

Portland State University

**PDXScholar**

---

City Club of Portland

Oregon Sustainable Community Digital Library

---

10-23-1964

# Report on Amending State Workman's Compenstation Law (State Ballot No. 3 - Initiative); Report on Authorizing County Bonds to Construct a Covered Stadium (Multnomah County Measure No. 6)

City Club of Portland (Portland, Or.)

Follow this and additional works at: [https://pdxscholar.library.pdx.edu/oscdl\\_cityclub](https://pdxscholar.library.pdx.edu/oscdl_cityclub)



Part of the [Urban Studies Commons](#), and the [Urban Studies and Planning Commons](#)

**Let us know how access to this document benefits you.**

---

## Recommended Citation

City Club of Portland (Portland, Or.), "Report on Amending State Workman's Compenstation Law (State Ballot No. 3 - Initiative); Report on Authorizing County Bonds to Construct a Covered Stadium (Multnomah County Measure No. 6)" (1964). *City Club of Portland*. 219.

[https://pdxscholar.library.pdx.edu/oscdl\\_cityclub/219](https://pdxscholar.library.pdx.edu/oscdl_cityclub/219)

This Report is brought to you for free and open access. It has been accepted for inclusion in City Club of Portland by an authorized administrator of PDXScholar. Please contact us if we can make this document more accessible: [pdxscholar@pdx.edu](mailto:pdxscholar@pdx.edu).

**REPORT  
ON  
AMENDING STATE WORKMEN'S  
COMPENSATION LAW**

**(State Ballot No. 3—Initiative)**

Purpose: Changes Workmen's Compensation Law from an elective to a compulsory state system. Requires employers to insure under state system. Includes practically all employees. Increases benefits.

To the Board of Governors,  
The City Club of Portland:

### I. ASSIGNMENT

Your Committee was assigned to study and report on State Ballot Measure No. 3 placed on the ballot by initiative petition, which would amend the state laws pertaining to workmen's compensation. The 43-section bill, sponsored by the Oregon AFL-CIO, amends sixteen sections of the Oregon Revised Statutes dealing with workmen's compensation and repeals twenty-one sections.

### II. SCOPE OF RESEARCH

In the course of its study your Committee interviewed members of the staff of the State Industrial Accident Commission, educators, legislators, insurance executives, spokesmen for large and small business, labor representatives and some of those concerned with the writing of the initiative measure. Those interviewed included:

George Brown, Director, Department of Legislation and Political Education,  
Oregon AFL-CIO  
Thomas C. Donaca, State Counsel, Associated Oregon Industries  
Dr. Mark R. Greene, Professor in Business Administration, University of  
Oregon  
Merrill Hagen, Oregon Insurance Association  
Dr. Richard B. Halley, Associate Professor of Economics, Portland State  
College.  
Ray H. Lafky, Chief Counsel, State Industrial Accident Commission  
Berkeley Lent, Attorney, and State Representative  
William Moshofsky, Georgia-Pacific Corporation Attorney, representing the  
Committee for Fair Workmen's Compensation  
William T. Waste, Resident Manager, Industrial Indemnity Company  
Don S. Willner, Attorney and State Senator  
George S. Woodworth, Assistant Attorney General, State Industrial Accident  
Commission.

Individual members of the committee contacted other informed sources to discuss with them special aspects of the proposed measure. These included:

Roger Budlong, Director of Information, State Industrial Accident Commission  
Roy Green, Actuary, State Industrial Accident Commission  
Elmer McClure, State Representative and Executive Secretary, Oregon State  
Grange  
Forrest E. Rieke, M.D., Industrial Surgeon and President, Oregon State  
Board of Health.

Your Committee was also supplied with various statements which had appeared in newspapers and other publications since the initiative was proposed. Those reviewed by the Committee included statements by officials of labor unions, farm organizations, business groups and individuals, among whom were: Oregon Wheat Growers League; Oregon AFL-CIO; Oregon Farm Bureau; Oregon Farmers Union; William C. Martin, attorney, and Donald W. Morrison, General Attorney, Pacific Northwest Bell Telephone Company.

Your Committee used as reference material publications of the U. S. Department of Labor, Bureau of Labor Standards describing and comparing workmen's compensation systems; an article entitled "Doctor and Workmen's Compensation", by Forrest E. Rieke, M.D.; a symposium issue of the June, 1959, Rocky Mountain Law Review on the subject "Workmen's Compensation", and an article entitled "Marketing Efficiency and Workmen's Compensation" in the December, 1962, issue of the Journal of Insurance. Publications of the State Industrial Accident Commission and material furnished by insurers were also reviewed.

### III. LEGISLATIVE HISTORY AND BACKGROUND

In 1911 ten states passed the first workmen's compensation laws in the United States, recognizing the need for legislation to give an injured workman medical assistance and compensation for time lost due to occupational injuries. In 1910, the people of Oregon had passed by initiative an employers' liability law which modified the application of common law in a legal action by a workman against his employer for injuries sustained on his job. In 1913, Oregon's Legislature passed a workmen's compensation law. This law has been amended by subsequent legislatures, most frequently as regards the scale of benefits payments, but for the most part it has remained basically unchanged.

Of particular interest to the Committee was the City Club study of an initiative measure on the 1924 ballot which, like the 1964 initiative measure, proposed that substantially all employees be covered exclusively by a state fund, though it was dissimilar in other respects. That study committee and the City Club recommended against passage of the measure, and the voters rejected it.

The last three regular sessions of the Legislature have given substantial time to consideration of amendments to the law. Benefits were last changed in 1959. In 1963, Senate Bill 370 failed to pass the House by a few votes. That bill provided that all employees, with a few exceptions, would be covered; it increased benefits and provided for reorganization of the administration of the Workmen's Compensation Law. It allowed employers to provide coverage by private insurance under state regulation if preferred to coverage through the S.I.A.C. fund. The Committee has been informed that the bill embodied almost all the features of the present initiative except for exclusive state coverage. Study of S. B. 370 was outside the scope of your Committee's assignment.

The 1963 AFL-CIO state convention decided that, rather than wait for action in future legislative sessions, an initiative measure was needed.

### IV. SUMMARY OF OREGON'S PRESENT WORKMEN'S COMPENSATION LAW

Your Committee believes that no understanding of the Initiative measure is possible without a basic understanding of the present law, which is contained in Chapter 656 of the Oregon Revised Statutes (ORS).

Under the common law, an employee injured in his employment had to prove his employer's negligence and meet defenses by the employer (a) that the employee's negligence had contributed to his injury, (b) that he had assumed the risks of his job, or (c) that he was injured by the act of a fellow employee. The first change in the common law was the wide adoption of Employers Liability

Acts (ORS 654.305 *et seq*), which limited these defenses. The remaining uncertainties and delays in getting damages led to the development of Workmen's Compensation Laws intended to provide an efficient and fair way of providing compensation for persons injured and for their dependents. The aim was to protect them against unbearable economic deprivation, while at the same time encouraging the eventual return of the injured to the labor market. Once adopted, most states' Workmen's Compensation Laws have been left on the books with little substantive change in concept, technique or content.

In Oregon the Workmen's Compensation system (administered by SIAC, the State Industrial Accident Commission), is elective for private employers but compulsory for all government employers except the Federal government and the City of Portland. However, employers engaged in "hazardous employments" are required to insure with the state fund unless they elect *not* to. The statute lists approximately one hundred occupations which are called hazardous. These involve the operation of machinery or other inherently risky work. The Commission has the power to decide that an occupation not listed or specifically excluded in the Act is in fact hazardous and therefore subject to the Act. Farming is expressly excluded. By court decision, casual and domestic employments are also excluded, regardless of whether machinery is used or not. If an employer is engaged in an occupation partly hazardous and partly not, his occupation is considered hazardous. If a hazardous employer contracts with another employer, he becomes responsible for the latter's employees unless they are already covered by the law. If a hazardous employer contracts with a person who does the work himself, the person is an employee of the employer if the occupation is hazardous—unless the parties file a statement with the Commission that the person doing the work is an independent contractor.

If the occupation is nonhazardous, the employer (in most cases) may elect to be covered and be insured under the Fund. Election to be in or out is revocable. Employees of covered employers may look only to the Fund and cannot sue the employer, but if a hazardous employer rejects coverage, he is subject to suit and deprived of his common law defenses. Employers not covered under the Fund are free to protect themselves in whatever manner they deem fit, or purchase whatever insurance they deem fit; the Commission has no concern with employers who reject or do not elect state coverage. Oregon's system is an exclusive state fund type, in that employers who participate in the system must insure with the state fund. There are provisions to protect Oregon workmen working temporarily in another state, and, in some instances, workmen from other areas working here, to allow individuals or partners to insure with the Fund, and to protect minors and their employers.

Every covered workman who sustains an accidental injury (or his dependents, in case of death) arising from and in the course of his employment is entitled to benefits from this Fund; in some cases, the employee may also sue third parties. In case of fatal accidents, dependents are protected. Self-inflicted injuries are non-compensable. If the employer deliberately inflicts an injury, common law rights are available in addition to benefits from the Fund.

Benefits are determined with reference to statutory schedules. (These are set out in comparison with the proposed benefits in Section VII of this report.) Double benefits are not payable. Hernia is specially provided for. In the event of a subsequent injury, combined effect and past payments are taken into consideration in making an award. In certain cases the Commission may make lump sum payments to beneficiaries. Awards are not assignable, transferable, or subject to process on execution. The Commission pays for drugs, medicine, medical and surgical care, hospitalization and prosthetic devices. It is also charged with working toward rehabilitation of the injured.

Application for compensation is made on the so-called "triple form" which means the Commission has to have information from the injured, his employer and the physician before considering an award. There is no waiting period; an

injury is compensable even if the injured is incapacitated but for a day. Application for compensation for an accidental injury must be made within three months after the accident unless the Commission in its discretion allows a longer period up to a year. In fatal cases a claim must be made within a year after the accident or within sixty days after the death where there has been a closed temporary total disability award previously. If, after an award, an injury has been aggravated, the worker may apply for increased compensation within two years of the award. After two years the Commission has unreviewable discretion to reopen an award.

After the Commission has made an order, award or decision, the worker has sixty days to apply for a rehearing. The Commission has ninety days to consider the application, after which the claimant may appeal to the Circuit Court on any question of law or fact raised in the application for rehearing. The Court (which, on questions of fact, means a jury) may affirm the Commission or reverse it and direct the Commission to fix the benefits according to the Court's findings. Only SIAC and the claimant are parties to those proceedings.

Benefits are payable for occupational diseases arising out of special conditions in employment. Claims must be filed within three years of last exposure and 180 days of disability or death. The statute of limitations for radiation injury is seven years. There is a medical review board for occupational diseases. Silicosis awards are specially treated. If an appeal is taken to the Supreme Court by SIAC and the Circuit Court is upheld, the worker's attorney is paid from the Workmen's Compensation Fund. Attorney fees are also allowed on a successful rehearing or appeal to the courts.

If an employer is operating in violation of the Workmen's Compensation Law or the workman is injured by a third party, he (or his beneficiary) may elect to sue at law, but benefits under the system are payable until damages are recovered. The Commission has a lien on any judgment and some control over the worker's actions in respect to his lawsuit.

SIAC is composed of three Commissioners appointed and removable by the Governor. They serve four-year terms. No more than two may be from the same political party. SIAC is responsible for the administration of the system; it shares functions and responsibility with no other agency. It makes rules and regulations, awards, hears appeals, manages the Fund, sets rates, operates rehabilitation services and is charged with industrial safety. Thirteen per cent of its receipts may be used for administration and five per cent for industrial safety programs.

All disbursements of the Fund, including administrative costs, are financed from its own resources without general fund revenue. It is a trust fund exclusively for the workmen's compensation system. Part of the Fund is segregated for death and permanent total disability payments and for increases in pre-1955 awards which were raised to 1955 levels by the Legislature. These retroactive benefits are financed by an employee contribution of one cent a day. In addition, there are major injury, second injury, catastrophe and emergency reserves.

Every covered employer pays to the Fund a percentage of his payroll in addition to certain registration fees. Workmen contribute two cents a day (including the one cent for the retroactive benefit fund). The Commission fixes the employers' rate of contribution per \$100 of payroll, by classifying occupations or industries with respect to the degree of risk and past experience by actuarial standards. Rates may be adjusted annually. An employer with a favorable accident experience may get a sixty-five per cent reduction in his base rate, while a bad experience rating may cause a rate to be set at 130 per cent of the base. For rating purposes, up to \$11,000 of any award may be charged against an individual employer's account, and a penalty rating may last five years, or until the back charge is made up, whichever is earlier. An employer may be heard on his rating and may go to court for judicial review. The Commission has broad legal powers to enforce contributions.

**V. CHANGES PROPOSED BY INITIATIVE MEASURE**

The initiative measure will make the following significant changes in the law:

1. The distinction between hazardous and nonhazardous occupations will be abolished. All employers employing one or more workmen will be subject to workmen's compensation, unless they employ exclusively workmen in one or more of the occupations specifically exempted from coverage. These exemptions are:

- (1) Domestic servants in a private home;
- (2) Employment that is casual and not in the course of the trade, business or profession of the employer. Casual refers only to irregular employments where the employer contemplates employing no workmen for more than ten working days, regardless of the number of persons employed, and where the total labor cost for all workmen is less than \$100;
- (3) Employment specifically covered by a liability law of the United States;
- (4) Transportation in interstate commerce, if the employer has no fixed place of business in Oregon;
- (5) Employment on a farm by an employer whose annual payroll does not exceed \$500, excluding board and lodging; "farm" includes stock, dairy, poultry, fruit, berry, fur-bearing animal and truck farms, ranches, nurseries, ranges and greenhouses and other similar structures used primarily for the raising of agricultural or horticultural commodities and orchards;
- (6) Employees of the City of Portland otherwise provided for.

If an employer is subject to the Act as to one occupation but is also engaged in a separate exempt occupation, he will not be subject to the Act as to the separate occupation. Exempt employers may elect to become subject to the Workmen's Compensation Law, but that is the only election which will remain, under the new law.

2. If any employer in a non-exempt occupation contracts for the performance of labor, and the work is to be done by the contractor with the help of others, the workers will be workmen of the person letting the contract, unless the contractor is regularly engaged in the occupation covered by the contract and has registered with SIAC. If the contractor performs the work alone, he will be considered an employee of the person letting the contract, unless the workman and the employer file with the Commission a joint statement that the services rendered are those of an independent contractor.

**3. Payments in case of death from accidental injury**

	Present Law	Proposed Law
Burial allowance .....	\$400	\$600
Widow for life or until remarriage .....	90 per mo.	110 per mo.
Each child .....	25 per mo.	25 per mo.
Total benefits to family .....	210 per mo.	230 per mo.
Total for children whose parents are divorced .....	120 per mo.	140 per mo.
Widow's settlement upon remarriage .....	1500	2500

**4. Permanent total disability**

- 1. The loss of:
  - (a) Both feet or hands
  - (b) One foot and one hand
  - (c) Total loss of eye sight
- 2. Paralysis, or conditions keeping workmen from performing any work at a gainful and suitable job.

Receive payments for life if:

	Present Law per mo.	Proposed Law per mo.
Unmarried .....	\$125.00	\$155.00
Workman with wife .....	155.00	185.00
Workman with invalid husband .....	155.00	185.00
Workman when husband is not an invalid .....	125.00	155.00
For two children under age of 18 .....	25.00 ea.	25.00 ea.
For each child in excess of 2 under 18 .....	20.00 ea.	20.00 ea.
For the surviving widow or invalid widower for life, or until remarriage .....	90.00	110.00
Child left without father or mother .....	70.00	70.00
Maximum total benefits .....	275.00	295.00

In no event will the benefits exceed 90 per cent of the monthly wages of a workman.

5. Payments in case of death during a period of permanent total disability will be increased from \$90 to \$110 per month to the surviving spouse.

#### 6. Temporary total disability (time loss)

	Present Law		Proposed Law	
	% of monthly wages	Pymts. per mo. not to exceed	% of monthly wages	Pymts. per mo. not to exceed
Unmarried, or not having invalid hus.	50	\$140	50	\$170
Wife or invalid husband .....	60	170	60	200
Wife or invalid hus., 1 child .....	66 $\frac{2}{3}$	195	65	225
Wife or invalid hus., 2 children .....	66 $\frac{2}{3}$	220	68	250
Wife or invalid hus., 3 children .....	66 $\frac{2}{3}$	240	70	270
Wife or invalid hus., 4 children .....	70	260	72	290
Wife or invalid hus., 5 children .....	73	280	74	310
Wife or invalid hus., 6 children or more	75	290	75	320
Maximum benefits .....	75	290	75	320
Minimum benefits for unmarried .....	\$130 per mo.		\$130 per mo.	
Minimum benefits having wife or invalid husband .....	\$160 per mo.		\$160 per mo.	

In no event shall the rate of compensation for temporary total disability be less than \$130 per month for an unmarried workman, and \$160 per month for a workman having a wife or invalid husband, unless the actual wages are less than the benefit.

Maximum benefits cannot exceed 90 per cent of the monthly wages of a workman. The Initiative proposes technical changes in the formulae used for computing monthly wages for the purpose of applying the percentage limitations. Of these, the most important defines a farm worker's monthly wages as not more than one-twelfth of actual wages in the previous year, and allows the Commission to set a reasonable monthly wage where the worker worked less than 176 days in the preceding year.

7. Under present law where there has been a *permanent partial disability* by reason of the loss of a member's hearing, partial vision or other injury which cannot be corrected, the workman receives (in addition to any payment he might have received for a temporary disability), monthly payments calculated by multiplying \$46.50 by the number of "degrees" the statute assigns the injury (e.g., loss of an arm at the elbow, 192 degrees, or \$8,928; little toe, 4 degrees or \$186); in cases not specifically scheduled, degrees are determined by the Commission according to the disabling effect of the injury, up to 145 degrees.

In cases of *permanent partial disability*, the value of a degree will be raised to \$55.

8. The period for application for increased benefits for injuries that have been aggravated will be increased to five years.

9. The injured workman's employer will be entitled to apply for a rehearing of the Commission's orders, and he may participate in rehearsings. The employer will be given a right to appeal to the Circuit Court and to the Supreme Court. If the employer applies for a rehearing or appeals to the Circuit Court, and if the order of the Commission or judgment of the Circuit Court is unfavorable to the employer, reasonable attorney fees shall be paid by the employer to the claimant; likewise on appeals to the Supreme Court.

10. If an employer subject to the Act fails to comply with the registration provisions, the employee may elect to sue him at law. However, under the proposed law the employer will not be entitled in any case to the defenses of contributory negligence, assumption of risk, or that the injury was caused by the negligence of a fellow employee.

11. Benefits payable for injuries received before July 1, 1959, will be compensable according to the benefits payable as of July 1, 1959. One and a half cents of the employee's two cents per day contribution to the Fund will be used to finance the retroactive increases.

12. For rating purposes the Commission will have power to establish group rates for employer groups.

13. Compensation and benefits shall apply to all injuries and fatalities occurring after December 31, 1964, but all the other provisions of the measure will become effective on July 1, 1965.

## VI. ARGUMENTS FOR THE MEASURE

Principal arguments presented to your Committee in favor of passage of Measure No. 3 were that it will:

1. Provide uniform and substantially universal coverage.
2. Increase benefits to more realistic levels.
3. Eliminate the arbitrary distinction between hazardous and nonhazardous occupations.
4. Introduce the concept of employer appeals.
5. Permit group rates and therefore result in lower premiums.
6. Spread the cost more equitably by combining good and bad risks in each industry.
7. Raise compensation for all pre-1959 awards to 1959 levels.
8. Eliminate profit-making aspects from the system for protecting injured workmen.
9. Give state insurance to all the risks, the good and bad.
10. Create a state monopoly appropriate for social insurance programs.
11. Clear the way for administrative reforms in the Workmen's Compensation system.

## VII. ARGUMENTS AGAINST THE MEASURE

Principal arguments presented to your Committee in opposition to Measure No. 3 were that it will:

1. Create a state monopoly not in harmony with a competitive enterprise system.
2. Establish a system conducive to waste and inefficiency.
3. Increase costs to employers and deprive workers of quality treatment.
4. Increase administrative costs by adding coverage for many small firms and individuals.



5. Treat homeowners as employers subject to Workmen's Compensation.
6. Cover many small employers who do not understand the proposed changes and will allow insufficient time for informing them.
7. Disregard the farmers' special problems.
8. Extend the time for filing claims for aggravation of injury, leading to increased administrative costs and litigation.
9. Be vague and ambiguous with respect to exemptions.
10. Create the possibility of undue cost burdens on employer appeals.
11. Call upon the voters to consider a measure too complex to be sufficiently understood.

## VIII. THE STANDARDS OF A GOOD WORKMEN'S COMPENSATION LAW

After having studied the principles and practices of Workmen's Compensation for several weeks, your Committee concludes that there are several elements which it unanimously believes should be found in any modern, efficient and workable Workmen's Compensation Law. Furthermore, your Committee has found it useful to compare the present law and the proposed amendments with these standards and it believes that to set forth the standards and the comparisons will assist the members of the Club in arriving at their own judgment and in understanding the Committee's report.

### 1. Compulsory coverage of workers with limited exemptions.

The present law is entirely elective even though "hazardous" employers are covered unless they choose to reject coverage. Not a single witness before the Committee supported the distinction between hazardous and nonhazardous employment, nor did anyone, except for some farm representatives, oppose the principle of compulsory coverage for most workers. Farmer opposition to the measure is based on several factors, including anticipated high rates, the possibility that injured employees might make more from Workmen's Compensation than from work, and the high cost of safety measures. Your Committee did not find these objections well grounded or convincing, and would not oppose the measure on this basis.

### 2. The law should be well drafted.

The initiative measure contains important ambiguities. For instance, Section 17 of the measure provides that a person who is "an employer in an occupation that is not exempt, "who in the course of such occupation", contracts for labor to be performed by another person with assistance, the persons doing the work are "deemed workmen of the person letting the contract . . . unless the person to whom the contract is let is regularly engaged in a business involving the occupation covered by the contract" and is currently registered with the Commission. Further, if the person to whom the contract is let "does not do the work with assistance, he is a workman of the person letting the contract unless he and the person letting the contract jointly file with the Commission a statement that the services rendered under the contract are rendered as those of an independent contractor." The word "occupation" and the term "engaged in an occupation" are nowhere defined, except by indirection in Section 9 where certain "occupations" are exempted, as, for instance:

- "(1) Employment as a domestic servant in a private home.
- "(2) Employment that is casual and not in the course of the trade, business or profession of the employer. For the purpose of this subsection 'casual' refers only to irregular employment where the employer contemplates employing no workmen for

more than ten working days, without regard to the number of persons employed, and where the total labor costs for all workmen is less than \$100."

The proposed law does not specify whether it means ten working days (or \$100) per month or per quarter or per year, or whether it intends to impose an absolute limitation.

Furthermore, Section 8 of the measure makes all employers subject to the Act except those specifically exempted. Thus, the question of whether a person is an employer appears to depend solely upon the "occupation" of the workman. The exemption of "domestic servant" is not entirely clear, and it is probable that the one-day-a-week cleaning woman or the casual snow shoveler is *not* a domestic servant.

As your Committee reads these sections, the following situations are likely to develop:

- (1) If a homeowner were to contract with the X Window Washing Company to wash windows on his private home, it would appear that he would run the risk that the X Window Washington Company is not registered with SIAC. In that event he would be subject to the Workmen's Compensation Law.
- (2) If the owner of a rental house hires a handyman who works eleven days a year or is paid \$101, the owner is probably subject to the Workmen's Compensation Law, unless he and the handyman file a joint statement that the services are rendered as those of an independent contractor.
- (3) Possibly the Commission could go behind such a joint statement and establish that the relationship was not in fact one of independent contractor. In the absence of the joint statement (and perhaps if the Commission could go behind the joint statement), the owner would be subject to the Act.
- (4) A homeowner who hires a neighbor boy to mow his lawn once a week around the calendar and pays him more than \$100 probably would be subject to the Workmen's Compensation Law.

In these cases, if the employer were responsible for Workmen's Compensation, he would lose his common law defense and be liable for penalties as well as damages.

### **3. Workmen's compensation should not be unreasonably inclusive.**

It is of some concern to your Committee that Sections 8, 9, 10 and 17 of the initiative measure might have unexpected effects, particularly for the person who is not likely reasonably to consider himself an industrial, commercial or professional employer and that bringing such situations within the system would unduly burden the public and SIAC. The question is whether the social idea underlying Workmen's Compensation should be extended as far as this initiative measure would apparently do.

Furthermore, your Committee is concerned that, if its interpretations are correct, the effect of the measure might well be to lead individuals to deal, primarily, with firms insured by SIAC. Homeowners would be likely to call commercial cleaning services, or relatively large gardening firms, or maintenance companies, rather than individual workmen or small businesses not having employees. The Committee feels that independent, unaffiliated workers should not be penalized by an unwarranted side-effect of a Workmen's Compensation Law.

### **4. Benefits should be fairly tied to the cost of living and wage levels.**

Increases are desirable, both for past and future injuries. Over-all benefits are increased about 18.5 per cent over the present levels established in 1959.

### **5. Quick, efficient and fair claim handling.**

Several witnesses before your Committee, including both opponents and proponents, were critical of SIAC's claim handling. Criticisms concern the so-called "triple form" requirement (which makes for delay because an application cannot

be processed until employee, employer and physician are heard from), handling claims by mail (a procedure forced upon the Commission by inadequacy of staff, which is only gradually being corrected by adding staff who can travel throughout the state and conduct interviews), an overburdened Commission (which is charged with every function in the system), and other deficiencies. Nothing in the measure remedies these defects, while the broadening of coverage and the extension of the aggravation claim period is very likely to make matters worse.

The Committee has other comments about the administration of the system under Standard 17 below.

#### **6. Separation of administration and adjudication.**

At present the SIAC Commissioners wear several hats, some at the same time. This fact poses critical problems for the administration of the system. Your Committee is convinced that at the very least there ought to be a separate Appeals Board to pass on the awards, orders and decisions of the Commission. Though both opponents and proponents expressed their individual support of this idea, the measure says nothing about it.

#### **7. A realistic and fair rating system.**

Not a single witness was critical of the way the Oregon rating system is administered. In fact, several witnesses praised it. Nonetheless, your Committee did hear convincing testimony to the effect that the present statutory rating system which can give an employer a 65 per cent reduction from base rate one year and an increase to 130 per cent of base rate in the next is lacking in equity. Technical aspects of actuarial practices can and do ameliorate its effects, but the system is nonetheless not satisfactory. The only aspect of the measure that touches this matter is the provision for group rates, which is highly desirable in itself. The basic system would not be changed, but many employers will be brought under the system without regard for their past accident experience.

#### **8. A minimum of litigation.**

At present, litigation may arise from matters of fact and law passed on by the Commission. This means, in effect, that dissatisfied claimants may have their cases heard again, and a good many claimants do. Evidence was presented to the Committee that a high proportion of awards is appealed, that a high proportion of the appeals (more than 85 per cent between 1946 and 1963) results in increased benefits, and that a large share of the Fund's payout goes to the successful appellants.

The mere fact that so many appeals pay off encourages litigation. Possibly the Commission is not making adequate awards. Undoubtedly the low statutory levels of benefits contribute to increased litigation by driving claimants to court seeking larger awards. It has been suggested that, ideally, appeals should be limited to questions of law. Your Committee makes no judgment on this issue, but it does appear to your Committee that at present there is too much litigation.

The initiative measure would tend to increase the amount of Workmen's Compensation litigation by broadening coverage. The rise of benefit levels would have the opposite tendency. Increasing the period for aggravation claims (see Standard 11 below) will again increase litigation. On the other hand, all other litigation by injured workmen will be almost wholly eliminated. The net effect of these changes cannot be accurately predicted.

#### **9. The right of employer participation in legal proceedings.**

There ought to be, so long as litigation is built into the system, a role for the employer. There is none now. Sections 20 through 30 of the initiative would give the employer the right to apply for a rehearing and to appeal to the Circuit Court or the Supreme Court. This, in the opinion of the Committee, is a significant improvement.

But, Section 29 provides that if the employer has a rehearing or appeals, and the order or judgment is unfavorable to the employer, reasonable attorney fees shall be fixed and are payable by the employer to the workman. The proposed measure does not specify what an "unfavorable" order or judgment would be. Assume the Commission awards a claim of 60 degrees of disability and the employer claims that the award should have been no greater than 20 degrees, and on rehearing or on appeal the employee is awarded 40 degrees. One could argue that this would be unfavorable to the employer and would make him responsible for attorney fees. The intention of the fee provision clearly is to discourage unreasonable and onerous appeals by the employer. But perhaps the allowance to an employer of a right to a rehearing or appeal is not in fact very meaningful in view of the potential fee costs. The Committee feels that legitimate employer appeals may in fact be discouraged by the way the law is worded.

#### **10. Adequate rehabilitation programs.**

Oregon has been a leader in the field of rehabilitation, although it appears that more should be done. Your Committee understands that activities in this field will expand further, whether or not the measure passes. Bringing more workmen under the system will strain available resources, however. Statutory authority is adequate; the question is one of resources. On this question the measure is silent.

#### **11. Adequate aggravation provisions.**

ORS 656.276 limits the time within which an injured worker may file with the Commission an application for increased compensation based upon aggravation of the disability. It allows him two years from the date of the first award or of the order allowing the claim. ORS 656.278 grants the Commission the power to modify, change or terminate its former findings, orders or awards at any time when in its opinion such action is justified. The measure would not amend ORS 656,278 but would extend the period for filing an aggravation claim from two to five years.

Your Committee has been informed that the Commission does in fact consider aggravation claims after the two-year period has expired. Between July, 1959, and July, 1962, slightly more than one thousand aggravation claims were made more than two years after an award. Fifty-eight per cent of these claims was approved. Of those denied, 55 per cent was denied on a finding of no relationship between the original injury and the claimed aggravation, 37 per cent on a finding of no aggravation, and 8 per cent on a finding of a subsequent accident.

Under the initiative measure, aggravation claims could be made for five years, and Commission action on them could be appealed. Your Committee heard no testimony that Commission practices as evidenced by the statistics are unsatisfactory; apparently the present system does not affect many employees. The proposed change would give the employee a longer time during which he has the right to obtain a Commission order respecting an aggravation claim (which, in turn, he can appeal in court). Clearly, this is advantageous to the employee.

It was argued before the Committee that an injured worker's right to make an aggravation claim should in principle never be shut off by an arbitrary time limit. The proposed three-year extension would place a substantial burden on the efficiency of the operations of SIAC, contribute to an increased amount of litigation and accomplish very little so far as the mass of workmen covered by the Law are concerned. Since the proposed measure has no provisions in it for improving the administration of the Workmen's Compensation scheme, this extension could have serious and deleterious administrative effects.

#### **12. Full medical, surgical and prosthetic payments.**

Oregon's law meets this standard and would be unaffected by the initiative.

**13. Full coverage of occupational diseases.**

To the extent that the question has been considered by your Committee, it is satisfied that Oregon's law meets this standard. The initiative touches on the matter by bringing as many employers under the Occupational Disease Law as are brought under the entire Workmen's Compensation system. This broadening is subject to the same criticisms as is the whole initiative.

**14. Supervision of medical care by the agency administering the Workmen's Compensation system.**

Your Committee is not sufficiently informed to make a judgment on the attainment of this standard under present Oregon law. The measure does not touch on the matter.

**15. Freedom of choice of medical care.**

This standard is attained in the present law, insofar as employees are covered by the state system. It would be met by the initiative measure for substantially all employees. Under private insurance the insurer may well determine what medical care will be made available.

**16. Adequate state regulation of private insurance.**

Under the present system, if an employer rejects state coverage, SIAC has no further concern with him. Such an employer is free to leave his employees without any corresponding insurance—a matter the Committee discusses under Standard 1—or to purchase inadequate insurance privately.

In the latter case, he may buy any of a wide range of policies. The State Commissioner of Insurance supervises the operations of private insurance companies in this state, but he has no power to specify the benefits provided by particular insurance policies that these companies may sell. That matter is left entirely between the employer and insurance company.

As a result, some employers purchase coverage. Others—particularly among the larger corporations—purchase coverage that provides for the same benefits, in case of industrial accidents, as SIAC offers, and the Committee has heard of some policies that offer even more.

The Committee was told that privately-covered employers sometimes offer the injured worker a paper to sign soon after the accident or when he first reaches the hospital. This paper qualifies the worker for coverage under terms of the employer's insurance policy, and simultaneously it waives the employee's right to sue the employer.

One trouble with this procedure is that it leaves the employer the choice, after each accident, whether or not to offer his injured employee this coverage. He may decide that he would have an adequate defense if sued, or he may gamble on the worker's ignorance or lack of adequate legal advice. The Committee was told that Oregon's courts have, in passing on claims by injured workmen, interpreted the Employers Liability Act less favorably to employees than the Workmen's Compensation Law. Thus, a privately insured employer now has some choice in deciding whether the injuries suffered in a particular accident should be covered by insurance or not. The Initiative would deprive him of this freedom.

Another difficulty is that currently available procedures may well deprive an injured workman of an opportunity to make a considered choice. Right after an injury, or when he first reaches the hospital, the victim is not likely to be able to evaluate all the legal and economic implications of signing the paper in order to get private insurance benefits. This problem, too, would be resolved by the proposed measure.

Thirdly, even if the employer offers compensation to the injured workman, he may arrange it in such a way that the insurer is not informed. If an accident

can be concealed by the employer, his experience rating, which determines the insurance premiums that he will have to pay in the future, will not be endangered. The Committee was told of several dodges that employers have allegedly used to keep accidents off the insurer's records: getting the injured worker "fixed up" by the company doctor on company time; keeping the employee on the payroll despite considerable time-loss; transferring him to another job where the injury will not hinder him; or offering to settle his medical bills under the employee's health insurance policy rather than under Workmen's Compensation. Large firms have all these choices available to them; small firms can often dissuade an employee who presses his claim by pleading ruinous financial losses. Individual employees are often ill-informed or too scared to demand their full rights. This possibility will not be diminished by the proposed measure; an employer will continue to fear a tarnished experience rating as much as before, whether he is insured privately or by SIAC, and his incentive to "hide" an employee's injury will continue as before.

However, the Committee feels that the handling of individual cases should be entirely uniform, whether an employer is insured by SIAC or by a private insurance company. To this end, the Committee strongly recommends that if the Initiative fails, a state authority be set up that will set standards for handling claims in Workmen's Compensation cases.

#### **17. Efficiency in administration.**

Opponents of the Initiative have made several complaints about the way the present law is being administered. Your Committee has heard no evidence that these defects are caused by incompetence; those members of the SIAC staff whom it interviewed each created a very favorable impression. However, the charge was made that the current law and regulations force SIAC to employ forms and procedures that administrators with more freedom of decision and action would have discarded long ago; it is said that private firms are much more efficient.

Apparently the current procedures are too complex. The question might well be raised whether triple-form reports for every accident—including those that result in no benefit payments whatever—are really needed. Should not a full-scale program of personal interviews become a part of the Commission's routine? Is not SIAC's heavy and growing burden of litigation a sign of administrative malfunction? Are the current unique industry and job classifications perhaps too complex?

The proposed measure, far from resolving these problems, may in fact aggravate the situation. SIAC's workload will increase considerably both because of wider coverage and because of additional litigation.

#### **18. Workmen's Compensation free of political influence.**

SIAC suffers from political problems that inevitably affect the administration of Workmen's Compensation—and which the initiative also does nothing to cure. For one thing, the Governor appoints the Commissioners of SIAC; he can remove them at any time, and from this decision there is no appeal. This set-up alone must surely interfere with making SIAC a smoothly operating, professionally guided, efficient insurance operation.

Furthermore, the State Legislature can exert considerable influence over SIAC's operation. It sets the benefit schedules; it establishes administrative guidelines (such as that no more than 13 per cent of Fund income may be used for administrative expenses, nor more than 5 per cent for the promotion of safety precautions); it passes on the Commission's internal organization.

Then SIAC faces the additional handicap of being both investigator and insurer, both judge and prosecutor in the initial proceedings of a case, both appraiser and payer. And the argument goes that no three-member board of political appointees can possibly fulfill these (in large part conflicting) assignments under the scrutiny of a legislature which is so narrowly but so very deeply divided over the question of SIAC's basic role.

**19. Realistic and fair statutes of limitations.**

Your Committee has heard no criticism of present provisions limiting the periods within which claims and appeals may be made. It does have comments relating to the period for aggravation claims, which are separately discussed in Standard 11. The measure would affect only the latter.

**20. A reasonable economic burden.**

In the time available, your Committee was not able to judge the impact of economic burdens under the present system. Certainly in recent years there has been a major flight, particularly by large employers in certain industries, away from the state fund to self-insurance or private insurance. No doubt a leading cause of the flight has been that some employers have found they can adequately protect themselves and, perhaps, their employees better outside the Fund at less cost. Other large employers in the same industries have remained in the Fund. So there are differing opinions on the question whether the present system is uneconomic. Your Committee does not make a judgment on this point. One thing can certainly be said: The present system freely permits the employer to consider the cost burden in deciding his course of action.

This freedom of choice is wholly eliminated by the measure. On the desirability of that your Committee is divided. If a compulsory and universal system is created, its burden cannot be said to be unreasonable merely because some employers cannot "afford" to pay the rates and stay in business. The employer who finds himself so situated is simply not able to compete in a society which must bear the cost of workmen's injuries. Such cost can be said to be unreasonable only if the whole idea of workmen's compensation is utterly rejected.

The only meaningful standard by which to judge whether an economic burden is unreasonable is whether the money put out for the cost is producing its "money's worth" in achieving the purpose of the cost. Your Committee believes that under the present system by and large the answer is "Yes". That answer is subject to several qualifications discussed elsewhere in this report. We believe the state Fund currently does a good job but one which could be greatly improved by a thoroughgoing review and reform of the present system.

Whether a state monopoly system, as proposed by the initiative, would be better or worse than the present one is viewed differently by different Committee members. Nonetheless, they are all agreed that reform is needed, and that whether or not the initiative passes, this job must be undertaken by the Legislature.

**21. Adequate subsequent injury fund.**

The present Oregon law apparently meets this standard and the initiative would not affect it.

**22. No waiting period should be required.**

Oregon is the only state in which there is no waiting period to qualify for an award. Other states require from two to seven days, which means that no compensation is payable for an injury which disables the employee for less than this period. After the waiting period, in most cases, benefits are payable from the first day of injury. Some witnesses before your Committee expressed the opinion that Oregon also should have at least a three-day waiting period. The principal justification for a waiting period is avoidance of minor claims. No solid evidence was presented to your Committee that the lack of a waiting period imposes a burden on the Oregon system. Your Committee is not convinced that a waiting period is desirable. In fact, it believes that an injury affecting an employee's ability to earn a single day's wages should be as much subject to compensation as a longer term injury. The initiative measure makes no change.

### 23. Group coverage and rates.

Under present law, each employer contributes to the Fund according to his classification as an employer and on the basis of his own experience. There is no provision for setting rates with respect to the experience of any group of employers. Your Committee is convinced that it is desirable and advantageous for the principles of group insurance to be extended to the Workmen's Compensation field, particularly if the system is to be extended to cover substantially all employees in the state. It would be particularly advantageous to farmers. Every witness before your Committee who mentioned the matter at all was in favor of the group coverage provision provided in the initiative measure. Your Committee also supports it.

## IX. CONCLUSIONS

Several features of the Initiative have merit. These include: Substantially universal coverage, elimination of the distinction between hazardous and non-hazardous occupations, and increased benefits. Also, it permits group rates and provides for employer appeals. Your Committee believes these are reforms that are necessary to make Oregon's Workmen's Compensation Law adequate and equitable.

On the other hand, the measure does nothing about the shortcomings in the organization of Oregon's Workmen's Compensation system, most of which are the result of the law under which the Commission and its administration has to operate. These shortcomings are: an overburdened Commission; lack of a separate Appeals Board; an inadequate rating system; too much litigation, and an administrative system that is inadequate.

Some of the provisions of the Initiative are not well drafted or free of serious doubt as to intent. For instance, what is the meaning of some of the exemptions? Conflicting reactions among farm groups indicate to your Committee that perhaps the proposed law does not fairly treat the problem of farmers. It does not fairly treat firms not now insured under SIAC but which have good accident experience. Extending the time limit for filing for compensation in aggravation of an injury does not seem necessary or warranted.

Several of our witnesses believed that the issues relating to the Workmen's Compensation Law are too complex to be dealt with through the initiative process. Opinions expressed in the press repeat this argument. That a measure is complex is no weightier a consideration here than in the case, say, of last fall's tax referendum.<sup>(\*)</sup> Your Committee did not consider it germane to its assignment to explore the use of the initiative in the enactment of a Workmen's Compensation Law. Since *in fact* the voters of Oregon are called upon to render a decision on this matter November 3, it also seems irrelevant.

Most of those who furnished testimony against the Initiative indicated that their opposition was in large part based on their aversion to what it terms its "monopoly features", namely, insurance exclusively through a state fund. Three members of your Committee believe this feature is so objectionable that they could not support the measure. The other four members of your Committee do not believe that the monopoly argument has decisive merit. They believe that monopoly—state monopoly or state-controlled monopoly—is not at all unusual in our economy; that in fact it operates successfully in various fields not far removed from Workmen's Compensation. This is one of the reasons why four members of your Committee are unwilling to reject the Initiative as a matter of principle. To them, the evidence on this point is inconclusive: Some states have successful Workmen's Compensation within the framework of a state monopoly; some have successful systems based entirely on private insurance; some have successful mixed systems. Thus, those four members have arrived at their conclusion on the basis of the legal and technical aspects of the proposed law, rather than by reference to the philosophical issues which the other three members have raised.

---

<sup>(\*)</sup>"Personal and Corporation Income Tax Bill", referred to the voters by referendum petition for a special election October 15, 1963.



Your Committee found that much of the opposition to this measure seemed to reflect self-interest. Much of the opposition did not seem to recognize that Workmen's Compensation is primarily a social institution developed for the benefit of injured workmen and not for the convenience of employers, insurance carriers, attorneys or even the community.

Because of this, your Committee was confronted time and again by questions of conjecture which were difficult to set aside. Believing that Oregon's Workmen's Compensation Law urgently needs changing to effect broadened coverage and increased benefits, your Committee repeatedly came to these two questions:

1. If the Initiative is defeated, what likelihood is there that the Legislature soon will enact legislation to provide universal coverage and increased benefits and to improve the system's administration?
2. If the Initiative is approved, how soon will the Legislature act to make changes that are needed for equitable and efficient administration?

Your Committee was not able to answer these questions satisfactorily. On the other issues it finally decided to recommend a "No" vote on the Initiative measure. The rejection reflects the belief of your Committee that the shortcomings of the measure outweigh its merits.

Your Committee is convinced that Oregon's Workmen's Compensation Law needs a complete overhauling. It is hoped that those citizens and groups of citizens who agree will prevail upon the forthcoming Legislature to take immediate steps to make a thorough study of Oregon's Workmen's Compensation system and its needs for revision, and that this be done in time for early enactment of a new law geared to present-day needs and which will provide for efficient and effective administration. Your Committee feels that if the measure is rejected and nothing is done it would be a cruel joke on the workmen of the state who now are not covered by any Workmen's Compensation system, and on those who are inadequately covered. (\*)

## X. RECOMMENDATION

The Committee therefore unanimously recommends that the City Club go on record as opposing this initiative measure, and urges a vote of "No" on State Ballot Measure No. 3.

Respectfully submitted,

Robert E. Greenwood  
Kenneth E. Herber  
Alvin D. Hobart  
George M. Joseph  
Terry D. Lincoln  
Guenter H. Mattersdorff  
Arnold N. Bodtker, *Chairman*

---

(\*)Your Committee emphasizes that nothing in this report should be taken to approve by inference the approach or content of SB 370 which was before the last Legislature. Other than the matter of exclusive state insurance, substantially all of the provisions of the Initiative measure which are criticized in this report are identical with provisions of that bill.

## XI. CONCURRING CONCLUSIONS

Three members of your Committee are not in agreement with the other four, on their remarks concerning a state monopoly of Workmen's Compensation.

The undersigned are aware of the pressing need for revising and updating the Workmen's Compensation Law in the State of Oregon. These three members feel, however, that solving the current problems by creating a state insurance monopoly is basically unsound and not in keeping with the basic economic philosophy on which our country was founded. Those submitting this differing opinion believe the monopoly issue, as well as issues stated in the above conclusion are of such significant importance as to warrant a negative vote on this ballot measure.

The passage of Ballot Measure No. 3 would create and establish a state compulsory insurance monopoly. A basic issue for consideration is whether a state monopoly or competitive private companies can best perform the objectives and functions of compulsory Workmen's Compensation. If the state system can best serve for us in the field of industrial accident insurance, could it not also best administer health and hospital insurance, life insurance, automobile insurance, or for that matter, any type of insurance that is required by a large number of people?

Our nation has built its socio-economic structure upon certain basic premises and theories thought best to preserve the individual citizens' freedom. Embodied in its laws are indications of our aversion to monopolies, preferring to support private enterprise and the stimulation of competition. There are of course instances where monopolies have been allowed and encouraged, but they are only found in instances where there is a preponderance of evidence indicating the benefits derived from such a system far outweigh the inherent disadvantages. The monopolies established in our society are controlled by the government. Monopoly in government is only established where there is ample evidence indicating the risk or task is too great for accomplishment by private enterprise. Underlying the entire concept of our socio-economic structure is the basic premise that government should do only what the people cannot do individually.

In conclusion, the undersigned are in favor of a revamping and modernization of an admittedly antiquated Workmen's Compensation Law. The undersigned cannot, however, support or vote for the establishment of a monopoly to accomplish these changes; they feel that a monopoly would accomplish nothing that private insurers are not already doing both satisfactorily and profitably; that there is no need at the present time for the state to enter the field of compulsory Workmen's Compensation on a monopolistic basis.

The undersigned believe that universal coverage should be provided but that employers should have the option of securing private coverage. These members of your Committee do not ask that the state Fund be eliminated to give the insurance companies a "monopoly" but only that these companies be allowed to compete in this field in accordance with the laws and customs of our economic system.

Respectfully submitted,

Robert E. Greenwood  
Kenneth E. Herber  
Terry D. Lincoln

Approved October 15, 1964 by the Research Board for transmittal to the Board of Governors.

Received by the Board of Governors October 16, 1964 and ordered printed and submitted to the membership.

**REPORT  
ON  
AUTHORIZING COUNTY BONDS TO  
CONSTRUCT A COVERED STADIUM**

**(Multnomah County Measure No. 6)**

Shall Multnomah County, Oregon, issue and sell \$25,000,000 in general obligation bonds to finance the cost of acquiring land and constructing and equipping thereon an athletic stadium and facilities therefor at a site in Multnomah County, west of Delta Park, bounded on the east by the centerline of Denver Avenue, on the south by Columbia Slough, on the west by the centerline of North Force Avenue extended southwesterly to Columbia Slough, and on the north by Oregon Slough?

To the Board of Governors,  
The City Club of Portland:

### I. ASSIGNMENT

The Committee was asked to study and report to the City Club of Portland on the above ballot measure which is to be submitted by the Multnomah County Board of Commissioners to the voters at the election on November 3, 1964. A previous measure covering the authorization for bonds in the same amount was submitted to the voters of Multnomah County at the May 15, 1964 election and was defeated.

### II. SCOPE OF RESEARCH

A previous City Club Committee studied the proposal submitted to the voters on May 15, 1964 and made a report, after a careful study of available information and after interviews with many authorities.

Your present Committee carefully reviewed the work of the previous committee and supplemented its research. The Committee attended the September 21, 1964 hearing of the Multnomah County Tax Supervising and Conservation Commission. Among persons interviewed were:

- C. Howard Lane, Chairman, Delta Park Recreation Commission;
- Robert J. Rickett, Chairman, Volunteers for Delta Dome;
- F. Tom Humphrey, Liaison between Portland Metropolitan Futures Unlimited and Volunteers for Delta Dome;
- R. L. Clark, Vice President, Pacific International Livestock Exposition;
- Oliver Larson, Manager, Industrial Development Division, Portland Chamber of Commerce;
- Henry F. Cabell, Property Management;
- Edward G. Welch, Representative, Ebasco Services, Inc.;
- David A. Pugh, Resident Partner, Skidmore Owings & Merrill;
- Rocky Benvenuto, Groundskeeper, Portland Beaver Baseball Club;
- D. E. Richardson, General Manager, Pacific International Livestock Exposition;
- Vernon K. Jones, Chief, Flood Control Section, U. S. Army Corps of Engineers, Portland District.

In addition, your Committee reviewed the 1964 Report of Ebasco Services, Inc., entitled, "Delta Park Stadium—Economic Feasibility and Planning Studies", the Metropolitan Planning Commission's 1962 report, "Recreation Outlook, 1962-1975", and current newspaper articles and editorial opinions.

### III. DIFFERENCES BETWEEN MAY AND NOVEMBER PROPOSALS

While this ballot proposal is substantially identical with the former one (except for the inclusion of the words "covered stadium" in the present ballot title and the phrase "west of Delta Park" in the present measure), the County Commissioners have expressed somewhat different intentions if the measure passes, than they did with respect to the May measure. In this report, your Committee has considered the measure on the basis of the Commissioners' current announced intentions, although the Committee recognizes that those intentions may not be legally binding.

Some of the factors compared include:

1. The County Commissioners, in May, considered the covered stadium as the first phase of a multi-purpose sports and recreation development. Present consideration is limited to the construction of a covered stadium and parking areas.

2. In May, the County Commissioners planned to use revenues in excess of operating and maintenance costs to develop recreational facilities elsewhere in Delta Park. The County Commissioners now plan to use excess revenues to reduce the amount to be raised by taxes.

3. The plan in May was to issue \$25 million in general obligation bonds to be retired in 25 years. The present plan calls for the same amount in general bonds to be retired in 30 years.

4. In May, the bonds were to be retired in 25 years at the rate of \$1 million per year, plus interest. This would have required (assuming a 3½ per cent interest rate), a tax of \$.618 the first year on a property having a fair market value of \$1,000, diminishing to approximately \$.340 the final year. Now, Commissioners intend that the debt shall be retired in 30 years by a fixed annual payment of principal and interest of \$1,360,000. This would require a tax of \$.426 annually on a property having a fair market value of \$1,000.

5. The County Commissioners have stated that contracts for construction will not be signed until a sufficient number of users of the stadium is assured, so that it will not be a "white elephant".

### IV. BACKGROUND

Years ago, Multnomah Stadium was built when civic leaders decided that such a facility was required for the development of the city. Vision and belief in the growth of the area were required to bring this project into being. Many benefits have accrued to the community because of this stadium. It is getting old, however, and sports authorities have stated that it is no longer adequate.

The Metropolitan Planning Commission, in December, 1962, published a report titled "Recreation Outlook, 1962-1975", a survey and analysis of existing recreation opportunities, with estimates of needed acreages, facilities, expenditures and priorities to 1975. In its table of priorities for urban-wide facilities, the Metropolitan Planning Commission ranks a sports stadium (new or used) as top priority, a position shared with site acquisition for other urban recreation facilities, including a new public eighteen-hole golf course west of the Willamette River and additional parkways, boulevards and viewpoints.

The owners of Multnomah Stadium have tried to sell the stadium in recent years, so there is the possibility of losing this facility. Estimates of the costs of rebuilding Multnomah Stadium and of providing parking space in this area of high property costs have discouraged City and County agencies, and other solutions have been sought. Several possible sites were investigated.

Portland Metropolitan Futures, Unlimited, was formed by a group of business and civic leaders for the purpose of planning and sponsoring a major recreational complex in Delta Park. One unit of this development was to be a large multi-

purpose stadium. PMFU engaged Ebasco Services, Inc., of New York and San Francisco, to make a feasibility study. The 1963 Legislature passed enabling legislation to permit Multnomah County to construct major facilities. The County and the City of Portland cooperated in establishing the Delta Park Recreation Commission. The preliminary Ebasco report led the Commission to authorize Ebasco to make a detailed evaluation of the stadium and to submit preliminary design concepts and cost estimates.

As a result of the favorable conclusions in the Ebasco report, the County Commissioners requested the voters of Multnomah County to authorize \$25,000,000 of general obligation bonds at the May 15, 1964 election. A City Club committee studied the proposal, a majority recommended a "Yes" vote, and the Club membership adopted this recommendation. On election day, the measure was defeated by a vote of 91,961 for and 101,324 against.

Proponents of the measure immediately started action to have the proposal referred to the voters again on November 3, 1964. Proposals were made to broaden the base for the project by including the entire Portland Metropolitan area, but this was abandoned because of the necessity for legislation at the state level which would delay placing the measure on the ballot. The City as well as the County was asked to sponsor the project. Citizens from all levels, including the Governor, made recommendations for or against the measure. Finally, the Multnomah County Commissioners decided to submit the issue to the voters of Multnomah County at the November election.

## V. FACTS

1. Voters must vote "Yes" or "No" on authorization for \$25,000,000 bond issue for a stadium in Delta Park. No alternate proposals are offered.

2. Experienced consulting engineers and architects, after comprehensive studies, have reported that the site is suitable for building a covered stadium with 46,000 permanent seats, arranged in the form of a horseshoe around a field suitable for baseball, football, track, special events and conventions.

3. Cost has been estimated at \$25,000,000 for complete stadium with fully developed parking areas, and all necessary roads within the project.

4. With 30 year payment plan with equal yearly payments and with 3½ per cent interest, cost will be:

a. Principal	\$25,000,000
b. Interest	15,781,000
c. Total	\$40,781,000
d. Annual payment	\$ 1,360,000

5. Completion of project: three to four years after award of contracts.

## VI. ARGUMENTS ADVANCED BY PROPONENTS OF THE MEASURE

1. It will provide Multnomah County with a symbol of identity which will add to its prestige and give it a "Big League" image.
2. It will make a material contribution to the economic growth and vitality of the community and will add millions of dollars to the annual payrolls.
3. It will provide a suitable, all-weather arena for sports, including baseball, football, track, and for conventions and special events. No event need ever be cancelled because of bad weather.
4. It will bring professional football and major league baseball to Portland. Without such a stadium, they will never come.
5. It will encourage tourist and convention business and help attract new industry.

6. It will assure a suitable home for the Pacific International Livestock Exposition.
7. Multnomah Stadium is considered inadequate by leading sports figures to meet the needs of professional and amateur sports.
8. The area with its present population of 1,570,000(\*) within two hours driving time to the stadium—which population is projected to reach 2,670,000 by 1985—meets the criteria established by organized baseball and football and has ample resources to support the development.
9. Portland made a well-received bid for the 1968 Olympic games. The passage of the measure would place Portland's bid for the 1972 games in a very favorable position.

## VII. ARGUMENTS ADVANCED BY THE OPPONENTS OF THE MEASURE

1. Taxes are too high already, and this project will increase them further.
2. The whole proposal is too speculative and such a stadium will be a white elephant.
3. No major league baseball teams and no professional football teams have shown an interest in Portland.
4. Many other projects should have priority over the stadium. These include education, auditorium, city hall, prevention of juvenile delinquency, parks and playgrounds.
5. The average taxpayer would receive little benefit, and motels, hotels, service stations, restaurants, etc., would get the major benefits.
6. Track and baseball conflict in use of the stadium.
7. Multnomah County's bonded indebtedness is limited to \$60 million and this \$25 million for the stadium is too large a portion to commit to one project. (Present bonded indebtedness is approximately \$6 million.)
8. The site would require protection from floods; adequate foundations cannot be provided; and costly drainage and fill would be required.
9. The costs of operation will be more than the income and this will add to taxes.
10. Policies set by the present Commissioners will not bind future Boards.

## VIII. DISCUSSION

### 1. Site, foundations, floods, traffic, design.

The site for the stadium, adjacent to Interstate Freeway 5 and at the hub of several city streets and county roads, is readily accessible both to Oregon and Washington residents. With carefully designed roads on the site, the entrance and exit times will be as short as could be expected with the number of vehicles involved. The driving time from the most distant part of the Portland Metropolitan Area to the stadium will not be more than 10 minutes longer than to Multnomah Stadium.

The site has been approved by qualified engineers from the standpoint of foundations. These will be designed to rest on a suitable gravel layer about 90 feet below the surface of the ground. Such foundations would be too expensive for the type of industry that was contemplated by the tenant when this site was examined

---

(\*)Ebasco has assumed that attendance at stadium events will be drawn from an area within two hours' driving time, estimated to include 1,570,000 persons. The actual Portland Metropolitan Area is substantially less extensive and has a population of approximately 850,000. Hereinafter in this report several references are made to the more general area as the "metropolitan" area.

and rejected in 1946 as unsuitable. Notwithstanding this fact, the report of the engineers is that conditions at this site will allow development of a sound foundation for this stadium at a reasonable cost.

The Delta Park was flooded in 1948. The number of dams already built on the Columbia and Snake Rivers makes the flood danger much less than when the disastrous Vanport flood occurred. Now that the Columbia River Treaty has been ratified by Canada, three new dams with very large storage capacities will be built north of the border and Libby reservoir will be built in Montana. Congress has approved a project to build a suitable dike along the West side of the Delta Park where the flood broke through in 1948. With the dams to be built as a result of the Canadian Treaty, the possibility of a damaging flood will be greatly decreased. Because of these developments, the Corps of Engineers, U. S. Army, will re-study the need for the dike along the West side of the arena before asking Congress to appropriate money for the dike.

### **Stadium Design**

The preliminary design of the covered stadium developed by Skidmore, Owings & Merrill for Ebasco is sufficiently detailed to assure successful solutions of the problems involved in the construction and operation of a multi-purpose covered stadium suitable for staging baseball, football, and track events and to arrive at accurate estimates of its construction cost.

A minimum stadium capacity of 45,000 was considered necessary to meet the near-future needs of the Portland area as determined by detailed studies of attendance at sports events in Portland and other similar areas, with football being the determining factor. Attendance at college football games has exceeded the 35,000 seating capacity of Multnomah stadium several times in recent years, in spite of the poor parking and the less desirable seating which exist.

The stadium is proposed to be a horseshoe shape with 46,730 auditorium-type seats located in a two-level stadium structure, with movable sections which can be arranged to provide the most advantageous use of the arena for the particular sport being played and to provide the most desirable viewing arrangement for the spectators. The movable seat sections would be motorized and move on tracks to assure efficient, economical operation.

The design provides for the installation of additional movable sections to raise the seating capacity 60,000 when the need develops. The seats in these sections would also be permanently anchored, auditorium-type seats, not the bench or plank seats found in most stadiums. Provisions have been made to increase the seating capacity to 80,000 by the use of temporary bleacher-type seats when such capacity might be needed at some future date.

A rigid cover of plastic material, shaped like a dome or a great inverted bowl, extends considerably beyond the perimeter of the stadium but terminates many feet above the ground to allow the free flow of air through the stadium. The cover has a separate structural supporting system.

The cover was considered an essential part of the design criteria for the stadium, to attract sports franchises to Portland by assuring fixed scheduling of events and attendance undeterred by rain or wet grounds typical of Portland's spring and late fall weather. The cover makes the use of auditorium-type seats possible and would benefit all events held in the stadium.

The architects investigated the effects on growing turf under the dome and found that research into the subject has been accomplished and that good turf can be grown and maintained.

The accommodation of football, baseball and track in the same stadium although not commonly provided was considered very desirable. This dual use was accomplished at the Los Angeles Memorial Coliseum the year that the Los

Angeles Dodgers placed in the world series there. The basis of the technique was the use of removable turf sections which would conform to the profile of the track section and maintain a proper grade for the use of the field for baseball. The horseshoe shape and the movable seat sections were included in the design to make the stadium fully adaptable to all three sports.

## **2. Costs and Financing.**

The cost of the complete stadium has been estimated by Ebasco at \$25,000,000. This covers land, foundations, stadium, dome, parking lot, on-site roads and fill to raise ground level. Flood protection has been authorized by Congress but requires appropriation of funds, should it be needed. It is proposed to issue general obligation bonds which will be retired in 30 years with a flat annual payment of principal and interest. Assuming an interest rate of 3½ per cent, the annual payment will be approximately \$1,360,000. Should it be possible to sell the bonds with a 3¼ per cent interest rate, the payments will be smaller.

The present Multnomah County Board of Commissioners has stated that it intends to use all income over operating costs to reduce the debt on the stadium. Future Boards would not be legally bound by this policy but would be ethically bound to carry out this policy. Ebasco estimates (as explained below) indicate that the net income will pay half of the cost of amortizing the bonds. However, if it is assumed that income will be just enough to pay operating costs and that the tax base is the 1964 fair market value of the property in Multnomah County, the new tax required on each unit of property having a fair market value of \$1000 will be \$.426 per year. It is reasonable to assume that the fair market value of property in the County will increase substantially during the 50-year life of the stadium. The average tax rate to retire the bonds will therefore be less than \$.426.

## **3. Estimates of Income and Operation Expense.**

The greatest amount of disagreement among interested parties and the greatest amount of confusion for the public exists with regard to estimates of income.

The Ebasco study on this subject is quoted because it presents the only detailed and comprehensive data available. It discusses the type of sports events which might be held at the stadium and presents numerous tables relevant to attendance at such events to arrive at a listing of events and attendance for various periods in the life of the stadium. Among the background data presented are figures on:

1. Metropolitan area populations, 1940 and 1960, of selected prospective and existing major sports franchise sites.
2. Estimated metropolitan Portland population, income and recreation expenditures for 1962, 1975 and 1985.
3. Attendance at and income to major league baseball and football, according to leagues, league standings, and other conditions.
4. Records of attendance at college and professional football and Beaver baseball in Multnomah stadium.

The Ebasco report further states the belief that attendance figures contained in Table I presented below, are conservative: that if pennant contenders or outstanding teams are developed, the attendance figures and income would exceed the estimates by wide margins. The estimated attendance for baseball is shown as 170,000; the actual paid attendance at Multnomah stadium for the 1964 Beaver baseball season was 207,000.



**TABLE I**  
**ATTENDANCE ESTIMATES (ANNUAL)**

	Event Days	First Four Years	Next Four Years	Balance of Stadium Life
Portland Beavers .....	77	170,000		
Major League Baseball .....	75	—	800,000	1,000,000
Professional Football .....	9	295,000	330,000	385,000
College Football .....	4	148,000	148,000	148,000
High School Football .....	2	50,000	50,000	50,000
Track and Field .....	4	50,000	75,000	90,000
Heavy Equipment, Auto and Sports Shows .....	9	160,000	160,000	160,000
Rodeo .....	2	30,000	30,000	30,000
Large Conventions .....	2	60,000	60,000	60,000
Circuses .....	6	114,000	114,000	114,000
Pageants, Extravaganzas .....	1	30,000	30,000	30,000
Total Projected Attendance .....		1,107,000	1,797,000	2,067,000

Income to the stadium accrues from two basic sources: Rental from organizations using the stadium, and income from concessions such as parking, food, drink, etc., which operate during stadium events.

The Ebasco study presents data to show that the average expenditure per attendee at concessions in various stadiums studied is 80 cents in Milwaukee, 70 cents in Los Angeles, and 62 cents in Minneapolis. (From another source, the expenditure per attendee at Beaver baseball has been reported as 70 cents.) The figure of 50 cents per attendee has been used for the covered stadium. It is estimated that for each attendee the stadium will receive 13¾ cents from the food and drink concessions and 21¼ cents from parking, making a total income from concessions of 35 cents.

Rental for the stadium, as estimated by Ebasco after examination of agreements in force throughout the country, are shown below in Table II.

**TABLE II**  
**SCHEDULE OF ASSUMED RENTAL AGREEMENTS**

	Assumed Average Admission Ex. Tax	Rental Per Per- formance	Per Cent of Admissions	Minimum
Portland Beavers .....	\$1.50	—	10%	\$35,000/yr.
Professional Football .....	3.00	—	10%	—
Major League Baseball .....	1.75	—	7%	—
College Football .....	2.25	—	10%	2,500/day
High School Football .....	1.00	—	10%	1,500/day
Track and Field .....	2.50	—	10%	2,500/day
Conventions .....	—	\$2,500 (or 10% of Free Will Gift)		—
Circuses .....	—	2,500	—	—
Rodeo .....	3.00	—	15%	3,500/day
Pageants, Extravaganzas .....	1.00	—	10%	2,500/day
All Other .....	1.00	—	15%	3,500/day

On the basis of attendance figures shown in Table I and utilizing the Ebasco method of determining income, as explained above, the annual income for the stadium is as follows:

**ANNUAL STADIUM INCOME, Estimated by Ebasco:**

First four years .....	\$ 694,000
Next four years .....	1,015,000
Balance of stadium life .....	1,153,000

The above tables and discussion present in a very abbreviated manner the estimates of use, attendance and income for the covered stadium. In evaluating Ebasco's estimates, two factors should be borne in mind:

(1) The "First Four Years" shown in the "Attendance Estimate" would be about 1968 to 1972 if the stadium were authorized and built as soon as possible;

(2) Estimates of attendance and income have been projected from data on standard, open, bench-seated stadiums. They do not reflect the improved seating and independence from adverse weather which would apply to the covered stadium. The Beavers cancelled seven games because of rain in 1964. The figure has varied from five to sixteen in other years. The Beaver management has made the statement that approximately twenty games per season are played in conditions that are really not suitable for baseball. They play these games because it would be impossible to "make up" such a number. Attendance is very poor at such games.

Emphasis has been placed on obtaining major league football and baseball, the inference often being that unless major league tenants are obtained, the stadium income, the Committee developed Table III as a pessimistic estimate of stadium will become a "white elephant". To study this factor and its effect on attendance and income.

**TABLE III  
COMMITTEE ESTIMATES OF MINIMUM ANNUAL  
ATTENDANCE AND INCOME WITHOUT MAJOR LEAGUE FRANCHISE**

	Event Days	First Four Years Attendance	*Income
Portland Beavers .....	77	170,000	\$ 95,000
Professional Football (Exhibition) .....	2	60,000	39,000
College Football .....	4	120,000	68,000
High School Football .....	1	15,000	6,000
Track and Field .....	2	20,000	12,000
Heavy Equip., etc., Shows .....	3	40,000	22,000
Rodeo or PI .....	8	60,000	16,000
Large Conventions .....	1	15,000	6,000
Circuses .....	4	60,000	36,000
Miscellaneous .....	2	10,000	4,000
<b>TOTALS .....</b>	<b>104</b>	<b>570,000</b>	<b>\$336,000</b>

\*Income estimated from Ebasco figures on the basis of comparative attendance.

Since operating expenses were estimated by Ebasco, after comparison with other stadiums throughout the country, to be \$300,000, it appears that the stadium would meet its operating expenses under the most adverse conditions.

Your Committee investigated the possibility of obtaining major league franchises in football and baseball. Most of the people interviewed who were associated with the promotion and staging of sports events seemed confident that Portland could obtain a professional football franchise if the covered stadium were authorized. Such a franchise would assure a surplus of revenue which could be used to reduce the taxes required to pay for the stadium bonds.

The possibility of obtaining a major league baseball franchise was considered less favorable than that of obtaining a football franchise. However, most people thought a baseball franchise could be obtained if and when the major leagues expanded. Some expressed the opinion that Portland would never have major league baseball. A few thought it was entirely possible that major league baseball could be obtained by the time the stadium was built. If major league baseball were obtained, it would reduce further the cost of the stadium to the taxpayer.

Table III shows eight event days and an attendance of 60,000 for rodeo or PI shows. The Ebasco estimate did not include the PI events.

The majority opinion of those contacted was that college football, especially the intersectional games, would continue to be played in Portland, even though larger stadiums are built at Oregon and/or Oregon State, because of pressure from visiting teams.

#### 4. Economic Justification.

The total cost of the stadium, consisting of \$25,000,000 principal and \$15,781,000 interest, will be \$40,781,000. It may be assumed that the useful life of the stadium will be a minimum of 50 years. From the above discussion, it appears that the income should meet all operating expenses with some to spare, but that, as has been the case with stadium projects in other cities, the net income will not pay all of the costs of construction. Since the project will increase taxes, the voters of the county need assurance that the covered stadium is a good investment from a practical economic viewpoint.

The Ebasco report gives considerable attention to the economic justification of the stadium to determine "whether the resulting income to the tax base residents will actually equal or exceed costs to be defrayed through taxes." In this evaluation only that money which would come into Multnomah County from outside sources because of the stadium and which would be paid to people working in the County was considered. It was assumed that money spent in the County by non-residents would increase through re-spending in the normal "multiplier" pattern. For Portland, the multiplier has been determined to be 1.5 and this means that every \$100 spent will increase by re-spending to \$150. This theory is too involved to be explained in this report but it is fully explained in the Ebasco report.

The report estimates that during 48 years of operation of the stadium, non-resident expenditures which would not otherwise come into the County will result in \$106,200,000 of net income to County residents.

Direct labor payments to County residents during the construction period are estimated at \$11,750,000 and since these payments are subject to the multiplier effect, total additional income will be \$17,272,500. A portion of the remaining construction expenditures will be spent locally for building materials, services of engineers and architects, etc., and this will, it is estimated, add another \$5,522,500, bringing the total addition to personal income during the construction phase to \$22,795,000.

The total income to Multnomah County residents from these two sources amounts to \$128,995,000. From this must be subtracted an amount of \$37,895,000 for payments to non-resident performers in excess of non-resident expenditures. This leaves a net income of \$91,100,000 which is 2.23 times the total cost of the stadium. Much of this money will be paid directly to many Multnomah County residents as wages and through the re-spending process; a large percentage of the other residents will receive direct benefits.

Based on the pessimistic figures in Table III, these benefits would still be greater than the total cost of the stadium.

#### 5. General Benefits.

The Committee investigated those factors which bear on areas other than the immediate or short-range economic benefits. These included:

1. Increased desirability of Portland Metropolitan Area as a business or industrial site. Any business or industry considering a new location evaluates the facilities of the entire community. The stadium would be a factor in comparing this area to other metropolitan areas.

2. These same considerations would influence individuals in their desire to move to the Portland area.

3. The possibility of attending major sport and other events in all weather would benefit a large number of the present residents of the community.

4. Almost every major city that has captured the imagination of the public has an identifiable landmark. The stadium could serve this purpose.

5. The construction of the covered stadium would be tangible and dramatic evidence of the progressive nature of Multnomah County, of its belief in itself and its future, and have an enormous influence on the attitude of the rest of the nation toward our area.

6. It is reasonable to assume that the construction of the stadium would improve Portland's market identity by increasing the degree of commercial integration of Clackamas, Clark, Multnomah and Washington counties and might expand Portland's Standard Metropolitan Statistical Area deeper into Southwestern Washington and the Columbia Valley Area. The S.M.S.A. statistics, as designated by the U. S. Bureau of the Budget for the Bureau of the Census, are the accepted authority on the market potential of an area. The size of the S.M.S.A. obviously is of great importance to advertisers and to others whose business activity in this area would have a close relationship to the size of the market.

7. Tourism is big business and any structure such as the covered stadium that will provide the facilities for handling large conventions, trade shows, pageants, sports shows and so on, will be an asset in increasing the desirability of Portland as a tourist center with the resultant benefits to Portland and Multnomah County and the State of Oregon.

8. Multnomah County and Portland have an opportunity that no other part of the state has. It is the only large metropolitan area and the only area that has the possibility of developing a stadium of this size. If the covered stadium is of benefit to Multnomah County and to Portland, it will be of benefit to the entire state.

### IX. MAJORITY CONCLUSIONS

1. In reviewing the studies and recommendations, related to the proposed stadium, made by the management consultants, the architects and the structural engineers; the majority of the Committee feels assured that all studies were thorough and professionally responsible.

2. A stadium for this metropolitan area should have a high priority. The majority of the Committee agrees with this in the 1962 conclusion reported by the Metropolitan Planning Commission titled "Recreation Outlook 1962-1975".

3. Considering all financial benefits, the stadium appears economically feasible, returning more than its cost to the residents of Multnomah County.

4. The covered stadium would provide an attention-arresting facility which should bring many new types of events to the area, increase tourist business, and improve the community stature.

5. The stadium could have the effect of enlarging and strengthening the Standard Metropolitan Statistical Area (S.M.S.A.) and thereby could improve the market identity with its resultant benefits.

6. The existence of the covered stadium could be instrumental in obtaining the Olympic Games for the Portland area in 1972.

### X. MAJORITY RECOMMENDATION

The majority of your Committee recommends that the City Club go on record as favoring passage of this measure and urges a vote of "Yes" on Multnomah County Ballot Measure No. 6.

Respectfully submitted,

Ralph Appleman  
 Ray C. Chewning  
 Allen B. Hatfield  
 Jack H. Radow  
 M. M. Ewell, *Chairman*

*For the Majority*

## XI. MINORITY DISCUSSION

The Portland City Club Bulletin of May 8, 1964 carries on pages 963-966 a Minority Discussion covering items showing the inadvisability of the passage of Multnomah County Bond Measure in that May 1964 election. There have been no changes in the proposed November 3, 1964 bond measure that would alter any of the objections raised in the May minority report.

Further study and a review of the present bond proposal raises even more serious and meaningful objections to the bond election. The Ebasco Report prepared in the Spring of 1964 has not been revised and remains the primary source of information.

A vast amount of the material prepared by Ebasco could apply to ANY area of the Portland Metropolitan Area, be it Goose Hollow, Lents, or Wilsonville. The Ebasco Report fails to show where any consideration was given to any area other than the so-called Delta Park Site. Therefore, it appears that no consideration was given to any of the alternate sites reviewed by a Joint City-County Study Committee. It appears from comments made to your Committee that neither the City Parks Commission, the Multnomah County Parks Commission, nor any State of Oregon Parks personnel were consulted as to the feasibility of the Delta Park complex in the master plans of any of the three levels of governmental parks agencies involved.

Whereas statements made in connection with the May proposal appealed to vast segments of the voters, by dangling the bait of tennis courts, riding trails, boating facilities, croquet courts, picnic areas, etc., in addition to a sports arena type facility, the present proposal offers an athletic stadium only, omitting the development of some 1100 other acres in the area, which reduces the appeal to many voters. On the other hand, one factor in the November proposal which may lure some voters is that the County Commissioners have pledged to apply any revenues in excess of operating and maintenance overhead to paying off the bonded indebtedness. Such potential excess revenue was intended to develop other facilities in the Delta Park complex, at the time of the May proposal. Pledging of such revenues is not binding even on the present commissioners, however.

This brings to the fore two questions: First, why, with some 1280 acres in the area, the County Commissioners propose to acquire the site of the Pacific International Livestock Exposition; and second, more curious is the necessity for paying off the nearly one-quarter of a million dollars of indebtedness of the PI, a private, non-profit corporation already supported directly by the State of Oregon with approximately \$65,000 per year from the General Fund, and an additional several thousand dollars through Multnomah County for support of special shows during the PI—not to mention acquiring improved assets from the Oregon Centennial Commission which used PI facilities on a three-year loan basis (during which time the PI continued to draw its state and county incomes). In testimony before the Multnomah County Tax Supervising and Conservation Commission, the County Commissioners stated the debts of the PI were to be assumed, plus "picking up some stock". This apparently refers to preferred stock held by undisclosed persons, but no mention was made as to the value of this stock nor the price to be paid for same.

The intention in May was to have the \$25 million paid off in 25 years at a cost of some \$36,375,000, at about 3½ per cent interest. The Commission now indicates, if the measure passes, it will offer the \$25 million at 3½ per cent interest for 30 years, with the repayment cost being \$40,781,000, or some \$4,406,000 more cost to the taxpayer than the May proposal.

The May intention was for \$1,000,000 annual debt retirement, plus interest charges. The intention now calls for level annual principal-interest payments of \$1,360,000. (If this formula were used on a 25-year basis, the annual cost would be \$1,500,000 with a total repayment of \$37,500,000). This means that by extending the repayment for five additional years, the cost is increased by \$4,406,000, which is over 20 per cent of the proposed cost of the stadium.

Further testimony by the County Commissioners revealed that the bond proposal is a "blank check" for the County Commissioners, as:

- a. They would issue and sell bonds only if they feel that franchises are at hand;
- b. They would not actually obtain the franchises, but would act as landlords to the franchise holders;
- c. The feeling of the *present* County Commission is that IF any monies were realized in excess of operating expenses, the excess would be applied to reduction of bonded indebtedness. This is not binding on present Commissioners, and it is not possible for this Commission to set policy for future Commissions.
- d. Any deficit in operating stadium becomes a general tax obligation of all taxpayers in Multnomah County. During the first four years (construction period) there will be definite operating expenses not now included in County Tax bills, nor chargeable to acquisition and construction.
- e. The bond issue is a general obligation of Multnomah County, NOT a revenue bond;
- f. The bond issue would increase Multnomah County bond debt from 10 per cent to 51 per cent of bonding capacity.

County Commissioners have given no indication of who will control the stadium. (In May, the Commissioners' intention was to create a seven-man commission, three appointed by the County Commission, three by the Commissioners of the City of Portland and the seventh man appointed alternately by City and County Commissioners.) If this format were to continue it would mean the City of Portland would have control of the stadium commission one-half of the time.

Logically, the County Commissioners should appoint all stadium commission members with City of Portland Commissioners not having any voice in naming stadium commissioners.

The September 7, 1964 issue of *Sports Illustrated* quotes "Pete" Rozelle, Commissioner of the National Football League, as saying that the NFL has NO plans for expansion in the immediate future, and that if and when expansion is considered, New Orleans and Atlanta have top priority.

Portland is still the eleventh city in size without major league baseball and only has three-fourths of the city population required to support a franchise, and the Metropolitan Area is only 85 per cent of population requirement. (The Ebasco Report of 1964 stated no franchise would be granted to a city of under 500,000 population or a metropolitan area of under one million population.) Portland, with 375,000 population, and the Greater Portland Area having 850,000 population fails to measure up to either requirement.

Between 1953 and 1962 the birth rate in Oregon dropped 16 per cent (from 24.4 per thousand to 20.3) and the death rate increased by 9.3 per cent (8.6 per thousand to 9.4), which certainly indicates there is not going to be any population increase from present residents. In the Multnomah, Washington, Clackamas county area the population increased by 108,500 between 1950 and 1960, a 17.5 per cent increase. The State of Oregon in the same years increased by 247,350, a 16.2 per cent increase. However, from 1960 to July 1963, the increase was only 30,370 for the tri-county area, or 4.2 per cent, and 87,500 for the state, or 4.9 per cent increase. (These population figures were furnished by the Oregon Census Board on October 16, 1964.) This declining birth rate and an increasing death rate indicate there has not been any population explosion here.

With a record-breaking year for attendance in both the major baseball leagues, nine of the twenty teams had attendance of 862,000 or less, and eleven had less than one million in paid attendance—all in cities that meet the major league criteria for population.

Yet the Ebasco projection shows major league baseball drawing 800,000 persons the first four years of the hypothetical franchise, and one million per year thereafter. This means that the Portland Metropolitan Area of 850,000 is to do better than Cincinnati with 1,071,600; Pittsburgh with its 2,400,000; Chicago with 6,220,000; Houston with 1,243,000; Detroit with 3,760,000; Los Angeles with 6,740,000; Cleveland with 1,796,000; Kansas City with 1,040,000, and Washington, D. C. with 2,002,000.

Table 26, page 85 of the Ebasco Report shows the San Francisco "49ers" National League Football games drawing 32,000 persons per game in 1963 (a high of 52,000 to 53,000 was recorded 1957-59) from a population of 2,783,000.

Table 36, page 107, projects Portland professional football drawing 33,000 per game for the first four years, 37,000 the next four years, and 43,000 thereafter, with a metropolitan population of 850,000. In other words, with about one-third the population, Portland will match the San Francisco attendance figures.

On the other hand, Oakland averaged 17,500 in 1963. Portland is expected to outdraw Oakland two to one at the start, and by two and one-half times after eight years.

In making projections, the Ebasco Report shows two-thirds of the stadium income coming from concessions. Yet, traditionally, the professional teams insist on the concession income as part of the pro team income. (Note the losses incurred by the Los Angeles Angels as a result of the Dodgers' leasing Chavez Ravine to the Angels with the Dodgers keeping the concessions.)

Therefore, referring to Schedule II, page 172 of the Ebasco Report, if the concession revenue had to be turned over to franchise holders and major league baseball was not to be had, the rental income would never equal the projected \$300,000 annual operating expense.

The Ebasco Report on page 102 proposes that nine circus dates now filled at the Coliseum would be moved to the stadium. No increase in attendance is projected. This means, of course, that the Coliseum would suffer this loss of income. This means "robbing Peter (City of Portland) to pay Paul (Multnomah County)".

The questions and objections raised in the May, 1964 Minority Report are still valid, as no evidence has been produced to refute any of the points made in that discussion.

In addition, subsequent inquiry has not produced any answers regarding:

- a. The effect of sunshine and an outside 80-degree temperature on the players and attendees;
- b. The effect of a strong East Columbia Gorge wind on the players and attendees with the open sides of the dome cover, as proposed. (Note the results at Candlestick Park in San Francisco, from winds throughout the year);
- c. The effect of periodic heavy river fog on stadium events, as well as danger to persons traveling to and from the stadium in foggy weather;
- d. Why other sites were not given equal consideration;
- e. Why no attempt was made to integrate a stadium, anywhere, into a City-County Master Park Plan for the best recreation use;
- f. Why land already owned by the City and/or County cannot be used for a stadium site.

## XII. MINORITY CONCLUSION

The voters of Multnomah County have already rejected the Delta Park stadium bond issue once. The Multnomah County Commission has on at least two occasions rejected placing the issue on the November ballot. These negative actions would seem to verify that the site, the costs, and the general proposition are not feasible. Publicity on the measure would indicate that the matter is on the ballot only for reasons of expediency after political pressure was applied from outside Multnomah County and not by any county taxpayer and not by a unanimous vote of the Multnomah County Commission. Reasonable and objective review of projections made by the Ebasco Report can only lead to the sensible conclusion that the Delta Park stadium bond proposal should be opposed. The measure is far too vague for such a multi-million dollar project, and this lack of detail reflects far too little planning and far too much reliance on faith and hope. Forty-one million dollars is an enormous blank check to hand to anyone.

## XIII. MINORITY RECOMMENDATION

Therefore, the minority of your Committee recommends that the City Club go on record in opposition to this measure and urges a "No" vote on Multnomah County Measure No. 6.

Respectfully submitted,

Donald M. Comfort

*For the Minority*

Approved October 15, 1964 by the Research Board for transmittal to the Board of Governors.

Received by the Board of Governors October 16, 1964 and ordered printed and submitted to the membership.



**REPORT  
ON  
PROHIBITING COMMERCIAL FISHING  
FOR SALMON, STEELHEAD**

**(State Measure No. 4)**

**Purpose:** Prohibits commercial fishing for salmon, steelhead in all Oregon inland waters, including boundary rivers. Prohibits all commercial dealings in such fish taken in prohibited areas.

To the Board of Governors,  
The City Club of Portland:

### I. INTRODUCTION

Your Committee was appointed to study and report on Initiative Petition Measure No. 4, proposed and circulated by Save Our Salmon and Steelhead, Inc., Allan L. Kelly, President.

The substantive sections of the proposed measure are contained in Section 2, which provides:

(1) It shall be unlawful to take, catch or fish for any species of *salmo gairdneri*, hereinafter called steelhead, or any species of salmon at anytime, except by hook and line, commonly known as angling, in the waters of any stream or river which empties into the Pacific Ocean or from the tributaries of such streams or rivers, whether within the waters over which the State of Oregon has sole or concurrent jurisdiction. Such waters shall include all bays, inlets, sloughs, lakes, or tidal areas within the boundaries of the State of Oregon or over which the State of Oregon has jurisdiction. Angling shall be subject to the rules and regulations of the Oregon State Game Commission.

(2) No commercial fishing licenses shall be issued to allow taking of any species of salmon or steelhead in the waters described in subsection (1) of this section.

(3) It shall be unlawful for any individual, firm, association, co-partnership, corporation or cooperative in this state, acting on his own account, or for the account of another, to buy, sell, ship, store, process or have in possession for purpose of trade or sale, salmon or steelhead taken from the waters described in subsection (1) of this section by means other than hook and line, commonly known as angling, whether landed in this state or any other state.

(4) Salmon and steelhead while in waters described in subsection (1) of this section are hereby declared to be game fish in the State of Oregon.

(5) The use of any equipment necessary for propagation and authorized scientific study by federal and state agencies is permitted.

(6) All Acts or parts of Acts in conflict with this section are hereby repealed.

Section 1 of the measure repeals ORS 511.055, which presently restricts or prohibits commercial fishing for salmon or steelhead in coastal streams and tributaries south of the mouth of the Columbia River in Oregon.

## II. SCOPE OF RESEARCH AND SOURCES OF INFORMATION

During its study and investigation the Committee as a group or in sub-committee interviewed the following:

Allan L. Kelly, former President, State Division, Izaak Walton League, and President, "Save Our Salmon and Steelhead, Inc."

Rollin Bowles, former member, Oregon State Game Commission, representing "Save Our Salmon and Steelhead, Inc."

Robert Schoning, Director, Oregon State Fish Commission

Theodore Bugas, Treasurer, "Salmon For All, Inc."; Executive Secretary, Columbia River Salmon-Tuna Packers Association; Public Relations Director, Bumble Bee Division, Castle & Cooke

Anthony Netboy, Professor of English, Portland State College; Student of and writer on salmon fisheries throughout the world.

In addition, the Committee corresponded with and received information from Mark Hatfield, Governor, State of Oregon; and P. W. Schneider, Director of the Oregon State Game Commission, as well as from certain federal agencies, and a biologist employed by but not appearing on behalf of the Game Commission.

The Committee also reviewed the following reports and documentary material:

City Club reports on fishing regulation published in 1926, 1928, 1930, 1932 (2), 1942, 1946, 1948, 1954 and 1956;

"An Evaluation of the Status of the Columbia River Summer Steelhead Run", Oregon State Fish Commission, January 16, 1962;

Miscellaneous statistical tables and charts, Oregon State Fish Commission;

Minutes, Governors' Columbia River Fisheries Management Committee, February 6, 1961, August 8, 1961, and January 18, 1962;

"Save Our Salmon and Steelhead, Inc.", reference guide and supplementary material and correspondence;

"Salmon For all, Inc." pamphlet;

Statement by State of Oregon Committee on Natural Resources, Mar. 5, 1964;

"Measuring Recreational Benefits from Natural Resources, with Particular Reference to the Salmon-Steelhead Sport Fishery of Oregon", William G. Brown, Oregon State University, 1964;

"An Economic Evaluation of the Oregon Salmon and Steelhead Sport Fishery", William G. Brown, Ajmer Singh and Emery Castle, Report of the Oregon State Game Commission;

"Economic Values of Salmon and Steelhead Trout in Oregon Rivers", Wesley C. Ballaine and Seymour Fiekowsky, University of Oregon, 1953;

Annual Fish Passage Report, U. S. Army Corps of Engineers, North Pacific Division, 1962;

Numerous newspaper clipping and editorials, the League of Women Voters' "Vote", and an article in *Oregon Voter*, Sept. 19, 1964.

The Committee also borrowed freely from the unpublished City Club committee study report on the 1962 initiative measure to restrict commercial fishing for steelhead on the Columbia River. The study was not published because the measure was not certified for the ballot, due to technical defects in the petition procedure.

### III. BACKGROUND

The Columbia River System is one of the world's largest breeding grounds for anadromous fish (fish that return from the ocean to spawn in fresh water). The main runs of salmon are spring Chinook, summer Chinook, fall Chinook, Silver, Chum and Sockeye (Blueback). With the exception of Chum and Sockeye, these fish are harvested by the commercial off-shore troll fishery from California to Alaska, by the commercial Columbia River fishery, and by sports fishermen both off-shore and in the river. Chum and Sockeye are harvested by the commercial fishery only in the river. There are also two runs of steelhead, winter and summer, which are harvested almost entirely in the river by both sport and commercial fishermen. While steelhead are caught and processed commercially, in dollar value this catch averages less than 10 per cent of the total. Almost all of the commercial Columbia River catch is canned. Fresh and frozen fish generally come from the off-shore catch.

The Columbia River below Bonneville Dam comprises the only Oregon inland waters in which commercial fishing for either salmon or steelhead is presently permitted. The runs of salmon and steelhead are depleted by commercial and sports fishing below Bonneville and by sports fishing and Indian fishing above Bonneville in waters subject to jurisdiction of Oregon, Washington and Idaho. Escapement to the spawning grounds is made up of those fish not caught by the commercial, sports or Indian fisheries.

The authority to regulate, protect, propagate and perpetuate commercial species of fish in the State of Oregon resides in the Oregon Fish Commission. Based on the findings of its staff of biologists and acting in concert with the Washington Department of Fisheries, the Fish Commission now regulates commercial fishing seasons in the Columbia River as it deems necessary to protect and perpetuate the food fish of the Columbia River. For example, the number of days allowed for commercial fishing on the Columbia is jointly determined by the Oregon Fish Commission and the Washington State Department of Fisheries. In regulating the commercial catch, the Commission estimates the size of the run and limits the length of the commercial fishing season so that there will be sufficient escapement of fish to the spawning grounds to perpetuate the runs.

Authority to regulate sport angling resides in the Oregon State Game Commission. The Commission can limit or stop completely sport angling if it finds a fish resource is endangered by excessive harvest.

Because a portion of the system is subject to the jurisdiction of Idaho and Washington, corresponding agencies of these states are also involved.

The Indian fishery is relatively uncontrolled, as a clear determination of Indian rights is still involved in litigation. In the meantime, some tribes regulate themselves in cooperation with the Fish Commission.

The regulation of anadromous fish is not an exact science. Despite the quantities of scientific data systematically collected, many factors affect the size of fish runs which are not subject to accurate evaluation. Among these are the cycles that appear in nature, water conditions, damage to spawning grounds, and others. Also involved to an indeterminate extent is the size of the ocean catch of Columbia River fish. Reference to the great numbers of salmon and steelhead which were in the Columbia in the 1800's and 1890's is not pertinent to this measure. It is undisputed that the Columbia River system will never again support the number of fish that it once did, because of the construction of dams, pollution, logging, and the consequent loss of natural spawning grounds and food. Because of these factors, it is not possible to judge how large a run will result from a given escapement. Two conclusions, however, appear beyond dispute: First, that a run cannot be maintained without adequate escapement, but a large escapement does not necessarily result in a large subsequent run; and second, that the remaining spawning grounds on the Columbia River are limited and that beyond a certain point, additional escapement can produce only waste. Implicit in this statement is

the point of view that the Columbia River fish runs are a natural resource that should not be wasted but should be harvested in accord with the best principles of conservation.

While the Fish Commission presently has the authority to limit or eliminate commercial fishing as a protective measure, it does not have authority to make any decision that hinges on economic or other end-use considerations. It has, therefore, no authority to take a position on the relative merits of commercial utilization as opposed to sports utilization.

An initiative was passed in 1956 which eliminated commercial fishing on all coastal streams, rivers and bays (with one minor exception), south of the mouth of the Columbia River which had not been previously closed to fishing. Most of the major rivers and bays south of the Columbia had been closed for many years prior to that time. In 1962 an initiative which would have restricted commercial fishing for steelhead in the Columbia River was thrown off the ballot because of a technical error in the petition.

#### IV. ARGUMENTS IN FAVOR

1. There has been a marked decline in fish runs in the Columbia River. Steelhead and salmon are approaching permanent depletion. These fish are a valuable natural resource and must be preserved.

2. There is inadequate escapement of fish for spawning above Bonneville Dam.

3. The commercial gillnet fishery is the greatest user of salmon and steelhead. By eliminating this demand, the runs could be restored.

4. The off-shore fishery has been greatly developed, and the river fishery is of decreasing importance.

5. There will not be enough fish for both sport and commercial fishing within Oregon. Sport fishing for salmon and steelhead is becoming more important economically than the declining commercial gillnet fishery in the Columbia River.

6. Oregon sports fishermen have lost their confidence in the agencies responsible for conservation. They oppose the spending of their license money and tax money to enhance a resource only to have it commercially harvested.

7. Passage of this measure will not force industry to Washington, because commercial fishing for steelhead in the Columbia is already prohibited in Washington and sports fishermen in Washington will promote similar legislation prohibiting commercial fishing for salmon.

8. Employment would not be greatly affected. Most gillnetters have other jobs and fish as a sideline.

#### V. ARGUMENTS IN OPPOSITION

1. The runs are not necessarily declining. It depends upon which years are used as a base for measurement and the species of fish involved.

2. The Oregon Fish Commission already has the authority to limit commercial fishing to preserve the resource and has done so.

3. Larger escapements would not necessarily produce larger runs.

4. The commercial interests are conservation minded. They depend on large runs of fish and have helped institute conservation reforms over the years.

5. Closing the river to commercial users will only increase the ocean troll catch which is not now regulated.

6. The resource rightfully belongs to all the people, not just one user.

7. All commercial fishing and processing dependent upon the Columbia River catch would move to Washington. Even then Oregon consumers would not be allowed to purchase salmon or steelhead, canned or fresh, from the Columbia River.

8. Eighty per cent of the commercial fishermen in the Columbia are full-time, professional fishermen who fish elsewhere off-season.

## VI. DISCUSSION

After hearing the arguments pro and con on this measure, the Committee determined that many of the arguments were essentially irrelevant to what the Committee considered to be the primary issues: Conservation and user interest.

In public pronouncements and in discussion with your Committee, the proponents of this initiative insist that it is a conservation measure. Their position is that the fish runs are declining and that there will not be enough fish to sustain both the commercial fishery and sport fishing. The proponents also express a lack of confidence in the regulatory bodies charged with the preservation of the fish resource. The Committee does not agree with either of these assertions.

Useful records of fish population are available only since 1938 when counting was started at Bonneville Dam. The trend line from 1938 to 1962 determined by the Corps of Engineers from the counts at Bonneville Dam of salmon and steelhead combined shows a slight increase in the number of fish passing that dam. (See Figure 1). Some runs are down while others are up, and there are wide fluctuations from year to year; but the total number of fish averages a slow increase. The Columbia River system fishery is fantastically complex and there are many questions to which answers are not yet known. It is clear, however, that the answer is not simply a matter of increasing escapement to create larger runs. In fact, there is professional opinion from biologists, persuasive to the Committee, that too much escapement can overload the spawning grounds and actually reduce future runs. In such event, harvest by the commercial and sports fishery would appear essential to conservation. The Committee was not able to obtain any conclusive evidence indicating that the Columbia River spawning grounds are or are not efficiently utilized.

All those appearing before the Committee agreed that the Oregon Fish and Game Commissions have adequate power and sufficient resources to regulate properly the take of salmon and steelhead in the Columbia. Under existing law, the Oregon and Washington agencies could completely stop commercial fishing in the Columbia if danger to the resource warranted it. Such action has been taken by regulation in Tillamook Bay to preserve the chum salmon. It is the view of the Committee that the state regulatory bodies, with their background of experience and responsibility, including that of expert biologists, are the proper persons to be charged with the preservation of the Columbia River runs and with the attempt to increase them to the maximum that the river system can support. It should be remembered, however, that the two commissions must by law confine their attention to conservation of the resource without regard to the relative economic or social values of commercial or sports use.

Little has been said or is known about the ocean troll fishery, in spite of the fact that most of the Columbia River spawned fish are caught in the ocean. The troll fishery is not only an interstate but also an international problem. Canadian fishermen catch more Columbia River spawned fish than anyone else. The ocean fishery is relatively uncontrolled, and there is evidence that extreme waste results from death of undersize fish thrown back by the ocean fishery. Since Columbia River salmon and steelhead are at their best condition and weight when they begin their run up the river, the ocean troll catches the wrong fish, in the wrong way, and at the wrong time. Ideally there should be more commercial fishing in the river and less in the ocean.

Once the emotionally appealing mantle of conservation has been removed from the initiative measure, what remains is a raw user conflict between the anglers and the commercial fishermen. To propose, however, that the entire Columbia River fish runs are to be preserved only for the benefit of sports fishermen seems extreme to this Committee. Tax money, both federal and state, has built the fish ladders and finances the hatchery program and staffing of the commissions that manage and regulate the Columbia River system. The Committee believes this magnificent fish resource belongs to everyone. There is no more justification for saying the sportsmen should get it all than for saying the commercial fishery should take it all.

In the opinion of the Committee, available information concerning the economic and social considerations in arriving at a reasonable division of use was insufficient to justify the overly simple and drastic solution which this measure represents.

Several years ago, the Joint Senate and House Legislative Interim Committee on Natural Resources suggested that the Fish Commission should be expanded by addition of two members from the Game Commission and this single agency should have exclusive jurisdiction over the regulation of anadromous fish. This suggestion was made because of the potential conflict between the commercial and sports fishermen. Your Committee feels that this type of approach is preferable to "ballot biology" by initiative petition.

In the opinion of your Committee, the measure as drawn may be defective in two respects not involving the substantive merits of the measure:

1. Subsection (3) of Section 2 declares it unlawful for any individual, firm, association, copartnership, corporation, or cooperative in Oregon to buy, sell, ship, store, process or have in possession for the purpose of trade or sale, salmon or steelhead taken from the Columbia River (or other inland waters), other than by angling, *whether landed in Oregon or in any other state*. Although the Committee does not feel competent to furnish a definitive opinion on the meaning or effect of this subsection, it does feel that enforcement will be difficult if not impossible, and perhaps in violation of the United States Constitution. If this section should be declared unconstitutional, however, the balance of the measure could still be effective, since Section 3 of the measure provides that the invalidity of any Section or provision shall not affect the validity of the balance of the measure.

2. The States of Oregon and Washington have concurrent jurisdiction over the waters of the Columbia River and these two states have entered into a Columbia River fish compact, which is embodied in Section 507.010, Oregon Revised Statutes and reads as follows:

"All laws and regulations now existing, or which may be necessary for regulating, protecting or preserving fish in the waters of the Columbia River, over which the States of Oregon and Washington have concurrent jurisdiction, or any other waters within either of said state, which would affect the concurrent jurisdiction, shall be made, changed, altered and amended in whole or in part, only with the mutual consent and approbation of both states."

By virtue of ratification by the United States Congress, the foregoing has the effect of a compact and agreement between the States of Oregon and Washington. Concurrent jurisdiction waters are defined in ORS 507.020 to include the Columbia River and its tributaries within the confines of the States of Oregon and Washington, where such waters are state boundaries. ORS 507.030 provides a procedure for modification of the compact through the Fish Commission of the State of Oregon and the properly constituted authority of the State of Washington. Again, while the Committee does not feel competent to state the effect of ORS 507.010 on the initiative measure, it does feel that the initiative measure may be ineffective unless a similar measure is adopted in Washington, or unless the measure is approved by the State of Washington. However, it can also be argued that the measure is not "necessary for regulating, protecting or preserving" Columbia River fish within the meaning of the compact, and therefore not within its scope.

## VII. CONCLUSIONS

1. It appears to your Committee that the Oregon Fish and Game Commissions are the proper organizations to carry out Oregon's obligations to manage the fish resources of the Columbia River in order to protect and perpetuate the resource. Although adoption of the initiative petition might solve the user conflict, it would foreclose an orderly development of fish regulation through the actions of these two Commissions.

2. While knowledge of Columbia River salmon and steelhead biology is less than complete, it appears at the present time that elimination of the commercial fishery is not necessary to conserve the resource. If elimination of either the commercial or sport harvest is necessary for conservation of the resource in the future, it can better be accomplished by the appropriate Commission within its regulatory authority.

3. The measure adopts a harsh and unnecessary solution to the user conflict. In spite of statements by both sides in the controversy, the economic and social consequences of adopting the measure are not clear.

4. The measure as drawn may present technical problems of enforcement and of legal effect.

## VIII. RECOMMENDATION

Your Committee unanimously recommends that the City Club go on record as opposing this measure and urges a vote of "No" on State Measure No. 4.

Respectfully submitted,

Michael M. Brand  
Dr. Gerald L. Cogan  
Lloyd B. Rosenfeld  
Bruce H. Russell  
Don W. Schafroth, Ph.D.  
Verne Wheelwright  
Campbell Richardson, *Chairman*

Approved October 16, 1964 by the Research Board for transmittal to the Board of Governors.

Received by the Board of Governors October 19, 1964 and ordered printed and submitted to the membership for presentation and action.

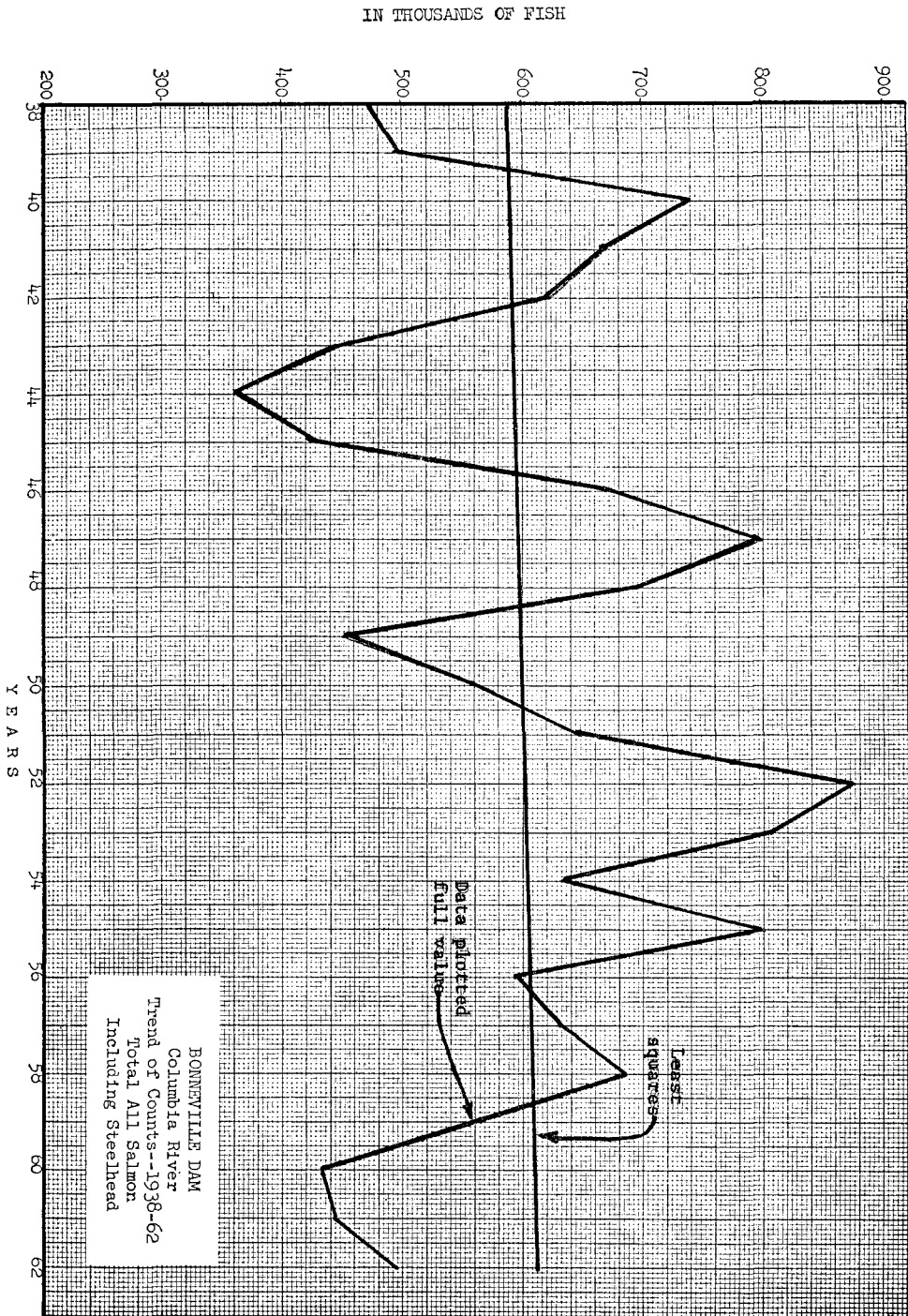


FIGURE 1