by individuals to one of revenue and an attempt to get every possible nickel out of each piece of classified land and the products from the land. I pointed out that under the Forestry Department the acreage of classified land reached close to one and one half million acres and since that time the total has been slightly below a million acres and only occasionally above that figure.

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In talking about the setting of values on logs for the January 1 inventory tax I explained to Dick that it has been the practice of the Tax Commission to change the boundaries of areas and the grade divisions of logs as to lengths diameters etc. so as to get the highest possible values so that regardless of market values which might be current on a certain grade of log it is possible to include more logs in a higher grade or get a higher percentage of upper grades in an area. The net result is a higher tax which the operator must pay ~~for~~ each year for approximately the same volume of timber used. I also pointed out to Dick the practice of setting values on too few sales in an area with the excuse that they were not willing to use sales in what they considered captive operations where ~~operators~~ ^{mill owners} had advanced money to an operator.

After some conversation regarding the attitude of Al Brown and others in the difficulties the industry had in Linn County Dick asked when Wally Eubanks first came into the picture. I promised to get the information for him.

(For the record the following is taken from testimony given by Eubanks on July 14, 1958 in Eugene.

EUBANKS: I went to Forestry School at Oregon State College, during which time I worked for the Forest Service a couple of seasons, and the Lane County Fire Patrol Association a season, then was in the army for a few years and came back and finished school. I worked for Crown Zellerbach for a short time after I got out of the army and then to the Tax Commission since 1946, where I worked in a great many jobs, from timber inventory and mapping, cruising and personal property work and that sort of thing. (At this time I have been Supervisor of Timber Appraisals ~~since~~ ^{under Larry Michaels} for two and one half years and prior to that was Supervisor of the Yield Tax Section for two and one half years .) (Harry Loggan was supervision of the timber section from 1947 to 1950) (Reappraisal program started in Harney and Grant Counties) (Robert Oslund was in charge of reappraisal in Jackson County in 1954) (Axel Segerstam) from 1950 to 1954.

Wally Eubanks in testimony before the Judge in the timber tax cases in Lane County in February 1959 stated that he had studied Mechanical Engineering at Georgia Tech but did not receive a degree. He stated that he had a degree in Forest Management from Oregon State College. He stated that he went to work directly from College to the Tax Commission. On questioning about employment by Crown Zellerbach he stated that he was there about a month and a half before graduation.)

Dick asked for a breakdown of employees having charge of timber evaluation for the tax commission and the dates of their service and I replied that I could not accurately do so but that I first became acquainted with the work at the time Howard Conkly was working on timber under Wallace Wharton.

Dick asked that I get information on Loggan and according to his testimony in the Eugene case he began work in 1937 but spent four years in the army.

In going over the situations in the various counties Dick brought out the fact that Clackamas County had hired a cruise to be made by the same cruiser who made a cruise in Lake County but could not remember his name. He recalled that some of the cruising in Clackamas County was completely discredited due to his finding a large block of timber in what turned out to be a lake bottom.

Dick stated that the Weyerhaeuser Company had owned a considerable acreage in what turned out to be the Tillamook Burn.

(During the conversation mention was made of the service of Lloyd Crosby in the Washington Legislature. According to the Oregon Voter Crosby served during the 1925 Regular and 1926 Special sessions. Wm. Robinson who served in the same session of the Oregon Legislature with Crosby also served in the Washington Legislature in the 1937 session.)

Dick said that he did not have too much information on the tax situation in Tillamook County as some man in Portland handled the tax problems in that county for the company.

Dick said that one of the things which people forget in the whole timber assessment picture is the fact that you have the volume of timber and rate per thousand to determine the assessed valuation and the other factor in valuing timber in the early days was the equalization of timber taxes with other classes of property.

He stated that in the early days there was no ratio and that all property was valued at 100% of true market value. Dick says that in the early years of his tenure of office with Weyerhaeuser the top assessment against timber in Klamath County was about \$1.60 per thousand but that timber during that period was selling for around \$4.00 per thousand and that this was somewhere near what a ratio would have shown. He stated that at the same time the ratio of assessed value to true cash value of other properties was even more out of line. He pointed out that not too much attention was being paid to the equalization of timber values with the values on other types of property. He stated that close examination of the rolls would indicate that altho timber was being assessed at only \$1.60 on an actual \$4.00 value the timber assessment was probably 50% more than it should have been.

He stated that that was one of the reasons that Al Browns statements were so far out of line when he started from present day values and assumed that for years the timber had not paid its share of the taxes. Dick stated that one of the reasons that he had pursued this phase of taxation was that he worked in the Pierce County Court House from 1919 right after the first World War till 1929 and during the period 1920 the large RR taxpayers had brought an action against the Washington State Tax Commission charging that their valuations were too high.

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The basis of their contention was that the primary full value ~~pla~~ placed by the Tax Commission was too high and that the assessment ratio applied to that value was also too high. They had a woman going through the records of all counties determining the full value of all property and thus determining the ratio. This was a phase of the work which ~~fell~~ fell within Dick's department and it was through this experience that he immediately started work on ratios after he went to work with Weyerhaeuser. He feels that this is one factor that was completely overlooked in the early assessment of timber. He feels that the only thing that saved them was the fact that the cruises were low. HE FEELS THAT THIS IS ONE FACTOR WHICH SHOULD BE EXPLAINED VERY CAREFULLY IN THE HISTORY OF TAXATION.

Dick said that he would try and get some information as to when they actually started to assess timberlands on a cruise basis. It might be entirely accurate but he will make an attempt.

OK
JRM 23-66 R. L. Uhlman