



We're selling OREGON

by Charles Goodmacher

Oregon should let timber and agriculture and other declining industries and displaced workers flounder. Instead, special tax expenditures; reduction of corporate income taxes; expensive promotional tours by government officials and advertising campaigns in Asia; and expansion of computer and electronics training at all levels of education should be used to "attract" large high technology firms and tourism to Oregon. This is the message being pronounced loud and clear by major business and government leaders alike.

MARKETING OREGON

A conference in Portland this Monday and Tuesday entitled "Marketing Conference and Manpower Development for High Technology" emphasized the need to develop a "high technology workforce." The Oregon Economic Development Department co-sponsored and organized the conference. Dr. Clifford Smith of Bechtel, Inc. summarized the conference focus during his luncheon speech to the several hundred business and government officials. Smith called for "progressive cooperation" be-

tween the private and public sectors. Daniel Terpack of Hewlett-Packard and Oregon Chancellor of Higher Education William C. "Bud" Davis called for more public spending for high technology training in order to meet the manpower needs of high technology firms. State Senator Jim Gardner (D-Portland) added that the state is doubling its commitment to this purpose by providing \$1 million in matching funds for computer education.

Calling for greater efforts to "sell" Oregon were Mayor Frank Ivancie and Governor Victor Atiyeh along with corporate executives from Portland General Electric, Floating Point Systems, U.S. National Bank, Wacker Siltronic, various public relations firms and others.

SALEM TESTIMONY

The "selling" commenced with testimony May 2 before the Joint Legislative Committee on Trade and Economic Development by Ivancie and eight others. Mayor Ivancie defended his many recent trips abroad by declaring, "The only way to keep Oregon in the minds of prospective new industries was by making continuous trips to those states and countries." Ivancie noted that no

Japanese industrial firms are located in Oregon while California has 105 plants; Alaska 34; Georgia 21; and so on. He felt that the reason Oregon has none is that "the state is not well known."

C.N. Winningstad of Floating Point Systems noted the decline of the wood and agricultural products industries and growth of high technology. "The question," said Winningstad, "is how to go about getting and retaining high technology companies." Winningstad's conclusion: "simple — target the biggies."

Moving to specifics, Winningstad commented on Oregon actions to resolve what he sees as major obstacles to growth. "Oregon has fixed the land availability problem; the permit and higher education problems are being settled now; the only thing left to remedy is the tax situation and that is in the works, too."

CORPORATE TAXATION

Dr. Mai Russ of Wacker Siltronics launched an attack on Oregon's existing method of calculating corporate income tax liability. Wacker, said Russ, should only be taxed on income made directly in Oregon and not on worldwide or

nationwide income. (Note: Oregon uses the "Unitary" concept for calculating corporate income to be taxed. This takes into account the parent company's worldwide sales, property and payroll. Basically, the unitary worldwide method rests on the assumption that a dollar of property, payroll or sales will produce about the same net income wherever it is expended.) Clifford Alterman of Kell, Alterman and Runstein suggested a 10-year "option" on the unitary method. Glen Ulmer of Arthur Anderson and Co. commented that Japanese companies are urging a boycott of California because of that state's use of a unitary system.

(Of the nineteen legislators present, not one raised the question of why 105 Japanese plants located in California if the unitary system is indeed such an obstacle.)

State Representative Donna Zajonc (R-Salem) asked if a five year moratorium on the unitary tax would be helpful. Ivancie replied that most companies needed more than five years but "it was a step in the right direction." Winningstad added that in addition to the tax fairness question, Japanese corporations have "a very great concern about disclosure of information that they did not want disclosed."

Seven Oregon cities share jobs bill money

Oregon communities will share \$12,244 million in Community Development Block Grant (CDBG) funds as part of the emergency jobs bill recently signed into law by President Reagan, it was announced today by Secretary of Housing and Urban Development Samuel R. Pierce, Jr.

The funds are final allocations for the state's large and small communities, and include \$8.58 million for metropolitan cities and urban counties entitled to funds, and \$3,664 million for smaller communities.

"We want to help men and women who may be in need of employment," Secretary Pierce said, "and we think cities can do this by hastening planned construction or spurring economic development with these CDBG funds."

In all, \$4.6 billion — including \$1 billion CDBG funds — is aimed at communities to provide humanitarian assistance to individuals and jobless persons. The Oregon share of funds modified the original CDBG

formula, to take into account both current unemployment and long-term unemployment rates statewide.

In Oregon, 7 cities and urban counties are entitled to funds based on the existing law, and receive \$16,508 million annually under the program. The state's smaller cities also share \$11,081 million annually. The funds announced today are new appropriations awarded in addition to the annual programs.

Both entitlement communities and states must meet normal submission requirements for receipt

of emergency CDBG funds, which include a public hearing and submission of program objectives to HUD. Some communities may begin to use the funds within a few weeks, and all will have until July 1, 1983, to complete the normal requirements.

Oregon Total:	\$12,244,000
Eugene	715,000
Medford	246,000
Portland	4,680,000
Salem	515,000
Springfield	312,000
Clackamas County	1,077,000
Washington County	1,035,000

Washington Total:	\$20,049,000
Bellevue	229,000
Bellingham	360,000
Bremerton	207,000
Everett	347,000
Kennewick	160,000
Olympia	156,000
Pasco	130,000
Richland	118,000
Seattle	5,960,000
Spokane	1,872,000
Tacoma	1,276,000
Yakima	353,000
King County	2,628,000
Pierce County	1,453,000
Snohomish County	1,147,000

Environmentalists score victory

Washington environmentalists won a victory this week when the Northern Tier Pipeline Company said it will abandon plans for a controversial 1,490 mile pipeline to move Alaskan crude oil from Washington state to the midwest.

The company said this week that

it will not reapply to the State of Washington for a permit. That permit application was denied in April of 1982 for the pipeline's first leg and a deep-water pier at Port Angeles. A special Washington State commission applied the same standards the state uses for siting nuclear power plants and recommended denial of a construction permit. State environmentalists opposed the supertanker port which would bring the hazards of oil spills, fire and explosion. The State also objected to the fact that, once completed, the pipeline and port would bring few jobs to Washington.

Northern Tier spent about \$5 million studying its options and decided not to make another attempt to receive necessary permits. It had obtained permits for the pipeline from Idaho, Montana, North Dakota, Minnesota and the federal govern-

Social workers discuss unemployment

The challenge of Oregon's high rate of unemployment will be tackled in the sixth annual conference of the Oregon Chapter of the National Association of Social Workers (NASW).

The conference, to be held May 13 and 14 at Portland State University Smith Center, will feature representatives of social work, local and state government, volunteer agencies, the corporate sector, labor and the unemployed.

The conference is open to all interested persons at no cost to those who are unemployed. There is a charge for employed persons.

ment had given its approval.

The decision leaves the future of the company, which was formed for the sole purpose of designing and constructing the proposed pipeline, in doubt. Its major backers include Getty Oil Company, U.S. Steel Corp., Westinghouse Electric Corp., Burlington Northern, Inc., and Farmers Union Central Exchange, a farm-supply cooperative.

Business Notes

\$26.6 million was appropriated by Congress last month for Oregon and Washington National Forests. The Pacific Northwest Region of the USDA-Forest Service is planning to issue contracts for employment on natural resource projects involving all 19 National Forests in Oregon and Washington.

Contract expenditures will be planned for road maintenance, trail maintenance, site preparation for reforestation, timber stand improvement, and campground water and sewer system improvements. Most of the funds will be used to contract work to private firms and individuals and that there will be very little hiring of people by the Forest Service.

Interesting development in world trade — China is a market with tremendous potential for western U.S. forest products producers. It is also being eyed as a market by other countries. The Soviet Union just signed an agreement to sell China one million cubic meters (253 million board feet) of logs each year beginning in 1983. The three-to-five year deal marked the first timber trade between the two countries since 1960.

Construction hiring fell 500 short of the normal seasonal upswing in March. The wet weather was undoubtedly a contributing factor. Nevertheless, construction employment has a long way to go to erase the enormous employment deficit imposed by the recession.

The National Urban League, New York, received \$500,000 for technical assistance and training to League affiliate offices through the country, with the objective of supporting and improving operations and management and liaison to government agencies. The grant from the U.S. Department of Labor was one of three totaling \$16 million.

The local Department of Housing and Urban Development office Friday announced a reduction of interest rates on its home mortgages. The rate dropped to 11 1/2 percent from 12 percent on standard 30 year Federal Housing Administration insured loans. Rates on graduated payment mortgages dropped to 11 3/4 percent, multi-family home mortgages dropped to 12 1/2 percent and interim construction loan rates slid to 12 1/2 percent from 14 percent.

By December, 1982, there were nearly 9 percent more managers and administrators in the American economy than in January, 1981, according to the Bureau of Labor Statistics. This is in sharp contrast to the nearly 1 percent decline in overall employment and the 12 percent drop in blue-collar jobs during the same period.

"After all the discussion about the squeeze on middle management, the striking thing is that management has grown at all," said Samuel Ehrenhalt, regional commissioner of the Bureau of Labor Statistics for the New York region. "It tells us something about the contrasting economic worlds we are moving to, where some groups are going up sharply while others are plummeting."

The Department of Transportation's Maritime Administration will establish a Portland field office in the coming months. Portland has been served by the Seattle office. The mission of the office is to promote U.S. ports and the merchant marine through port development and marketing programs.

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