

# Oregon's Future - - - *Unlimited*

By ELIZABETH DOTSON

Looking around these days, Oregonians cannot fail to see the stirring of something new and stimulating in the state. New homes are being constructed and the need for many more is becoming increasingly urgent. Inviting new glass-windowed food markets, farm equipment and automobile sales rooms, new business houses, new motels and roadside cafes for tourists are appearing everywhere. Some question whether this is a momentary flash in the pan before settling back to "normal" or whether this is the new normal for Oregon.

Those interested in evaluating this trend will be anxious to give their attention to the revealing reports of S. J. Barrick, Director of Research for the Oregon Tax Study Commission, which was created during the 1945 legislative session. These reports discuss various aspects of Oregon's tax structure, including the implications and effects of the six percent tax limitation, community property taxes, the cost of state and local government, the economic development and fiscal capacity of the state of Oregon and the major types of taxes levied in Oregon.\* The final report and recommendations to the governor and legislature will be completed in December.

In the third report, entitled *Economic Development and Fiscal Capacity of the State of Oregon*, Mr. Barrick points out that Oregon is in the high per capita income group of "Industrial Diversified" states. In this group, Oregon is associated with California and Washington on the West Coast and has economic characteristics similar to Illinois, Michigan, Ohio and Pennsylvania. "We thus find," he concludes, "that Oregon may be compared with Washington and California economically as well as geographically." Until 1940, Oregon was 17th among the 48 states

according to per capita income, advancing to 10th place in 1944 during the shipbuilding era. Per capita income for Oregon was just under the national average in 1929 and in 1933 and exceeded that average from 1939 to 1944. Among the 11 Western states, Oregon ranked 5th in per capita income until 1940 and 4th since that date. "These data show," the report says, "that Oregon is subject to the same economic factors as the rest of the nation but has shown an accelerated growth in excess of the average for the country and has shown a remarkable increase since 1940 . . ."

Such facts would have little value for interpretation of the present and future if they resulted entirely from our war economy. It should be noted that Oregon's per capita income exceeded the national average in 1939 and 1940 when only 15.5% of the total income payments of individuals in Oregon came from selected war-manufacturing. Selected war-manufacturing means those industries not related to ordinary enterprise in a given area. The lumber industry and agriculture are not included as war industries although their products were directed to the war effort. They are normal industries which produce in peacetime for civilian consumption. In 1944 selected war-manufacturing accounted for 40% of the total income payments to individuals. With 60% of the income from other than selected war-manufacturing even in such a peak war year, it becomes apparent that Oregon's war production was largely from her peacetime industries.

The report goes on to state that at the outbreak of the war approximately 75% of all industrial output in Oregon was dependent upon timber and agricultural resources, closely allied with minerals and cheap electrical power. The impetus of immediate war needs

\*Reports may be consulted at the Oregon State Library.