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PORTLAND

City Club

BULLETIN

MAYFAIR ROOM - BENSON HOTEL
FRIDAY . . . 12:10 P. M.

PORTLAND, OREGON - Apr. 16, 1965 - Vol. 45, No. 46

For presentation, discussion and action on Friday, April 16, 1965:

REPORT
ON

**PORT MANAGEMENT, OPERATION AND
DEVELOPMENT IN THE
METROPOLITAN PORTLAND
and
COLUMBIA RIVER AREA**

The Committee: Leo H. Baruh, F. W. Beichley, Roy F. Bessey, John H. Buttler, Robert E. Dodge, John E. Huisman, P. S. McAllister, Norman B. Ronning, Dirk Snel and McDannell Brown, *Chairman.*

For the Majority

Roscoe A. Day, Jr., and Edward L. Fitzgibbon.

For the Minority

*"To inform its members and the community in public matters and to
arouse in them a realization of the obligations of citizenship."*



PORTLAND, OREGON, HARBOR CORE AREA

TABLE OF CONTENTS**I. ASSIGNMENT****II. INTRODUCTION****III. SCOPE OF INQUIRY****IV. THE COLUMBIA RIVER AS A WORLD PORT**

- A. HISTORIC DEVELOPMENT**
- B. GEOGRAPHY, ECONOMY AND WATERWAYS OF THE COLUMBIA**
 - 1. The Region Served: Economy and Growth
 - 2. The Columbia Harbor a Unit
- C. COLUMBIA RIVER PORTS AND THEIR ORGANIZATION**
- D. UNIQUENESS OF PORT OPERATIONS IN METROPOLITAN PORTLAND**

V. THE PORT OF PORTLAND

- A. ORIGIN, NATURE AND PURPOSES**
- B. MARINE AND HARBOR ACTIVITIES**
 - 1. Channel and Harbor Maintenance
 - 2. Ship Repair Facilities
 - 3. Towage
 - 4. Container Cargo Facility
 - 5. Revenue and Expense
- C. INDUSTRIAL DEVELOPMENT AND REAL ESTATE OPERATIONS**
 - 1. Beginnings of Industrial Development
 - 2. The industrial sites
 - The Swan Island Industrial Park
 - The Portland International Airport Industrial District
 - Rivergate Industrial District
 - 3. Rivergate and the Future
- D. THE PORTLAND INTERNATIONAL AIRPORT AND AIR TRAFFIC**
 - 1. Facilities
 - 2. Industrial Park
 - 3. Financial Situation
 - 4. Airport Planning
- E. THE TANGLED SKEIN OF STATUTES AND LAW REVISION**

VI. THE COMMISSION OF PUBLIC DOCKS

- A. GENERAL FUNCTIONS**
- B. THE TERMINALS**
- C. DOCKS DEVELOPMENT PROGRAM**
- D. OPERATIONAL PROBLEMS**
- E. RELATIONS WITH OTHER GROUPS**
 - 1. The Clientele Groups
 - 2. With the Port of Portland
- F. GOVERNMENTAL FUNCTIONS**

VII. THE MODERN PORT CONCEPT

VIII. MAJORITY DISCUSSION AND CONCLUSIONS

A. PORT ORGANIZATION FOR THE FUTURE

B. PORT REORGANIZATION

1. Bi-State Columbia River Authority
2. Oregon State Port Authority
3. Oregon Port Authority of the Columbia
4. Regional Port Districts on the Columbia
5. Unification of the Port of Portland and the Commission of Public Docks
6. Metropolitan Port District
7. Law Revision
8. Organizational Study

IX. MAJORITY RECOMMENDATIONS

Phase 1.

Phase 2.

X. MINORITY DISCUSSION

XI. MINORITY CONCLUSIONS

XII. MINORITY RECOMMENDATION

Appendices:

- A. Interviews
- B. Bibliography

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**REPORT
ON
PORT MANAGEMENT, OPERATION AND
DEVELOPMENT IN THE
METROPOLITAN PORTLAND
and
COLUMBIA RIVER AREA**

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

I. ASSIGNMENT

Your Committee was authorized and directed to "consider the organization and functioning of the public bodies charged with the responsibility in the field of port management, operation and development in the Columbia River area" and "to recommend any changes which may appear desirable in the organization and functioning of such bodies, including but not limited to merger, reorganization, or modification of their areas of jurisdiction."

II. INTRODUCTION

Your Committee has considered whether the design, direction and activity of port operations within the Columbia River system, and especially within Metropolitan Portland, require basic and significant changes. Challenges arising from population growth and economic change dictate this examination. The region possesses rich blessings—advantageous geographic location, strategic waterways, natural resources, abundant power, and human talents—which, if properly appreciated and exploited can enable the myriad of port operations to meet these challenges and yield substantial benefits.

III. SCOPE OF INQUIRY

From the time your Committee organized on February 15, 1962, it has held over 40 meetings and interviews. Twenty-nine meetings were with representatives of those industrial and occupation groups directly involved with port operations. Your Committee also interviewed the Portland Commission of Public Docks, the Board of Commissioners of the Port of Portland, their respective staffs, Portland's Mayor Terry D. Schruck, Oregon's Governor Mark O. Hatfield, and several officials and spokesmen for individual ports and regional authorities and associations from throughout the country. These interviews are listed as Appendix A to this report. Your Committee also studied a substantial number of reports, brochures, audits, newspaper clippings and other literature, the more pertinent of which are listed in Appendix B.

The fact-gathering phase of your Committee's activity was followed by numerous conferences in an effort to achieve consensus on the issues involved.

Your Committee acknowledges the courteous cooperation given it by both the Commission of Public Docks of the City of Portland and the Port of Portland throughout all phases of the Committee's work. Not only did the two Commissions and their staff members discuss their problems, projects and programs frankly and informatively, but they were ready at all times to assist your Committee with its research. Moreover, both Governor Hatfield and Mayor Schruck impressed the Committee with their grasp and appraisals of port operations, although the appraisals and suggested solutions of each differed materially.

IV. THE COLUMBIA RIVER AS A WORLD PORT

A. HISTORIC DEVELOPMENT

The Columbia River system, with its deep penetration into the interior, is unique on the American West Coast. The entire basin has played a vital role in the exploration, settlement, economic development and commerce of the American West. It has, moreover, achieved significance as a port of call in world commerce.

Before 1792, only Indian canoes were seen on the waterways within the Columbia Basin—a localized and isolated traffic carrying on a primitive commerce. Captain Robert Gray's discovery of the river's mouth in 1792, followed by the explorations of Captain George Vancouver, and Lewis and Clark, terminated this era of primitive isolation and ushered in a new era converting the Columbia Basin into a frontier outpost for British and American interests. During the next 40 years, the traders, explorers, hunters and adventurers who came to this area did little to establish a self-sufficient economic region congenial to more advanced settlement, but busied themselves with extracting and exporting the region's varied wealth, principally furs. A flourishing maritime fleet soon provided the vital link in the fur trade, connecting the Columbia Basin with Atlantic and European ports. With the exploration and development of trails and wagon roads this maritime traffic was supplemented by transcontinental overland traffic in furs and other commodities. At the height of this frontier period, fur trading posts were established throughout the Columbia region as far inland as Fort Hall on the Upper Snake River.

The frontier era gave way to agrarian settlements during the late 1840's in the Willamette and Cowlitz Valleys, where well watered and green land attracted new settlers. However, the older maritime tradition complemented the newer agrarian settlements in the development of the area, especially at the village of Portland near the Willamette River's mouth. The orientation here, contrastingly, was mercantile and tended strongly toward the development of shipping, inland water traffic, land transportation and commerce—toward port and city building. The early village of Portland outstripped its old rivals in this activity, and by 1851, the year of its incorporation, Portland had begun to take on the aspect of a seaport and was exporting a substantial volume of grain and lumber by ocean ships to the growing markets of California. Concurrently, the Columbia and Puget Sound ports assumed rival roles as gateways for maritime commerce with the Orient. The clipper ship trade and the establishment of the Oregon Steam Navigation Company with its fleet of river and deep-sea vessels, advanced the development of cargo and passenger traffic and the increasing significance of Portland as a world port.

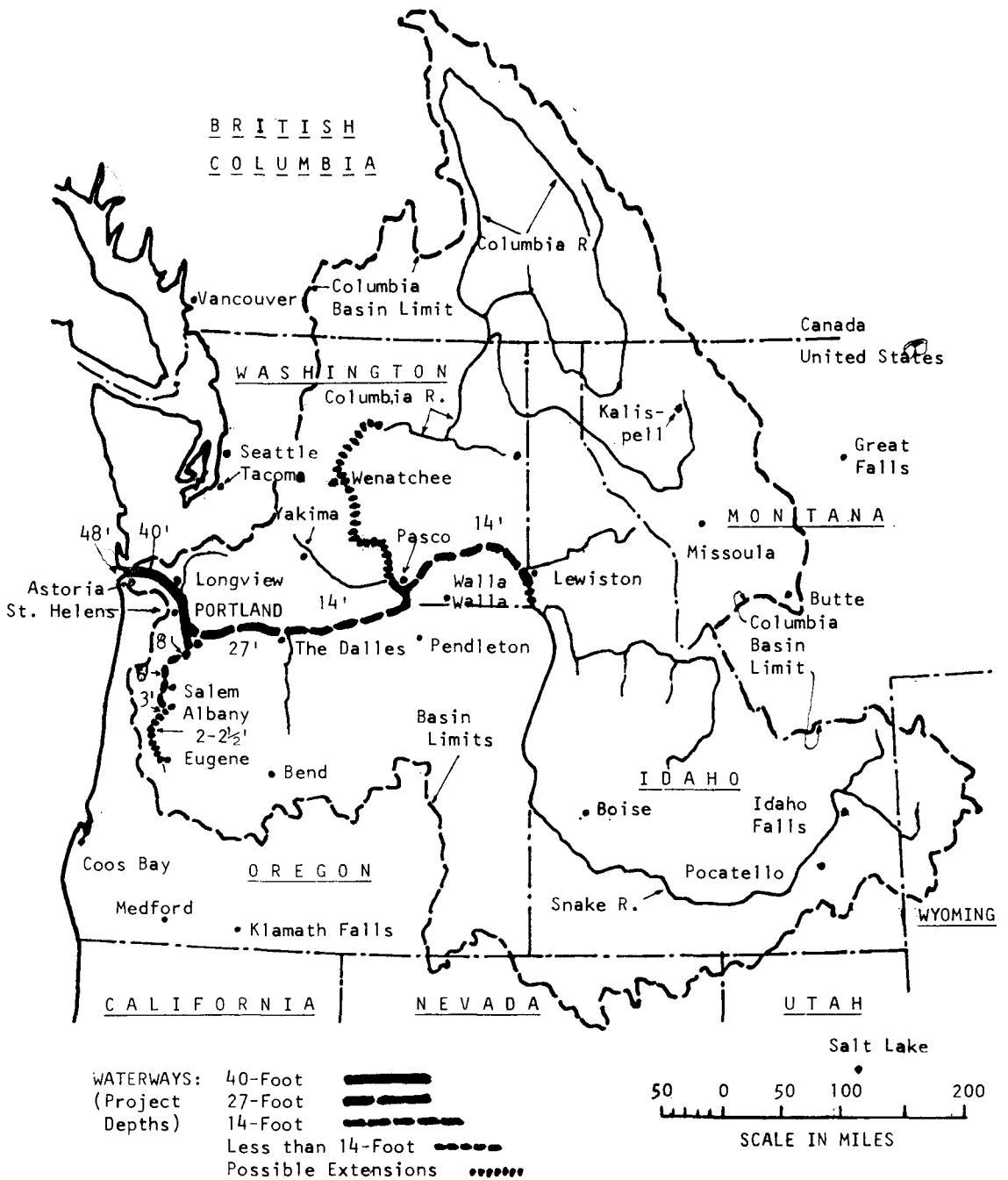
By the 1880's a more diversified and self-sustaining economy within the region was emerging. Frontier characteristics gradually became vestigial. Expansion took place in land settlement, agriculture, lumbering, fishing, and marketing. Before the end of the century, three northern transcontinental railroads came to the Basin, and rail connections with Puget Sound and California were well established.

B. GEOGRAPHY, ECONOMY AND WATERWAYS OF THE COLUMBIA

1. THE REGION SERVED: ECONOMY AND GROWTH

As in many American river basins, the hinterland areas served by the Columbia harbor and port complex are diffuse and elastic, varying with the commodity handled or the services required. In some respects the easterly limits reach considerably beyond the physical Columbia Basin. However, that outer territory is shared with other Pacific Coast and Gulf ports. Part of the Columbia Basin itself is shared, as hinterland, with Puget Sound ports. In some degree, the services of the Columbia as a national and world port extend throughout the nation and beyond.

The destiny of the Columbia ports is most intimately bound with that of the Columbia Basin, which forms the core of the larger Pacific Northwest region.



PACIFIC NORTHWEST REGION -- COLUMBIA BASIN -- NAVIGABLE WATERWAY PROJECTS

FIGURE 1.

The Pacific Northwest is a vast region of nearly 300,000 square miles and nearly six million people. Physiographically, it comprises the Columbia Basin of 220,000 square miles, the interior drainages in Oregon, and the coastal and Puget Sound drainages of Oregon and Washington. In political terms, it includes Oregon, Washington, Idaho and Western Montana. In area, it is roughly one-tenth of the contiguous United States; but in population, is only about one-thirtieth.

The regional economy depends heavily upon primary resources of forests and agriculture, and industries in those fields are dominant. The river system has played a vital role in economic development, especially in irrigation and power, as well as transportation. The region's low-cost hydroelectric power, under intensive development since the 1930's, is a factor in widening industrial production. Further industrial expansion and diversification is in progress in manufacturing and in scientific and technical fields. The water resources of the region, amounting to half of those of the entire western half of the nation, are still, in relative terms, unexploited.

Lands fronting on the navigable rivers of the Columbia system are extensive, but such areas that are suited topographically and locationally for port-terminal and water-oriented industry are relatively scarce in relation to increasing demands for such uses and for water-connected recreation activity.

The region's apparent relative economic immaturity is reflected in its "balance of trade." Its exports consist predominantly of products of forestry and agriculture, in considerable part unprocessed or semi-processed. The notable exception is, of course, products of the aluminum industry. More highly processed manufacturers are dominant in imports. In bulk and tonnage the exports greatly exceed the imports.

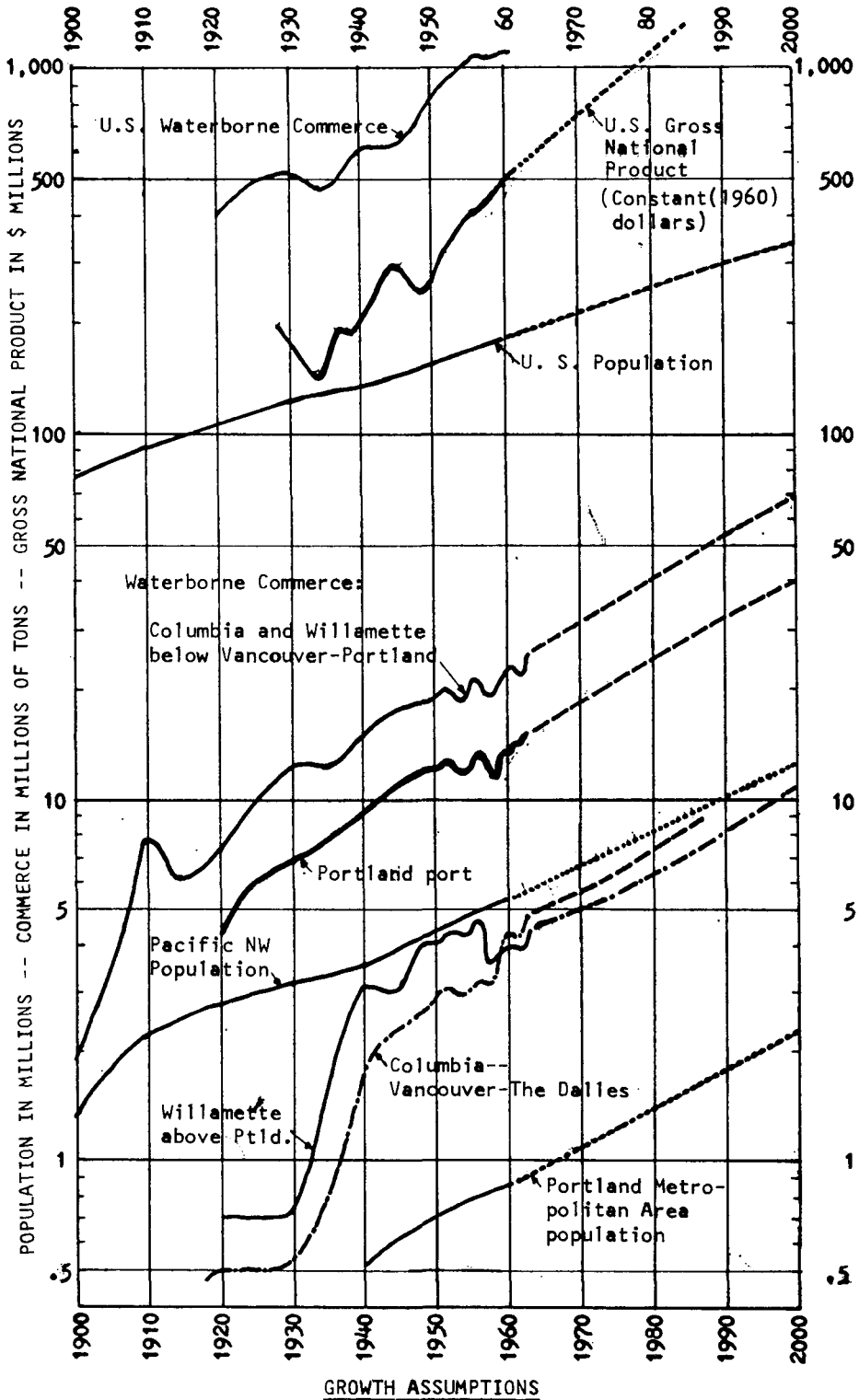
The general perspective of regional growth in population, in industry, and in the volume and diversity of economic opportunity would necessarily be of concern in planning, design, development, organization, and management of the Columbia harbor and port. Figure 2 shows past growth and assumptions for the future.

Projected, or assumed, regional growth between 1960 and 2010 is substantial. Population may almost triple, as shown by the following table, and the chart, Figure 2.

Area	Population in Millions		
	1960	1985	2010
United States	180	270	375
Oregon	1.8	3.0	5.0
Washington	2.9	4.7	7.9
Idaho .....	.7	1.0	1.5
Western Montana .....	.2	.3	.5
Pacific Northwest Totals	5.6	9.0	15.0
Columbia Basin	3.3	5.3	8.5
Lower Columbia-Willamette Tributary Area ..	1.8	3.1	4.9
Willamette Basin	1.2	2.2	3.9
Metropolitan Portland (Oregon & Washington) ...	.9	1.6	2.8
Metropolitan Portland (Oregon only) .....	.7	1.3	2.3

(Growth figures are based on assumptions used in intergovernmental studies of river basin development in the region, as Columbia Basin inter-Agency Committee and subcommittees.)

Like the Gross National Product shown in Figure 2, the corresponding regional product may be expected to increase at a compounding rate, well above that of population. In the Pacific Northwest the gross product is expected to increase about six-fold over the 50-year period, while the population may increase a little less than three-fold.



GROWTH ASSUMPTIONS

SIGNIFICANT INDICATORS OF GROWTH TRENDS -- PAST AND POTENTIAL

Sources: Reports of Chief of Engineers; Statistical Abstract of the U. S.; U. S. Census Reports.

(FIGURE 2: GROWTH CHART)

Because of the Basin's and region's present relative economic immaturity previously mentioned, manufacturing is expected to grow at a rate somewhat higher than population increase.

Waterborne commerce can be expected to grow at a rate somewhere between that of population and the gross product of the region. With continuing river and harbor improvements, Lower Columbia traffic should double by 1985 and at least treble by 2010, while Mid-Columbia traffic should quadruple by 2010. Obviously, additional waterway improvements will aid in increasing traffic. Other technological developments connected with waterborne commerce include: increased capacities of ships and barges; improved cargo-handling techniques, including containerized general cargo and automated handling of bulk materials, and modern deep-water and inland barge carriers. The reasonable assumption is that these developments will be linked reciprocally to industrial, commercial, traffic and economic growth of the Basin and region.

2. THE COLUMBIA HARBOR AS A UNIT

The waterways, harbors and ports of the Columbia system serve the region and nation more or less as a large-scale, integral unit. They provide a unique and strategic "water level" gateway extending from the Pacific deep into the continental interior—a central artery serving the traffic fortunes of the region. The geographic unity of the Basin suggests the broad concept of the Columbia as a single harbor and port.

a. Waterways and Their Development

The waterways of the Columbia Basin may be considered under the following divisions:

The seaways—

- the Lower Columbia and Willamette waterway from the sea to Vancouver and Portland
- the Intermediate-depth waterway from Vancouver to The Dalles

The inland waterways—

- the Columbia-Snake inland waterway system extending from the sea through the Middle Columbia and Lower Snake
- the Willamette inland waterway spur, extending from the Columbia confluence through the Middle Willamette

The intra-coastal waterway—

(1) The Seaways

(a) *Lower Columbia and Willamette.* River mouth and channel improvement of the Columbia began in 1877. Successive Federal projects deepened the channel from the sea to Vancouver and Portland's Broadway Bridge on the Willamette to its present 35-foot depth and included a turning basin at Vancouver and auxiliary channels at Longview, St. Helens, Westport and Rainier. Congressional action in 1964 authorized widening the channel and deepening it to 40 feet. These greater dimension were deemed essential to meet the strong trend toward larger ships, especially supertankers. Spoil from the expanded channel dredging could be used, as feasible, for the expansion and improvement of port terminal, industrial, and other waterfront sites.

(b) *Intermediate-depth waterway.* The waterway from Vancouver to The Dalles is currently authorized at a 27-foot depth, although work on this project is still incomplete and in abeyance. Moreover, ocean shipping in this river reach is inhibited by a combination of chamber, channel and wind conditions at the Bonneville lock and its approaches, and in the Columbia Gorge. New lock and approaches at Bonneville, to serve both marine and inland shipping better, have been considered, but the project has not yet been recommended by the Corps of

Engineers as economically feasible. Development of deeper draft marine traffic through to The Dalles will depend upon a number of concurrent developments, specifically: expansion of the aluminum industry at The Dalles; increased numbers of industrial locations involving bulk shipment, and development of ships and barges suited to such marine and inland services.

(2) The Inland Waterways

(a) *Upper Columbia-Snake Waterway.* Until the completion of the Bonneville Dam project in 1938 and the subsequent promise of extended slackwater improvement in the McNary Dam and succeeding project authorizations, use and growth of the Columbia's inland waterways were sporadic because of interference of rapids and shoals. A 9 x 250-foot minimum slackwater channel project extending to Lewiston, Idaho, is currently authorized. Its proposed extension beyond Lewiston would reach Lime Point (mile 495) near a promising industrial limestone source. Additional proposals, if carried out, would provide a 113-mile spur from the mouth of the Snake to Rock Island Dam near Wenatchee and an additional 92-mile extension to Chief Joseph Dam. There is already ample allowance for depth of water over all lock-chamber sills to permit the ready increase of the ruling waterway depth from 9 to 14 or 15 feet.

Spectacular increases in post-Bonneville traffic volume, together with the improved waterway standards, now in early prospect, suggest that within 25 years, the Middle Columbia-Snake waterway's annual traffic volume may reach nine or ten million tons. Traffic on the Upper Columbia extension may, at the same time, be of the order of two million tons. The largest tonnages may be expected in limestone, other minerals, grain, petroleum, and construction and industrial materials and products.⁽¹⁾

(b) *Willamette Waterway.* Although the lower 12 miles of the Willamette River waterway integrate with the deep-channel projects, present-day traffic above Oregon City is limited, primarily to logs. A comprehensive plan, instituted by the Corps of Engineers in 1938 for multi-purpose development of the Willamette, is currently being revised under an intergovernmental study to be completed in 1969. Presently authorized projects call for an 8-foot channel from Portland to Oregon City with channel depth diminishing gradually to Eugene. If developed to a higher standard, this spur of the Columbia system serving a very rich, urbanized, industrialized valley, could materially assist economic development.

(3) Intra-coastal Waterway

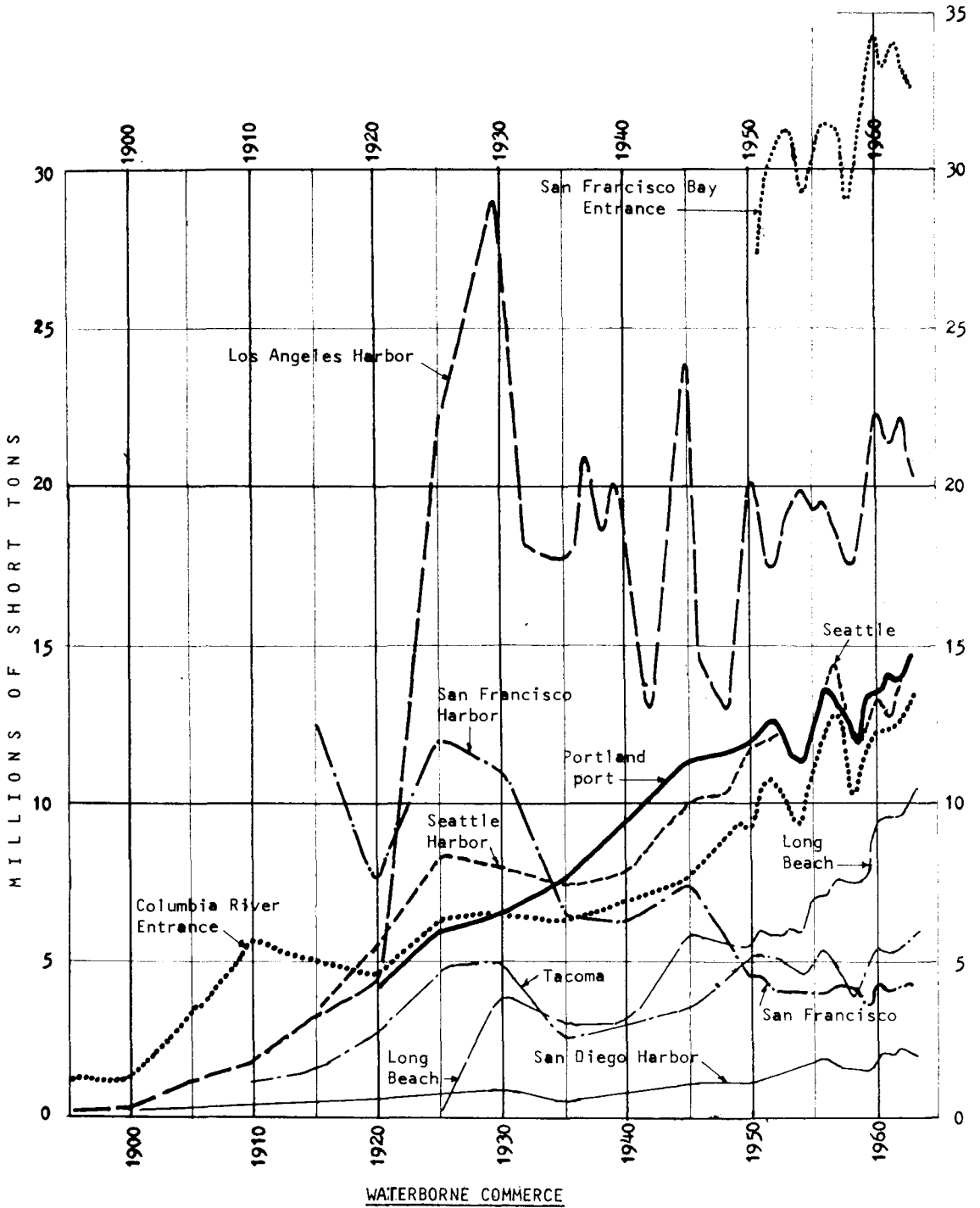
In consideration of the long-range future of the Columbia waterways, a proposed intracoastal waterway, connecting the Lower Columbia and Puget Sound, is currently under investigation by the State of Washington and the Corps of Engineers.

b. The Traffic

Growth of waterborne commerce of the Columbia Basin directly influences general consideration of its port policy. Figure 3, below, shows the total commerce of Columbia and other major Pacific Coast ports in comparison with United States totals, for several decades.

Figure 4 shows waterborne commerce as it is allocated to Columbia River ports during the same period.

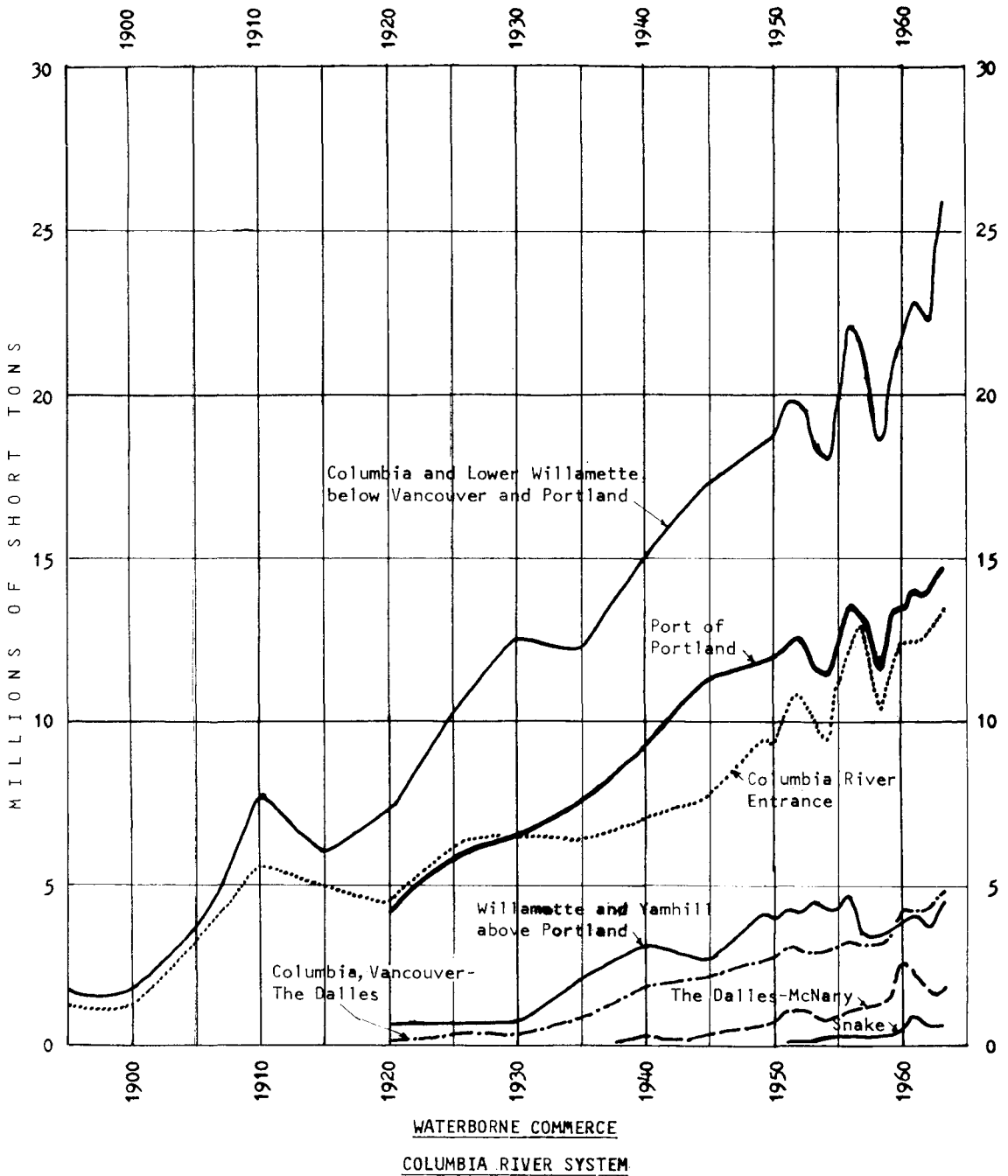
⁽¹⁾ Reports of the Corps of Engineers, North Pacific Division, and of Ivan Bloch and Associates.



PORTLAND AND OTHER MAJOR PACIFIC COAST PORTS

Source: Reports of Chief of Engineers, U. S. Army.

FIGURE 3.



Source: Reports of Chief of Engineers, U.S. Army.

FIGURE 4.

The accompanying table indicates, as of 1960, the relationship of Columbia River and Portland tonnage to that carried by all the nation's waterway systems.

COMPARATIVE WATERBORNE COMMERCE, 1960
(in Millions of Short Tons)

United States

Net total					1,099,850
Foreign			339.276		
Imports	211.316				
Exports	127.960				
Domestic			760.573		
Coastwise	209.179				
Lakewise	155.109				
Internal	291.057				
Intra-port	48.471				
Local	54.722				
Intra-territory	1.017				
	Foreign		Coastwise		
	Imports	Exports	Receipts	Shipments	Total
San Francisco Bay, Entrance	6.907	4.720	12.196	10.507	34.330
Columbia River, Entrance .....	.746	5.114	5.863	.770	12.493
Columbia River System	Vessel Traffic		Through Vessel	Through Rafted	Total
Columbia and Lower Willamette to Vancouver and Portland	17.121	3.130	.349	1.266	21.867
		Vessel Traffic	Rafted	Through Traffic	Total
Willamette—above Portland		2.063	1.828	.174	4.065
Columbia, Vancouver-The Dalles		1.347	1.198	1.804	4.349
Columbia, The Dalles-McNary		1.333		1.372	2.704
Columbia, McNary-Kennewick .....		.799		.621	1.402
Snake River .....					.643
Columbia River Ports					
Portland		12.819	.730		13.549
Vancouver		1.955	.544		2.500
St. Helens .....		.208	.351		.559
Longview		2.295	.653		2.948
Astoria .....		.295	.059		.354
Ports other than above .....		.330	.622		.952
Other Pacific Coast Ports					
Oregon—Coos Bay		1.398	1.828		3.225
Washington, Puget Sound Ports					
Seattle		12.418	.973		13.391
Tacoma		3.922	1.402		5.324
Bellingham		1.226	.483		1.709
Anacortes		7.427	.284		7.710
Everett .....		.655	2.568		3.222
Olympia .....		.741	.317		1.058
Port Angeles .....		.855	1.130		1.984
Alaska—Ketchikan .....		.305	.711		1.016
California					
San Francisco					4.366
Richmond					17.264
Oakland					4.245
Redwood City					3.241
Sacramento River					2.121
San Joaquin River (including Stockton)					4.467
Los Angeles					22.495
Long Beach					9.398
San Diego					2.136

Source: Reports of Chief of Engineers, Department of the Army

The Columbia River is shown as presently accounting for less than 2 per cent of the country's foreign commerce, in relation to San Francisco Bay's approximate 3 per cent. The Columbia accounts for about 3 per cent of the national coastwise traffic, in relation to 10 per cent for San Francisco Bay. The percentage of national internal traffic carried by the Columbia is about 3 per cent—or about 10 million tons out of a total of nearly 300 million.

The place of Portland among the Columbia and Pacific Coast ports, its dominant position in the Columbia River system, and its favorable position among all Pacific Coast ports is established. Portland ranks particularly high if petroleum traffic is discounted.

The dominant types of cargo vary among the major Pacific ports—as in the case of petroleum in Southern California exports and Pacific Northwest imports, and of timber products and grain in Pacific Northwest exports. However, all of the major ports are competing to some degree in long-distance general cargo movements.

The general character of the commerce of the Columbia Basin may be summarized as follows:

1. Ocean traffic dominates in movements and tonnage in the river reach between the sea and Portland-Vancouver. Traffic at the river mouth is almost equally divided between foreign and coastwise shipping.
2. Cargo is diversified. However, grains, flour and forest products dominate outbound traffic, and petroleum products, ores, metals and their products dominate inbound traffic. Pulp, paper products, and rafted logs are major tonnages in outbound and internal traffic.
3. The inland waterway movements above Vancouver are dominated by downriver grains and upriver petroleum. Traffic in building materials, cement, fertilizers and other bulk materials is also significant.
4. In the Willamette above Portland, log traffic is dominant.

In addition to the foregoing, the commerce of Portland also has the following characteristics:

1. Inbound coastwise traffic features iron and steel products, motor vehicles, and industrial chemicals. Prominent items outbound include lumber, paper, food products, groceries, and general commodities.
2. Internal traffic receipts are dominated by grain and shipments of logs, poles and piling, building materials, fertilizers and chemicals.
3. Containerized domestic cargo, a feature of Portland traffic, has varied in volume since its beginnings in the late 1940's, ranging from about a quarter-million to nearly a million tons annually. The potential for development of foreign containerized traffic of a half-million tons or more in the next ten years is especially notable.

Admittedly, tonnage comparisons of various ports do not provide an accurate comparison of the extent of their activities because of the differences in commodity type. However, general cargo movements affect all the major ports and constitute the basis for realistic comparisons.

C. COLUMBIA RIVER PORTS AND THEIR ORGANIZATION

Port development and operations along the Columbia, broadly surveyed by your Committee, are varied in purpose, type, function, organizational structure, program, and stage of development. More than a score of port agencies have been established along the seaway and inland waterway reaches of the Columbia in Oregon and Washington, with the Portland-Vancouver-Longview agencies operating at the major crossroads of traffic activity.

The seaports to be served by the projected 40-foot channel are:

Oregon	Washington
Astoria	Longview
St. Helens	Kalama
Portland	Vancouver

Additional seaports to be served by the as yet incomplete 27-foot channel project, are:

Hood River	Camas-Washougal
The Dalles	

The Dalles, at the head of the 27-foot channel, has not functioned truly as a seaport because of the incomplete state of channel improvement, and of certain disadvantages of operating conventional marine shipping in and near the Bonneville locks.

The score of inland waterway ports, in addition to the seaports, are divided between Oregon and Washington, and include:

Oregon	Washington
Cascade Locks	Ilwaco
Hood River	Chinook
The Dalles	Wahkiakum
Morrow County	Woodland
Arlington	Ridgefield
Umatilla	Camas-Washougal
	North Bonneville
	Wind River
	Klickitat County
	Kennewick
	Pasco
	Walla Walla
	Benton County

They are diverse in purpose, character, supporting territory and status. Pending the further improvement of the Middle and Upper Columbia and the Snake trunk inland waterways to the 14-foot slackwater standard, these ports and the general pattern of organization are now in early stages of development and operation. Hopefully, these improvements will result in the further expansion and diversification of inland and sea-inland barge traffic and of water-oriented industries. The primary objects of most are still largely promotional, with respect to industrial location and fostering traffic interchange facilities. Public port facilities, investments and activities are still limited, but are most advanced in the Pasco-Kennewick and in The Dalles areas.

The general pattern of development is one of fragmentation and limited coordination in development and operations. This may present organizational problems, because broader, intensive developments are likely to cluster around larger centers of districts greater in area than the territorial limits of the various port districts. The strategic areas are apt to be those where water and land transportation coalesce and where conditions favor industrial locations. Coordination of facilities, operations and organization will be especially desirable in such areas. Illustratively, such areas for coordinated operations might include reaches such as The Dalles-Celilo, Boardman-Umatilla, Pasco-Kennewick-Wallula, and Lewiston-Clarkston, all on the Columbia-Snake waterway, and Portland-Oregon City Salem-Albany-Corvallis and eventually Eugene, on the Willamette.

Your Committee sent a questionnaire to 24 Oregon and Washington port organizations outside of Portland on the Lower and Middle Columbia River. Sixteen agencies answered, including most of those established on an operating basis. The general findings were as follows:

1. All but two of these port agencies were formed under the laws of the respective states and are operating under port commissions created in accordance with state statute. The remaining two were agencies operated by municipalities.

2. Port agency operations covered a wide range. Eleven included docks and six, warehouses. In five cases, industrial area promotion was included in port functions. Among other types of operation, airport and aviation activities were included in two instances, and bridge operations in four. Seven agencies have loading and unloading equipment; four have warehouse space, and four have open storage areas. One has refrigerated space.

3. Capital investments vary widely from less than \$100,000 to \$7 million.

4. Types of cargo handled were both special and general. About one-quarter of the ports might be characterized as handling general cargo. Half featured dry cargo, and about one-quarter, wet. One handled air cargo, and one refrigerated cargo.

5. The reported annual tonnage covered a wide range—from about 10 thousand to 4 million tons.

Those ports not responding to the questionnaire were generally small, underdeveloped, and undercapitalized. These ports, primarily inland waterway ports, are at a special disadvantage in developing or holding any substantial tonnage or diversified business, due to lack of territory, or financial and organizational means to provide the facilities and to conduct port business effectively.

So far, there appears to be no general, basin-wide pattern, policy, plan, or organizational design consistent with the conditions and requirements as to terrain, connecting transportation, economical traffic movements and interchanges, industrial location, community development, port area and hinterland services, and other factors.

House Bill 1835, introduced—with Governor Hatfield's sponsorship—in the 1963 Oregon Legislature, sought to create a special study commission to review problems of ports and of the strengthening and simplification of port organizations. Possible state-wide, basin-wide and bi-state organizational arrangements were to be considered. Another possibility could be the clustering of local ports into area complexes through federation or consolidation which collectively would cover the navigable waterfronts of the entire river system. This bill was never enacted, but another version of it, H.B. 1050, has been introduced in the current 1965 Legislature.

At the present time, existing coordination and liaison among the various port districts is limited. The Washington Public Ports Association serves as the official coordinating agency for the port districts of that state. The Association deals with financial support, taxation and tax base, and operational and housekeeping procedures. The Association was rejuvenated after the 1961 Washington legislative session, when it undertook to reorganize by developing state-wide programs and employing a full-time executive secretary. Since then, it has made specific suggestions for financial support of its member port districts. It proposed extension of the industrial levy under which ports may levy a 2-mill tax for industrial development for "six successive years only". The extension of this authority is vital to the ports of Bellingham, Camas-Washougal, Kalama, Klickitat and Vancouver, which have used the levy since 1958 and will lose this source of revenue in 1965 unless an extension is granted.

Furthermore, the Association is seeking the Washington legislature's assistance in authorizing several "housekeeping" measures which would greatly facilitate future operations of the ports without seriously changing the legal structure under which these operations are conducted. These include: more simplified procedures for dissolving dormant port districts; less cumbersome elections of port commissioners, and revision of sale procedures of industrial lands.

In addition, partially attributable to the Association's work, notable physical improvements are underway at several of Washington's Columbia River ports, including a grain elevator at Kalama, ship loading facilities at Longview, terminal facilities at Vancouver, and industrial space at Longview, Camas-Washougal, Pasco and Kennewick.

Oregon does not now have a comparable organization. There does exist an Oregon State Public Port Authorities Association which functions as a limited advisory clearing house, but the Oregon Association, unlike the Washington Association, is a private, voluntary association and does not operate under official sanctions.

The Columbia port situation poses serious problems arising from its fragmented pattern, and its haphazard, piecemeal development. In essence, the problem is one of converting a loose aggregation of independent and competing units into a reasonably coordinated system, consistent with the Columbia Basin's geography, capabilities, and cargo movements. In espousing closer basin-wide coordination, one is tempted to invoke the spectre of competing, neighboring port districts which have neither the capacity, finances, nor supporting economic area to emerge individually as major ports. However, careful study should be made before advocating the elimination of unnecessary, or dormant ports, without taking into account possibilities for growth or rejuvenation. An illustration is the impressive development of the Port of Longview, nicknamed the "Port of Personal Service", in the past thirty years, attributable to aggressive sales and service in promoting cargo movements there. Thus, in order for the Columbia River ports to pull together as a team, it is not essential or justifiable that they lose their identity.

D. UNIQUENESS OF PORT OPERATIONS IN METROPOLITAN PORTLAND

Every examination of the existing management of Portland harbor must eventually confront the unique duet under which the medley of marine dockage, dredging, aviation, planning and promotional activities is arranged. As a result of certain events in its history, Portland harbor is serviced by not just one, but two local organizations: one called the Port of Portland, a municipal corporation created in 1891 by the Oregon Legislature, and the other, the Commission of Public Docks, an autonomous department of the City of Portland, created in 1910 by amendment to the City Charter. These two agencies are often confused in the minds of the public.

The enumerated powers, tax base and territorial jurisdiction of the two entities substantially overlap, and it is a tribute to their respective governing bodies and staffs that the overlapping provisions contained in their enabling laws have produced less friction than one might expect. Instead, by and large, a spirit of accommodation, implemented by an informal division of labor between the two, has prevailed. Illustratively, apparently by tacit agreement, responsibility for terminal and dock management reposes in the Commission of Public Docks almost exclusively, while the Port of Portland is primarily concerned with such marine activities as towage, dredging and drydocking, and such non-marine activities as industrial development and airport management.

The lack of adequate dock and terminal facilities in Portland harbor in the early years of this century, the inability of private dock owners of the time to curtail waterside blight and deterioration of their facilities, and the apparent inability or indisposition of the Port of Portland to remedy this situation, led to the creation of the Commission of Public Docks. Over the years the Commission of Public Docks (CPD) has, for the most part, remained a single-purpose agency, except for some excursions into what might be called industrial development on a small scale. The Port, on the contrary, has emerged as a multi-purpose agency. However, this oversimplified description of the operating arrangement between the two agencies fails to recognize certain areas of potential and actual disagreement between them. Not only the hazard of policy collusion but its twin vice—a temptation to "pass the buck"—has from time to time provoked consideration of merger of the two bodies.

Merger of the CPD with the Port of Portland is by no means a new issue. Proposals for merger go back as far as 1920, when an initiative measure was placed on the state ballot for the November election of that year. Spearheaded by the Committee of Fifteen, appointed by the Mayor of Portland, the initiative measure

was actually an omnibus bill, but its most prominent provision authorized the Port to purchase, acquire or operate all properties of the City of Portland then under the control of the CPD and to assume the outstanding indebtedness previously incurred by the CPD. The voters of the state rejected the measure by a very narrow margin.

After the election, the Committee of Fifteen sponsored legislation authorizing the merger of the two agencies and the 1921 Legislature did, in fact, enact a statute setting forth a procedure purportedly enabling the Port to "purchase or otherwise acquire all or any" of such docks, facilities, and other properties of the City of Portland "as at any time are under the charge and control of the Dock Commission of that city".⁽²⁾ It further authorized the assumption of bonded indebtedness relating to such facilities.

At that same 1920 election, the Portland City Council placed on the municipal ballot a proposed charter amendment authorizing sale of CPD facilities to the Port of Portland. This was approved by the voters of the City of Portland. The charter amendment authorized the CPD to sell its properties to the Port, provided that the CPD itself approved the sale, but expressly terminated such authority on January 1, 1923. The CPD failed to arrange such a sale before its authority to do so under the charter amendment automatically expired.⁽³⁾

In 1932 the consolidation issue again stirred with life. Both the CPD and the Port publicly agreed that a merger would be desirable, but neither could agree on which body would absorb the other, and this impasse continued until the question faded from public interest.

In 1947, the Port Development Committee, a group composed of fifteen local citizens appointed by the Mayor, requested Thomas J. White, later general counsel for the Commission of Public Docks, to make a study of the consolidation and to suggest methods of accomplishing it. In November, 1947, Mr. White did submit a comprehensive and detailed report clearly setting forth the step-by-step procedures by which:

- (1) the Port of Portland could absorb the CPD;
 - (2) The CPD could absorb the Port of Portland;
 - (3) A state agency controlling all dock development programs could be created;
 - (4) an interstate Columbia River Harbor Authority might be established.
- None of the suggestions contained in Mr. White's report was ever implemented or even actively espoused.

Periodically the issue of local or regional port consolidation emerges in the public consciousness. For example, in April 13, 1962, Governor Hatfield addressed the Portland Propeller Club and advocated the establishment of a bi-state Columbia River Port authority, and a year later lent sponsorship to House Bill 1835 mentioned earlier in this report.⁽⁴⁾ In the 1965 Legislature, State Representative Beulah Hand introduced House Bill 1594 which would create a metropolitan transportation authority, empowered, among other things, to acquire the marine properties of the CPD and of the Port. However, no significant action has been taken toward an actual merger of the two Portland harbor agencies since 1921.

(2) 1921 Oregon Laws, c. 76, S1, codified ORS 778.020.

(3) An Act to Amend the Portland City Charter, referred to the voters of the City of Portland by Council Resolution No. 11739.

(4) House Bill 1835 was introduced in the 1963 Legislative Assembly, sponsored by Governor Hatfield, and sought to create a special study commission to review problems of ports and to consider port organization, including state-wide, basin-wide and bi-state, or federations or consolidations. The bill was not enacted.

V. THE PORT OF PORTLAND

A. ORIGIN, NATURE AND PURPOSES

The Port of Portland is difficult to place under any generic or functional category, because its name does not describe adequately what it is and what it does. The conventional definition of "port" conveys a connection with maritime and harbor activities and, in fact, when the Port of Portland was created by special legislation enacted by the Oregon Legislature on February 18, 1891, the main thrust of its enabling statute pointed to maritime objectives. One of the primary powers vested in the Port of Portland was

"to so improve the Willamette River . . . as that there shall be made and permanently maintained in said Willamette River at Portland, East Portland and Albina and in the said Willamette and Columbia Rivers between said cities and the sea, a ship channel of good and sufficient width and having a depth of . . . not less than twenty-five feet."⁽⁵⁾

Subsequent statutory amendments down through the years have successively granted the Port vast and varied new powers, a fraction of which the Port actually employs. Today its original maritime orientation comprises a portion of its multi-purpose operation which consists not only of harbor and marine activity exclusive of dock construction, maintenance and operation, but also the operation and management of Portland International Airport and the industrial development program.

The Port possesses hybrid characteristics, not quite comparable to any other local government or political subdivision in Oregon. Its taxing powers are local, but the composition of its nine-man governing body is determined from Salem. The members of the Port of Portland's Board of Commissioners are appointed by the Governor and removable only by a cumbersome judicial procedure requiring the approval of the Multnomah County Circuit Court. By contrast, the taxing jurisdiction of the Port is confined to the territorial limits of Multnomah County which presently comprises its Port District. Its Board of Commissioners has additional powers to enact ordinances in aid of its statutory powers and to issue bonds. Were it not for the fact that selection of its commissioners is determined by the Governor, the characterization of the Port of Portland as a typical municipal corporation might have some plausibility. As it is presently constituted, however, it stands in a class by itself.

The Port is supported both from operating revenues and from property tax levies for general purposes, limited to three-tenths of one per cent. Tax levies have produced between \$1,100,000 and \$1,900,000 per annum during the last ten years. In addition, taxation may be levied to service all bond issues, which include general obligation bonds to the extent of \$2,000,000 a year without special authorization, and revenue bonds.

B. MARINE AND HARBOR ACTIVITIES

Consistent with the original conception of the Port as a maritime-oriented entity, the Port's Marine Department is the largest operating department, directly employing over half the Port's employees⁽⁶⁾ when all operations are at regular functioning capacity.

1. Channel and Harbor Maintenance. The present program of the Marine Department consists primarily of harbor and channel maintenance and the ship repair facilities at Swan Island. The Port now has less direction and control of channel maintenance than it formerly did. In earlier times, dredging was one of

⁽⁵⁾1891 Oregon Session Laws, p. 791.

⁽⁶⁾The average number of Port employees is about 65. This number is apt to vary with peak job loads, for such special extra employees such as crane operators and utility men.

the most important marine functions. In recent years the Federal government, through the Army Corps of Engineers, has taken over the administration of most of the waterways improvement and maintenance program on the Columbia and on the Willamette up to the Broadway Bridge.⁽⁷⁾ However, dredging has a vital secondary role: The spoil obtained from the river bottom has been and continues to be used for land fill operations for the Port properties in the Rivergate Industrial District in North Portland, and at Swan Island and adjacent Mock's Bottom. Thus, dredging is the handmaiden of the Port's industrial development program.

2. Ship Repair Facilities. The 94-acre Swan Island Ship Repair Yard includes three floating drydocks, wharves, lay-up and repair berths, dockside repair facilities and handling equipment. The drydocks, possessing up to 27,000 lift-ton capacity and accommodating ships up to 762 feet, constitute the only major facility of their kind between San Francisco and Seattle. One drydock is leased from the U. S. Navy, and the others are owned by the Port. Weight-handling equipment includes eight large 45-ton gantry cranes serving all drydocks and repair berths. The Port does not do the actual repair work itself. It is done by private marine contractors, such as Albina Engine & Machine Works, Inc., and Gunderson Bros. Engineering Corp., which firms pay the Port for the use of facilities, under a published tariff.

3. Towage constitutes a third function of the Port's Marine Department, and pretty much completes its marine operations.⁽⁸⁾

4. Container Cargo Facility. In 1963, a facility was constructed at Swan Island by Sea-Land Service, Inc., a carrier of containerized cargoes. This company, desiring to operate a trailer-carrier-barge line between Portland and California, required specialized dock facilities. This facility is on Port-owned land leased to Sea-Land. It is the only operation which, in effect, involves the Port in cargo-dock activity. To that limited extent only, the Port is in competition with the CPD.

5. Revenue and Expense. Both the ship repair facilities and the dredging activities have operated at an annual deficit.⁽⁹⁾ The existence of the marine service and ship repair facilities are considered by many to be essential for a port or harbor wishing to attract international or maritime commerce. This view holds that this necessity justifies current operating deficits. The argument is often advanced that the ship repair yard is a significant factor in determining whether or not steamship companies would deem long upriver voyages to Portland justifiable.

⁽⁷⁾The Port of Portland at one time owned and operated four suction-type dredges. The last of these, the "Clackamas", was retired from 39 years of service at the end of June, 1964. A replacement pipeline dredge, the "Oregon", is, at this writing, under construction, to be delivered in the spring of 1965. During its operation, the "Clackamas" was furnished to the Army Corps of Engineers under a lease, for channel maintenance projects under the control and supervision of the Federal Government.

⁽⁸⁾Among the Port's small fleet of tugs and dredge tenders is the steamer "Portland", whose usefulness is questionable. The steamer "Portland" is a specialized, stern-wheel tug, supposedly necessary for shiphandling and berthing needs in Portland harbor. It has also been used for tour purposes for visiting groups and conventions. It sustains a substantial yearly loss in its operations. (About \$36,000 in 1962-63 and about \$23,000 in 1963-64.) In fiscal 1963-64, unusual expenditures were required to repair the wooden sternwheel. A portion of this expenditure was necessary to assure the safety of a trip from Bonneville to Portland, which was probably not related to ship handling, but to public relations. If the "Portland" were decommissioned, it is considered doubtful that efficient harbor operations would be jeopardized.

⁽⁹⁾The ship repair yard operation showed an excess of expenses over revenue of about \$37,000 for the fiscal year 1962-63, but a revenue excess of nearly \$3,000 in 1963-64. Net losses for fiscal 1964-65 are estimated at \$3,700 and \$28,700 for ship repair and dredge operations, respectively. Port of Portland Commission, 1963-64 Biennial Report, pp. 38-39; and Budget Estimate for Tax Year 1964-65, pp. 33, 48.

Likewise, the Port's dredging operation is considered an essential function. Not only the ship channel, but also Portland harbor and its berths have to be maintained at proper channel depth—now at 35 to 36 feet and shortly at the 40-foot depth authorized by Congress. Furthermore, spoil is needed to reclaim and develop land areas for business and industrial development. Loss from dredging operations (amounting to about \$50,000 for fiscal 1963) in terms of annual income and expense statement is not only anticipated but traditional, since users of inland waterways have customarily never been expected to pay—directly or indirectly—for passage along them. Although railroad rates finance maintenance of way expenses and gasoline taxes partially do the same for the highways, no comparable charge has been imposed, nor seems likely to be imposed, upon waterway users.⁽¹⁰⁾ The present involvement in the channel dredging program by the Army Corps of Engineers (which furnished the Port \$520,000 yearly rental for its dredge equipment) has doubtlessly relieved local taxpayers from assuming a much heavier expense and were it not for such federal participation, the Port's dredging operation might be discontinued as a liability, unless other sources of revenue were tapped by new legislation.

Both the ship repair and channel maintenance deficit operations are considered by the Port as justifiable for the good of Portland harbor as a whole. However, the direct beneficiary of these generally deficit operations is not the Port itself, but rather the City's Commission of Public Docks—together with private operators, and indeed the entire port—for the CPD is the only significant owner and operator of public cargo terminals in Portland. It seems to your Committee inappropriate to have any deficits of such "loss leaders" absorbed by surplus arising out of the Port's non-marine operations, rather than by the commerce and shipping business which deal with the CPD. This, of course, is but one of the many consequences of the present dual organization of the harbor.

C. INDUSTRIAL DEVELOPMENT AND REAL ESTATE OPERATIONS

1. Beginnings of Industrial Development. Industrial development is one of the newer and quite widely-heralded activities of the Port of Portland. When the Port took on this task, it joined numerous other organizations which were and still are laboring in the same vineyard. At the present time, the various phases of industrial development are being guided, sometimes at cross purposes, by various public and private agencies such as the Metropolitan, Multnomah County, and Portland City Planning Commissions; the Portland Development Commission; the Division of Planning and Development of the Oregon Department of Commerce; the Society of Industrial Realtors; various chambers of commerce, and railroads and utilities. The Commission of Public Docks has given limited direction to industrial development on a small scale, by using its good offices to promote and lease certain appropriate sites in the area of N.W. Front Avenue on the west side of the Willamette.

The statutory authority for the Port's industrial development program is derived from two provisions, each of which provides a separate method to pursue this purpose: One, by real estate operations; the other, by reclamation. The first method enables the Port to acquire lands for its own use or to be improved "for public convenience" or "the convenience of the air transport, shipping, commercial and industrial development of the port district."⁽¹¹⁾ The second method provides that the Port may make disposition of any land reclaimed by fill from dredge spoil, by "use, conveyance or lease of land so filled or reclaimed as it shall deem advisable."

⁽¹⁰⁾Waterway tolls or "user charges" have never been imposed on traffic in the Columbia River System, nor, for that matter, anywhere else on United States territory, except in the Panama Canal and St. Lawrence Seaway, which are international rather than domestic waterways. This traditional policy of keeping the waterways "forever free" is found in The Treaty of Independence, the Northwest Ordinance, and various state admission acts. Recent efforts to impose "user charges" have been stillborn.

⁽¹¹⁾Now codified in ORS 778.025, the general provision for real estate operations has been on the books in various forms since 1921, as has the discretionary use of reclaimed land (1921 Oregon Session Laws, c. 87, p. 106).

One serious limitation on the impact of the Port's industrial development program can be found not only in the Port's comparatively late start in this activity but also in its control of limited land area. It was not until the early 1950's that the Port initiated a comprehensive industrial land development program through real estate acquisitions wholly independent from spoil reclamation and land fill. This late start probably stems from the Port's persistent reluctance to "get in the real estate business" in competition with private realtors (although the Port's frequent employment of industrial realtors to promote its lands would mitigate such competition).⁽¹²⁾ This reluctance has probably played a part in the Port's limited programming for industrial uses of its properties. A beginning of sorts was made in the 1950's with a series of surveys, feasibility studies and tentative plans. Special attention was devoted to that area of land near the confluence of the Willamette and Columbia Rivers, which was later to be assembled and designated as the Rivergate Industrial District. This activity also led to the creation, within the Port itself, of the Department of Industrial Development and Properties in 1959. This was split, in 1963, into the Industrial Development Department and the Properties Department.

2. The Industrial Sites. The Port's industrial sites are:

- (1) Swan Island Industrial Park, comprising the Island Portion (160 acres) and the Mainland Portion (396 acres);
- (2) Portland International Airport Industrial Park, comprising 80 acres;
- (3) Rivergate Industrial District, comprising 600 acres, with an additional 200 acres hopefully to be acquired from the Leadbetter Estate, by means of purchase or condemnation.

The Swan Island Industrial Park, located four miles from downtown Portland, includes 556 acres dedicated to light manufacturing, warehousing and commercial services. Water, rail, highway, and helicopter transportation services, and urban utilities are available.

Of all the industrial sites, Swan Island is by far the oldest. It was acquired and expanded by dredge spoil in the 1920's, originally for establishing the Port's airport located there for many years. (The Port's administrative offices are presently located on Swan Island.) Its development and rejuvenation, and the creation of the Industrial Park, are of fairly recent date. A comprehensive plan calling for land-use classifications, development standards, and landscaping congenial to the creation of an industrial park setting, was established as recently as 1963. The newest area of Swan Island, still under development, is the Mainland Portion of the Swan Island Industrial Park (commonly called "Mock's Bottom"). This area is connected with Swan Island proper by a narrow causeway over which traverses N.E. Going Street, the sole access road. At present, the mainland area of Mock's Bottom has 115 fully developed acres which are occupied by 14 tenants, largely motor truck lines. Approximately 281 additional acres remain to be completed by providing fill from dredge spoil. Some 39 industrial occupants are located on the Island portion, itself undergoing drastic refurbishment.⁽¹³⁾ The filling in of part of Swan Island Basin, separating the Island from Mock's Bottom, is also contemplated, and this would give an additional 32 acres of industrial land. At the present time, Swan Island land value is pegged at \$40,000 per acre (up from \$37,500 in 1963). This is an upper limit price set to keep area development up to quality goals.

⁽¹²⁾Some Columbia Basin Port personnel with whom the committee met expressed inhibitions concerning port industrial development programs. They reasoned that port participation in such activity is justifiable only as (1) an adjunct to land reclamation from dredging or (2) during a Port's industrial infancy.

⁽¹³⁾Not the least of which is the projected construction by the Commission of Public Docks of two cargo berths on the west side of Swan Island, hereafter to be discussed. Of the 39 tenants, 16 have bought property and have constructed their own facilities; 11 occupy space in port-owned buildings, and 12 occupy space at the shipyard area.

The *Portland International Airport Industrial District* is located at the airport, immediately north and adjoining the approaches to the Terminal building and south of the north runway. The district is zoned specifically for light industry and services requiring extensive use of air transportation. At this time, the district has no industrial occupants. The 80 acres allocated for this purpose still remain unoccupied.

Rivergate Industrial district, the largest of the Port's industrial sites, is situated near the confluence of the Columbia and Willamette Rivers, and lies mostly outside of Portland city limits.

3. Rivergate and the Future. The Rivergate Industrial District represents the newest, largest, and most far-reaching of the Port's industrial development programs to date. This considerable land area, assembled by the Port, holds great promise for its designated purpose as the location of water-oriented heavy industry. The assembling of this property to date represents an investment by the Port of \$577,872, and the land value is now pegged at \$10,000 per acre, to enable the Port to break even on contemplated development costs. These take into account, in addition to the cost of acquisition, engineering, filling, transportation, construction of access roads and rail lines, and other services. Thus far, only two industrial occupants have located there: Ash Grove Lime and Portland Cement Co., in 1962 and Consolidated Metco, Inc., in 1964.

At present, however, the Rivergate Industrial District is largely a preliminary sketch on the drawing board. The area cannot as yet be said to constitute an industrial park, enjoying the same degree of development and completion as the Swan Island Industrial District.⁽¹⁴⁾ The Port so far has failed to reach a conclusion as to how services and utilities for the Rivergate industrial area will be provided or financed. At present, there is no master plan pertaining to Rivergate land. Such a plan is essential if optimum use of valuable waterside property is to be made, consistent with the shipping, industrial and recreational needs of the entire metropolitan area.⁽¹⁵⁾

However, certain pending studies and research contemplate the development of such a comprehensive plan to give potential industrial locaters the specifics they must have. Presently pending are:

- (1) A study by the Battelle Memorial Institute, concerned with economic need for heavy industrial land in the future. This study is rather broad, comprising the four-county U. S. Department of Commerce Standard Metropolitan Area, which includes Clark County, Washington. It will provide broad guide lines for industrial promotion by the Port of Portland.
- (2) A study by the Portland City Planning Commission initiating a two to three-year waterfront and harbor study. This will consider general land use in a broader sense, including recreational uses. Other planning agencies are expected to participate, including Multnomah County and Metropolitan Planning Commissions and the State Division of Planning and Development. There is no indication that the CPD's function will be more than advisory in relation to this study.
- (3) As a supplement to these studies, Arthur D. Little, Inc., is being retained by the Port in an advisory capacity, but only for the limited purposes of the use and disposition of waterside land at Rivergate for terminals. (Arthur D. Little, Inc. recently completed a study of terminal management policy for the CPD).

⁽¹⁴⁾The concept of an industrial park generally entails a comprehensive landscaping scheme, the installation and laying out of access roads and rail lines, street lighting, installation of all utilities, and provision for municipal services such as fire and police protection. Swan Island development measures up to this standard, but Rivergate has none of these things established or provided for.

⁽¹⁵⁾Recreational uses in the general area of Smith and Ramsey Lakes have been considered by the Portland City Planning Commission after the Port had examined possibilities of filling them or using them as an inland ship basin. Recreational purposes compete with heavy industrial purposes in the Rivergate area, partially inspired by a desire to prevent the remaining riverfront to be "taken away from the people."

Using these studies, plus its own research, the Port anticipates that after several years, a more complete master plan will be developed for this entire vital heavy industry area. It is not anticipated that too precise a master plan will be developed because it could be too limiting and foreclose future flexibility in establishing specific industry locations. At the present time the real estate policies in Rivergate, especially the decision as to whether to lease or sell, have been governed by fiscal and financial needs for future land acquisition and appear to have proceeded on an *ad hoc* basis. If this vital area is to be developed properly, and new industries are to be attracted to Portland, a master plan is essential. Industries fully expect to be provided with specific and comprehensive information as to site, facilities and services, to aid them in their location decisions.⁽¹⁶⁾ Although such a package plan is at last in sight, its creation appears to have followed a long delay.

D. THE PORTLAND INTERNATIONAL AIRPORT AND AIR TRAFFIC

The Portland International Airport (PIA) represents the strongest element financially in the multi-phase program of the Port of Portland. The airport is financially successful and it is basically well-engineered in terms of today's needs and reasonable forecasts into the future. Traffic at PIA has shown steady growth, as set forth by the following table:

Portland International Airport						
Year	Passengers, thousands	Aircraft operations, thousands	Cargo Operations (In and Out) tons			Total
			Express	Mail	Freight	
1956	654		880	2004	4231	7115
1957	720		743	1990	4895	7629
1958	747	151	815	1987	5544	8345
1959	863	145	931	2225	6033	9189
1960	896	140	923	2446	6687	10,056
1961	904	141	935	3660	7751	12,346
1962	955	146	1015	4206	9720	14,941
1963	1053	160	1007	4202	11,163	16,372
1964	1240	162	1159	4652	13,581	19,392

(Source: *The Port of Portland Reference Book*, Ch. V, P. 47)

Portland traffic is of considerably less magnitude than that of Los Angeles and San Francisco airports and Portland's passenger traffic is only about half of Seattle-Tacoma. However, this traffic difference is not considered significant, if it can be shown that Portland accommodates the normal air traffic needs of the metropolitan area.

1. Facilities

Portland International Airport is located adjoining the Columbia River, about nine miles northeast of the downtown area. Serving all types of commercial, civilian and military aviation, it occupies a tract of over 2800 acres. The plant includes about 15 miles of runways and taxiways, a large and modern airline terminal, a cargo terminal, general aviation facilities, and a military installation. Present investment in the airport is approximately \$20 million.

The runway plan provides for high efficiency in landing and takeoff operations. Two of its three runways are 8000 or more feet in length, suited for jet operations, and are located parallel to provide for two simultaneous operations.

⁽¹⁶⁾The Port's present industrial promotion does not include advising or acquainting industrial locaters with their possible eligibility for wholesale power rates from the Bonneville Power Administration or assisting liaison with the BPA and industrial newcomers.

The airline terminal building, completed in 1958, was built to modern standards with provision for expansion to suit future needs. It houses general passenger facilities, airline stations, and Federal Aviation Agency flight control activities.

A cargo terminal area serves air freight and airmail services.

A general aviation area provides space for the hangars of flight service and commercial firms using the airport.

The U. S. Air Force Base, leased from the PIA, occupies the south side of the Airport.

Auxiliary commercial developments adjacent to the airport are still limited, but, with careful land use planning and zoning, space is available for uses consistent with airport purposes.

Auxiliaries. An auxiliary or satellite airport is operated by the Port at *Troutdale*, 11 miles east of Portland. Negotiations are in process for Port acquisition of the municipal airport at *Hillsboro*, about 15 miles west of Portland. A helicopter station is operated by the Port at its *Swan Island* property, four miles from downtown Portland, although no scheduled traffic between the heliport and PIA has been established as yet from the PIA.

Other satellite airports and fields may be needed in the general metropolitan cluster, and planning and zoning steps should protect sites—through acquisition, reservation, easement or other feasible means—for development at the proper time.

2. Industrial Park

The airport has 80 acres of its total of 2314 acres available for air-related industrial development, as already indicated. This facility would accommodate firms related to the aircraft industry, or businesses which are prime users of air transportation. It is believed that an airport stimulates businesses interested in either the transportation of personnel (executive service) or cargo, and that the values of an airport industrial park are not limited only to industrial producers, suppliers and shippers. Furthermore, it is felt that local or area business has not yet exploited the competitive advantages which might obtain from shipping via air cargo.

3. Financial Situation

Financially, the PIA operates with revenues exceeding expenses. In the year ending in June, 1964, the main airport operation showed revenues of \$1,287,821 against expenses of \$748,985, and a gain of \$538,836. Revenues and expenses of operation of the satellite Troutdale airport were about equal in fiscal 1962-63, while there was a small deficit of about \$2,000 in 1963-64.

With respect to other Port operating departments, the real estate activity showed, for 1963-64, a gain of about \$120,000; ship repair, a gain of less than \$3,000, while dredging and towboat operations showed losses of about \$51,000 and \$23,000 respectively.

Over all, the Port's operations showed an excess of about \$587,000, a situation obviously made possible by the PIA's large operating margin.

4. Airport Planning

The airport is a good example of advanced planning, beginning with the 1942 transition from the small, obsolete airport at Swan Island. An engineering study preceded PIA development. The Federal government was then stimulating airport development nationally. Since local interests would benefit from a modern airport, Portland wanted to be on the national airport map. There were military and defense considerations, also. All these factors provided a favorable climate for planning and development, free of significant opposition by local vested interests.

A Federally-sponsored study of 15 airports was made by the Boeing and the Lockheed companies, both of which might eventually produce supersonic craft. This study revealed that the PIA ranks as an airport compatible with foreseeable future remnants of supersonic airplanes. The specialized fuel and service needs of these future aircraft can be met by technical adaptations. The double landing strips at the PIA can handle twice their present load. With the completion of second-level loading facilities, the airport provides greater passenger holding capacity. The community noise problem is considered minimal.

Conceivably, air cargo service will be sold and promoted on a metropolitan and state-wide basis. The Port might play a key role in such promotion, recognizing that in addition to satellite airports at Troutdale and Hillsboro, the PIA meshes with the majority of smaller airports in the state, into the regional and national air transport pattern.

E. THE TANGLED SKEIN OF STATUTES AND LAW REVISION

The statutes vesting the Port with its broad powers reflect confusion, piecemeal development, and a desire to equip the Port with standby authority for contingencies of the future. A glance at the Oregon Revised Statutes shows three sources of overlapping Port Powers. Chapter 777 treats "Ports Generally", and Chapter 778 partially treats both the Port of Portland exclusively and "Ports Having 100,000 or more Population". The fact that the powers accorded the Port of Portland are much broader than those accorded other port districts indicates special treatment and concern by the Legislature. The governing commissioners of port districts other than Portland's are elected by the voters of the district, following gubernatorial appointment of the initial panel, while the Port of Portland's commissioners remain forever gubernatorial appointees. Taxing and bonding powers between the Port of Portland and other ports differ substantially in terms of both amount and earmarked purposes.

Many of the Port's powers have never been used and seem unlikely to be. However, Port spokesmen are especially desirous that any statutory amendments or revisions consist of enlargement rather than curtailment of powers. The justification is that standby powers can enable the Port to respond easily to some future need. Some critics of this approach emphasize that statutory powers should be more circumscribed; they also note that special legislation for the Port of Portland may be arbitrary and discriminatory, in violation of the state constitution.

VI. THE COMMISSION OF PUBLIC DOCKS

A. GENERAL FUNCTIONS

The total marine services of the harbor area are divided between the Commission of Public Docks and the Port of Portland. As mentioned earlier, the CPD was created in 1910, in response to an acute need for construction and rehabilitation of the docks and wharves in Portland harbor, then dilapidated and uneconomic. For this reason, the CPD has evolved as a single-purpose agency, in contrast to the multi-purpose Port of Portland. This singleness of purpose has remained with it throughout its organization life, and its actual operations have never strayed very far from dock and marine terminal development, construction, maintenance, and operation. However, its enumerated powers, contained in the Portland City Charter, are vast and varied. Such things as industrial development, drydocking, and aviation could easily be accommodated and interpreted to be within the CPD's broad paper powers, but the Port's pursuit of these other varied objectives, together with the CPD's limited tax and financial base, has inhibited such action.

B. THE TERMINALS

The CPD operates three separate terminal properties: Terminal No. 1 at 2100 N.W. Front Avenue; Terminal No. 2 at 3730 N.W. Front Avenue, and Terminal No. 4 at the Foot of North Burgard Street. Its general offices are located near Terminal No. 2. Facilities at all these terminals include berths for ocean-going vessels, pier warehouses, open areas, railroad spurs, cranes and other mechanical loading and unloading equipment.

The CPD began dock construction in 1913, when it awarded its first contract to build the first unit of Terminal No. 1. Since then, Terminal No. 1 has mushroomed by acquisition of three adjoining tracts. At one time, until its conversion to general purposes in 1954, its former lumber dock was the largest in the Northwest.

Terminal No. 2 resulted from assembling two purchases made in 1949 and 1953, when the CPD acquired a former government shipyard and the old West Coast Terminal. This facility has berth space for three ships and is yet to be fully developed. Property lying between Terminals 1 and 2 is occupied by Willamette Iron & Steel Co. which owns part and leases part from the CPD. If WISCO ever vacates this site, plans to make the two terminals contiguous will be considered.

Terminal No. 4, situated on the east side of the Willamette near the St. Johns area, now comprises upwards of 15 acres, consisting of general cargo docks, a cold storage warehouse, a two and one-half million bushel grain elevator, vegetable oil and molasses storage tanks, a bulk plant for handling coal, ores and similar commodities, and an open space for the movement of lumber. Its nearness to the Port's Rivergate Industrial District could lead to economic and political coordination of the development of both areas.

A notable addition to Terminal No. 4 was the installation of Pier 4 which was opened for service in August, 1961. Purportedly the West Coast's largest bulk-unloading pier, it provides 1220 feet of deep-water berthing, rail yards, and a general cargo transit shed. A giant travelling bulk-unloading tower which moves on specially equipped tracks is now in service. The tower is designed for high-speed discharging of bulk cargoes from sea vessels or barges.

As many private dock operations have phased out or have been discontinued permanently, the CPD has expanded its dock activities. At one time such names as West Coast, Oceanic Terminal, Carnation-Albers and Pope & Talbot ranked as leading public terminal operators serving all carriers making calls. Although many private docks abound in the harbor for the exclusive use of vessels owned or chartered by the industry occupying the adjacent site, the CPD now provides the only public service terminals outside of Albina Dock. The CPD accommodates ocean-going vessels on a first-come, first-served basis. This policy contrasts sharply with certain other harbors, such as at Seattle, which deal extensively with steamship companies on a leased-berth basis, whereby the steamship company possesses a specific berth to the exclusion of all other vessels. The sole exception to the open-berth policy in Portland is the leasing of Berth 1, Pier 1 of Terminal No. 4 to Cargill, Inc. Moreover, berths 2 and 3 at Pier 2 of Terminal 4 are held by Matson Navigation Co. on a preferential basis—meaning that they can be used by other steamship lines subject to first call by Matson as its needs arise. Finally, the "face berth" of Pier 5 of Terminal 4 is an oil dock which has been exclusively used by a railroad company.

C. DOCKS DEVELOPMENT PROGRAM

For an establishment which owns and operates a plant valued at \$24 million, the CPD has rather scant fiscal powers. The City Charter empowers it to levy up to one-tenth of a mill (currently approximately \$70,000 a year) on the assessed valuation of the City of Portland, for operating funds, and to issue revenue bonds at its discretion. All other bonds must be authorized by the voters of the City of Portland. In two recent elections the voters have authorized substantial amounts. In 1954, an issue of \$6.5 million of general obligation bonds was approved for improvement and modernization of grain-handling facilities and for construction of the improvements at Terminal No. 4. In November, 1960, the CPD sought and obtained voter approval for the issuance of \$9.5 million worth of general obligation bonds. The CPD justified this bond issue in order to embark upon a 10-year dock development program which it considered vital.⁽¹⁷⁾ However, after the 1960 bond issue, development and activity slackened temporarily. To date, the CPD has sold only \$2 million of the \$9.5 million authorized. A million dollar sale made in 1961 was applied to immediate repairs; another million dollar sale took place in November 1964 for initial work on Pier B, Terminal 2. An additional \$2.5 million sale is slated for May, 1965. These three sales will account for half the \$9.5 million issue.

Your Committee finds this inertia somewhat puzzling. Interviews with various staff members at the CPD revealed that the reasons for inactivity have been based upon alleged changing conditions and the desire for "flexibility" and also upon certain revised estimates of harbor needs. It has been said, for example, that the TAMS report over-estimated bulk facilities for the handling of coal because projected coal-handling requirements were pegged too high. In addition, CPD spokesmen have declared that the advent of containerized cargo required further consideration, since it calls for specialized facilities not ordinarily available at the conventional general cargo dock. This is dramatized by the fact that Sea-Land Services, Inc., acquired its desired terminal facilities from the Port of Portland, and not from the CPD.

⁽¹⁷⁾At the time, the Commission had retained the firm of Tibbetts-Abbett-McCarthy-Stratton (TAMS), engineers and architects, which specified that the following improvements constituted top priority items:

- (1) Reconstruction of Pier B at Terminal No. 1—\$5.5 million;
- (2) Modernization of heavy-lift equipment by acquisition of cranes;
- (3) Expansion of bulk-unloading and rail facilities at Terminal No. 4.

The CPD distilled the TAMS report into the following program of:

"A" Priority Items in the Ten-Year Docks Development Program

Terminal 1		
Reconstruction of Pier B	\$5,500,000	\$5,500,000
Terminal 2		
Additional cargo house space	350,000	
Development of terminal facilities	250,000	
Preparation of undeveloped Wisco site	800,000	1,400,000
Terminal 4		
Modernization and expansion of rail facilities	600,000	
Development of terminal facilities	550,000	1,150,000
Modernization of heavy lift equipment	1,000,000	
		<u>1,000,000</u>
TOTAL OF "A" PRIORITY ITEMS		\$9,050,000

(Source: Portland City Club Bulletin, *Report of Docks Development Bonds*, Municipal Measure No. 57, Vol. 41, No. 22, Oct. 28, 1960, p. 171)

This detailed program was presented to and approved by the voters in the 1960 election.

Now, however, programmed action seems imminent. In February, 1965, the CPD published a *Portland Harbor Development Program* prepared by its Chief Engineer, Alfred M. Eschbach, as "the first edition of a master plan for the full development of Portland harbor". It listed as top priority items for immediate construction:

1. Expansion of Terminal No. 2 with site preparation to begin this year;
2. Preliminary engineering of a CPD-constructed general cargo terminal on Port of Portland properties on the west shore of Swan Island, to begin this year;
3. Start of construction of containerized cargo facilities at Terminal No. 4. Preliminary engineering has already been completed. Total completion is tentatively set for 1966. Construction awaits pending negotiations with Matson Navigation Co.;
4. Preliminary engineering and construction of modernized grain facilities of Terminal No. 4, now awaiting pending negotiations with Cargill, Inc., to which the CPD leases a grain elevator.

Reportedly, all the projects except a portion of the Swan Island terminal project will be accommodated by the 1960 bond issue.

Your Committee senses that the delay by the CPD in its dock development program is symptomatic of the CPD's preoccupation with its day-to-day operations, at the expense of the future. Extreme caution seems to have been the characteristic in planning for long-term change. This is demonstrated by the CPD's general practice of going outside to procure expert studies and analyses, illustrated by the TAMS report and more recently, in November, 1964, by the report submitted by Arthur D. Little, Inc. The \$50,000 ADL report advised the CPD on its management problem (open berth or lease) of its docks. The practice of using the counsel of outside experts might be evaluated against better use of internal research, enabling the CPD to draw upon the talent and experience of its staff. This practice may have been an additional factor which has prolonged dock development.

D. OPERATIONAL PROBLEMS

Two key operational problems afflict the day-to-day activities of the CPD. One lies in storage of cargo. The function of transit space—that is, the accommodation of inbound or outbound cargo for a short time before it is either loaded onto the vessel or moved out to inland destinations by truck or rail—is a legitimate function of any dock operator. However, transit space becomes misused if inbound or outbound cargo is left in transit sheds for an unreasonable time. Space becomes a premium commodity, and the resultant pocketing of cargo results in piecemeal dispersal of late-arriving cargo as much as 1,000 feet apart. Complaints have been made that, in one instance, after part of a ship's cargo had been discharged at one berth, the vessel had to move to another to discharge the remainder. Other mishaps are alleged which have resulted in increased handling costs of cargo. Quite clearly, the CPD's construction of transit sheds has lagged far behind the needs of commerce,⁽¹⁸⁾ and the resulting congestion has been aggravated by misuse of transit space as warehousing.

Berthing problems, according to CPD spokesmen, are minimal. In 1964, there were approximately 110 "berth conflicts"—meaning that a berth destined for an incoming vessel was occupied and the incoming vessel was required to tie up at another berth.⁽¹⁹⁾ However, CPD spokesmen deny that in 1964 any vessel was compelled to anchor in the stream awaiting a vacant berth, although contrary statements were made to your Committee.

⁽¹⁸⁾The leasing of berths on the limited basis suggested in the Arthur D. Little report, may well tie in with the problem of limited transit facilities. Although the leasing of berths constitutes an inefficient use of space, the CPD's income could be stabilized to an extent where additional transit sheds could be constructed out of the lease revenues.

⁽¹⁹⁾Commission of Public Docks briefing to committee on "Portland Harbor Development Program," March 1, 1965.

E. RELATIONS WITH OTHER GROUPS

1. With Clientele Groups. Communication between the CPD and users has not been ideal, although recently this situation has been remedied somewhat. Your Committee, through various interviews, has noted dissatisfaction. Steamship operators in particular have been concerned about the CPD's preoccupation with seeking out the cargo rather than consulting with the carrier which, they claim, determines substantially the nature of the cargo, anyway. Steamship carriers have also expressed concern about lack of information from the CPD and what they regarded as an apparent policy of the CPD to ignore them in planning future dock development.

With regard to day-to-day operations, the steamship carriers have long lamented that there is no one person at the Dock Commission who can give them the specific answers which they must have in order properly to provide for orderly arrivals, discharge, and loading, and clearances of their vessels.

City officials, however, have attributed the communications problem to the apparent reluctance of steamship agents to confer until they obtain authorization from their home offices. Whatever the cause of such faulty communications, it is heartening to learn that at the end of 1964, through the joint efforts of the CPD and the steamship carriers, regularized and informal consultations, on both long-range development problems and day-to-day matters, are being established. Such planning seminars might be extended to other users of the CPD's facilities, such as warehousemen, shippers, stevedores, custom house brokers and similar occupational groups.

2. With the Port of Portland. The CPD's liaison with the Port of Portland appears to be exercised frequently. Periodic joint meetings between the two Commissions are held. A member of the Commission of Public Docks was appointed to the Port of Portland Commission by Governor Hatfield, in expectation of furthering communication and cooperation. (Mr. Ray Kell serves as a member of both Commissions.)

In late 1962, an experiment was made to combine the public information departments of both Commissions; ultimately this venture proved ill-starred and was discontinued early in 1964. Certain vital problems affecting CPD-Port of Portland relations will most likely focus on development of docks and piers on Swan Island and on the Western edge of the Rivergate Industrial District. Possible controversy may center around the choice of agencies to construct berths and piers on the waterside property at Rivergate and in the area between Terminal No. 4 and the St. Johns Bridge. At present, the CPD is considering this area favorably for waterside docks. It has already developed a Terminal No. 4 rail facility which may be expanded to provide full rail service to this total area.

F. GOVERNMENTAL FUNCTIONS

The CPD, under section 6-103 of the Portland City Charter, is vested with "the exclusive government and control" of the riverfront within the city limits. This means, among other things, that it has the power to make general rules and regulations for the building and maintenance of all structures upon or adjacent to the Portland city waterfront and has the power to issue or deny building permits pertaining to work on any waterside property within the city. Such governmental powers of the Dock Commission, at the present time, seem to be in a state of confusion and these powers seem to be exercised by the City of Portland, rather than by the CPD. For example, waterside building permits for non-CPD properties are issued, subject to CPD approval or disapproval, by the Bureau of Buildings of the City of Portland on findings of the Bureau's inspectors. There also seems to be some confusion as to responsibility for police protection and fire prevention on the waterfront. In this connection, the CPD at one time engaged a fire marshal, but the vacancy for this post has not been filled for a number of years. (Such confusion appears to arise out of the CPD's failure to use the full governmental powers accorded it under the City Charter.) By tacit agreement, the CPD apparently has abdicated these responsibilities which have been assumed by the City of Portland.

VII. THE MODERN PORT CONCEPT

A highly regarded authority on port administration makes the following statement:

"A modern port is a complex arrangement of interdependent facilities located in a limited area which seeks at one time to serve the best interests of individual enterprises and the public as a whole. In the absence of long run, broad planning, confusion and mislocation of facilities is inevitable. Wasteful duplication of facilities and obstruction to new facilities and services all serve to prevent the realization of the potential of the port as a gateway.

"Since the target of a development program is the realization of the potential of a port, the first requirement is a realistic estimate of the port's potential trade. This essentially is a study of domestic and foreign waterborne trade, past and present, as they relate to the port and its competitors. It includes a study of the population and the whole economy of the port city and hinterland areas. It is on these data that the estimate of potential trade may be made. The trends and industrial production and trade must both be carefully traced * * *

"* * *

"An orderly development of facilities according to a long-range plan, timed and adjusted with trade development, provides the only sure way by which a port may realize its possibilities. The fact that the long and short run plans are subject to change does not alter the principle. * * *"⁽²⁰⁾

The author then continues a discussion of the importance not only of adequate and up-to-date waterfront facilities, such as cargo piers, wharves and equipment, but also the necessity of "motor truck access to waterfront facilities, railroad trackage and supporting yards, and provision for waterfront industries". These are referred to as "primary supporting facilities" and they are considered an essential part of any adequate waterfront development program.

Most large, modern port authorities have undertaken extensive plans to coordinate all of these transportation facilities in the interests of economy, efficiency and expedition of movement. The problems are many, complex and involved, and become more so by the day. Even our highway system is not designed to interconnect or to serve harbor facilities adequately. In the area, many traffic bottlenecks and problems have already developed to an acute stage but no study has been undertaken by either the CPD or the Port, nor by any other public authority, to determine what—if anything—may be done to improve this condition. Such a comprehensive study is long overdue.

VIII. MAJORITY DISCUSSION AND CONCLUSIONS

A. PORT ORGANIZATION FOR THE FUTURE

Although both the CPD and the Port have efficiently carried out the respective programs which they have undertaken, neither has been as aggressive as the best interests of the community require. According to the Arthur D. Little report, the CPD has not only not kept abreast of increasing demands for dock facilities, but its building program has lagged far behind, in spite of the fact that it has had a \$9 million bond authorization since 1960.

The ADL report includes the following observation:⁽²¹⁾

⁽²⁰⁾"Port Administration in the United States," by Marvin L. Fair, Cornell Maritime Press, Cambridge, Md. PP 98 et seq.

⁽²¹⁾*Report to Commission of Public Docks, Portland, Oregon, Part II. Changing Technology—Container Operations*, Arthur D. Little, Inc., 1964, pp. 1-10, 11.

“Portland is behind the general cargo market growth while most U. S. ports have been building ahead of their market.”

It amplifies this statement as follows:

“While trade moving through the Columbia River ports has been growing, it should be noticed that the growth rate of traffic over the facilities of the Commission (Portland Public Dock Commission) has been slower than the growth rate of all Portland traffic. Similarly, Portland traffic has been growing more slowly than the other Columbia River ports—Astoria, Longview, St. Helens and Vancouver. From 1958 to 1963, general cargo exports over Commission docks declined 19.4% compared with an overall growth at Portland of 30.2%, and at the other ports of 55.1%. General cargo imports in the same period increased 52.2% over the Commission docks compared with 117.9% in Portland as a whole . . .”

and

“. . . other Columbia River ports, 98.1% . . .”

The Port Commission, although it has done an outstanding job in the development of the Swan Island-Mock's Bottom industrial area, has formulated only the vaguest plans with reference to the more important and much larger Rivergate Industrial District. Its modernization of facilities at the airport and the expansion of parking areas have lagged far behind needs. More important, however, in the ultimate and proper development of the total port complex is what appears, so far as the CPD and Port are concerned, to be an extensive no-man's land. This is the planning of the integration of all transportation facilities: water, rail, highway and air. With docks scattered along both sides of the river and miles apart, six railroad yards within the city, and dozens of highway freight terminals serving some 145 motor freight carriers scattered throughout the area, there is a veritable transportation crazy-quilt.

A “modern” port is more than just a seaport. The modern metropolitan port should encompass, provide and administer a basic coordinate and inclusive system (1) for the linkage of land, water and air transportation; (2) for the interchange (receipt, transfer, and shipment) of goods and people through all forms of such transportation, and (3) for the location and development of industry within the territory it serves. Although industrial development is a 20th Century innovation to port operations, and less obviously related to such operations, it constitutes the logical by-product of a port's traditional role in commercial promotion by providing the industrial-manufacturing base upon which such commerce is established. Thus, the fulfillment of these three objectives should be the appropriate business of any port agency.

Metropolitan Portland, as the transportation hub of Southern Washington, the Willamette Valley and other vast tributary hinterland areas, has a vital stake in keeping its leading competitive position among West Coast ports. To do this, the port agency which serves it must plan and organize—not just as a reflex in response to critical needs of the moment, but to face the challenge of long-range change and growth in the Columbia Basin.

A well-implemented metropolitan port needs a suitably-designed organization, endowed with adequate power and responsibility, in order to plan, develop, maintain, and operate some and perhaps all of the following facilities:

- (1) Water-land terminals and docks;
- (2) Auxiliary services for water transport, including repair facilities;
- (3) Rail and highway freight and passenger terminals;
- (4) Air terminals with auxiliary services;
- (5) Interchange facilities among water, land and air transport;
- (6) Industrial parks equipped with basic facilities and services.

Effective linkage of all transportation lines and terminals is vital and will soon become acute. Metropolitan funneling of land transportation and development of future industrial areas will create dependence on orderly and easy access to land, air and water transportation and their terminals.

Above all, the successful operation of a port requires not only flexibility to meet day to day problems but a continuing long-range program, ultimately to be translated into development of facilities that keep the port capability ahead of demand, both as to volume and type of traffic, and changing transportation methods and procedures.

In Metropolitan Portland, these are some of the urgent needs that call for attention in area planning, development and service:

1. Continuing coordinated review and appraisal of procedures for the planning, development, and analysis of commerce within the port, utilizing the advanced technology and methodology involved in all these fields. (Illustratively, the CPD in order to accommodate its harbor facilities to projected cargo volume and movement, has embarked on an origin-and-destination study of various commodities moving through its terminals.)

2. Programming the development of waterfront terminals and docks, mindful of the needs to accommodate containerized cargo in the future, to handle bulk cargo more efficiently and to increase transit storage space for general cargo. (Leased, as well as open, berths should be considered. Balanced and flexible expansion of terminals and terminal areas must be done to meet the growing volume and diversity of traffic. The Commission of Public Docks is now contemplating the construction of four to six general cargo berths, but its plans are subject to revision for possible future demands for specialized berths.)

3. Programming the expansion of drydocking, repair facilities and services for ships, barges and other floating equipment.

4. Developing, maintaining and expanding air terminal facilities, both of Portland International Airport and its satellite fields in the metropolitan vicinity. (Second-level loading and added parking facilities are under development at PIA; one satellite airport, Troutdale, is now being operated, and another, Hillsboro, is in the process of acquisition. Planning should comprehend the further development of the metropolitan airport complex, including auxiliary ports, specialized ports (e.g. helicopters), and ancillary improvements for industry, commerce and travel at and near airports.)

5. Establishing a plan for integrated rail freight terminals and connecting belt lines with special attention to crucial traffic problems such as those of Portland's northwest side, including N.W. Front Avenue, about which little has ever been done.

6. Establishing a plan for truck terminal facilities, integrated with the highway system and the water, rail and air terminals, in the major industrial areas. (At present numerous trucking lines, with terminals scattered throughout the metropolitan area, are creating excessive and unnecessary traffic problems.)

7. Establishing a plan for adequate passenger-bus terminal facilities in the core area of the city, with consideration of elevated or underground terminals and approach-ways, serving all lines. (At present, two crowded, competing and inadequate bus terminals a block apart generate their heaviest traffic in the already congested downtown streets during the heaviest traffic period.)

8. Coordinating and consolidating metropolitan land use planning as it affects port developments and operations. (Extreme care must be taken to establish continuing liaison with other planning agencies in the metropolitan area in order to allocate equitably the relatively scarce waterfront area between competing water-oriented commercial, recreational and civic uses.)

9. Planning, developing, and laying out of industrial parks in adequate detail; establishing consistent policies for leasing or sale of industrial sites as best befits land-use controls; and expanding the present local programs to cover undeveloped, scarce waterfront property. (The industrial areas that are already controlled by the Port of Portland are limited, and planning has been thus far sketchy, except in the relatively small Swan Island Industrial District.)

10. Providing continual and orderly means of communication between the port agency and affected private firms, especially clientele groups using or otherwise directly involved with port facilities and services.

11. Numerous other related activities should be considered, among which are participation in or support of associations encouraging foreign trade expansion; participation in foreign trade missions and programs and consideration of international house and trade mart facilities to be established locally.

All of these problem areas fall within the statutory ambit presently allotted the Port of Portland and the Commission of Public Docks. All of them require research, feasibility studies, and careful planning—beginning now. Most of them require cooperation with other public agencies. Although both the Port of Portland and the CPD have generally efficient management within the limited areas of their activities, they have been reluctant to extend the vision and scope of their planning to broader, more complex aspects of port development. Indeed, some of the objectives of the modern metropolitan port, such as linkage of all forms of transportation, have apparently never been considered or implemented by either agency.

A port agency should not necessarily assume full responsibility for all of these functions, but should assume a leading role in making a comprehensive study of all of these problems.

B. PORT REORGANIZATION

While the concept of the Columbia River system as a single harbor, of many units, interrelated features, and common interests is a sound and useful one, the existing patterns of port organization do not work nearly well enough to obtain the full fruits of unity. The improvement of patterns of organization and procedure, to facilitate coordinated action in the general interest by the various port bodies, is a great and complex need in connection with which the initial steps of planning and negotiation should be taken in the early future.

The situation in the Portland metropolitan area, the principal port unit of the Columbia River harbor system, is especially acute with respect to planning, development, and organizational needs.

Although the dual hegemony of the Port of Portland and the Commission of Public Docks has functioned with substantial harmony and a measure of efficiency during the recent past, this has not always been true, and there are presently some areas of potential disagreement.

Co-extensive authority, overlapping of jurisdiction and duplication of function by two government entities, one state and one city, and therefore with different and sometimes inconsistent responsibilities and goals, present an inherent and, perhaps, inevitable source of disagreement or conflict with the consequent failure to achieve optimum effectiveness. Another weakness evidenced by local experience is a definite tendency of each agency to shift responsibility—to lean over backwards in an effort to avoid any trespass upon the prerogatives of the other. Added to this may be a congenital resistance to change, a veneration of the *status quo*.

In view of the tremendous challenge and opportunities implicit in the anticipated rapid and substantial economic development of the Columbia River region, and particularly the key Portland area, and the intensified competition that is developing, full efficiency is imperative and unnecessary hazards should be avoided.

Your Committee found no disagreement with the hypothesis that if a new start were being made in organizational design, only one agency should be created to administer all the properties, programs and functions of a comprehensive port operation. Experience throughout the United States confirms the wisdom of such unified arrangement. The only justification suggested for continuing the present dual arrangement was that it presently is working reasonably well and should not be disturbed.

In consideration of all of the relevant circumstances, the majority of your Committee concludes that it is highly desirable that the authority and functions of the Port of Portland and the Commission of Public Docks be combined in a single agency.

It is no less clear that the fragmentation of waterfront areas into a multitude of small struggling Columbia River port districts is not conducive to the most effective utilization of harbor shores nor to the most economical and effective development of facilities.

In effecting consolidation and reorganization of the Columbia River ports, several alternatives have from time to time been suggested. Among the several plans advanced are the following:

1. A bi-state Columbia River Port Authority which would include under the the administration of one agency all of the ports and port districts on the Columbia River.
2. An Oregon State Port Authority which would include under its administration, or at least subject to its supervisory authority, all coastal and inland ports and port districts in Oregon.
3. A single Oregon Port Authority of the Columbia which would include the port districts on the Oregon shore of the Columbia River.
4. A consolidation of the Oregon Columbia River ports into regional groups —as for example, an Inland Columbia Group, a mid-Columbia Group and a Lower Columbia Group.
5. Consolidation of the Port of Portland with the Portland Commission of Public Docks, either by
 - (a) the Port of Portland taking over the properties, operations and obligations of the Commission of Public Docks, or
 - (b) the Commission of Public Docks absorbing the Port of Portland, or
 - (c) the creation of a new agency to take over both.

The conclusions of the majority of your Committee with reference to these proposals follow. These conclusions take into consideration, among other things, the current pertinent facts of political life and the strong conviction that any changes should be made carefully and gradually so as not to disrupt present port operations and bring about even a brief period of chaos or dislocation.

1. Bi-State Columbia River Authority

This proposal has been urged by Oregon's Governor Hatfield. It is predicated on the concept of the Columbia River as a single port complex, serving the many various but related requirements of the vast inland empire and the contiguous industrialized areas of the lower river. Any realistic consideration of the political problems involved in securing the necessary enabling legislation through the Washington State Legislature over the opposition of the rival and powerful Puget Sound interests would seem to rule out any hope of success, at least at the present time. Even the proverbial provincial attitude of small political bodies protecting their domains from being swallowed up by a large and powerful neighbor might engender some active opposition from the small Columbia ports in Washington or even Oregon. In any event, the immediate establishment of such a scheme would involve "drastic surgery" and probably a long period of convalescence.

The proposal has real merit as a long-range objective, perhaps to be accomplished by a gradual process of "coagulation" or of federation of small ports along the river.

2. Oregon State Port Authority

There are presently some 24 established port districts in Oregon, nine on the Columbia River, 14 on the Coast, and one inland. Their problems and programs differ not only in size but also in character. Among them are size and character of waterways, type of traffic, dominant classes of cargo, and size and character of area served. Problems such as fair local representation on a governing commission or board, implementation of desired and practical local development programs, and allocation of funds would seem to compel the conclusion that port administration by a single comprehensive state authority would be highly impractical.

A state-wide *federation* of public ports providing a means of consultation, cooperative action on mutual problems, advisory services, and a clearing house of local information (such as the Washington Association of Public Ports created by the 1961 Washington Legislature), which might be created by statute or by voluntary compact, has some real merit. Nothing comparable to such an arrangement now exists in Oregon.

3. Oregon Port Authority of the Columbia

Such an organization presents many of the practical complications although to a lesser degree, that a state-wide agency would encounter. It is extremely doubtful that the upriver ports would be agreeable to an amalgamation except on terms that would permit "the tail to wag the dog", a wholly unacceptable and impractical arrangement. Any mandatory consolidation would inevitably incur the probable and potent danger of internecine strife that would help nobody but competing ports across the river.

4. Regional Port Districts on the Columbia

If the Bi-State Columbia River Port Authority envisioned by Governor Hatfield should become the objective of settled interstate policy, the enlargement by merger of neighboring port districts might be a wise first intermediate step in a careful, smooth transition program.

The consolidation of the small inland ports and of the mid-Columbia ports with their limited activities could be more readily accomplished in the interest of efficiency and economy under present law by initiative action by the port districts themselves.

A unique complication would be encountered in the Lower Columbia areas, inasmuch as it would include the Portland Commission of Public Docks which is a department of the City of Portland and not a creation of state statute. Even if the Port of Portland were the sole authority in its area, the competitive aspects of the three Oregon Lower Columbia port districts would create real problems. Perhaps a period of courtship through federation prior to a marriage should be considered.

The majority of your Committee is further of the opinion that a consolidation of some of the several smaller port districts in the Upper Columbia is clearly indicated as desirable in the interests of more economical and efficient operations.

5. Unification of the Port of Portland and the Commission of Public Docks

The creation of an entirely new port authority to encompass all of the properties, programs and functions of the Port of Portland and the Commission of Public Docks would necessitate the scrapping of a major part of present port legislation and the enactment of an entirely new set of enabling statutes. Even if successful, it would result in a perhaps protracted period of confusion and uncertainty, an entirely unnecessary hazard to the satisfactory operation of port facilities.

It would also not be practical for the CPD to absorb the Port operation. If for no other reason, the tax limitation (one-tenth of a mill on assessed valuation), and the restricted tax base (the property in the City of Portland), would be wholly inadequate to enable it to properly perform the function of the combined operation, and an increase in the tax rate would be an unfair imposition on the property owners within the city limits. Moreover, the City has limited jurisdiction in relation to the metropolitan area directly served by a general port agency.

Therefore, it would appear that the simplest, smoothest and most practical method of unification would be for the Port of Portland to acquire all of the property, programs, functions and obligations of the Commission of Public Docks. Not only does the Port already possess the necessary co-extensive statutory authority but its debt limitation is less confining and its tax base is much broader.

Relatively simple statutory amendment would be required for the unification of the two commissions into a single entity under a single board. Smooth transition might be achieved at the outset by merging the two existing boards with a proviso that vacancies occurring by reason of retirement or resignation should not be filled until a prescribed number of persons is reached. This would provide all of the experience and "know-how" of all of the members of both Commissions during the transition period.

The CPD staff as well as the property could be incorporated into the Port as a separate operating department, and its functioning continued without serious interruption. Your Committee was assured by Commissioners of the Port that such an arrangement would be entirely feasible. The staff of the Port is presently organized in separate departments along functional lines. These departments within the limited area of responsibility are performing very well.

Provision should be made for inclusion on the proposed Commission of representatives of component political units, through residential qualification specifically the City of Portland, Multnomah County, and such other areas as may be served.

It is not the opinion of the majority of your Committee that such a consolidation would result in any substantial financial saving. It would insure a more coordinated and aggressive programming and implementation of port development to take fuller advantage of the growth opportunities the future holds. It would result in more efficient and more productive operations for the money expended.

6. Metropolitan Port District Boundaries

The Port of Portland serves not only its Port District and the City of Portland, but the entire metropolitan area. The unified metropolitan port district should have extendable boundaries identified with the Columbia and Willamette waterfront, terminal, and industrial areas to be developed or served, and with the urbanized and more intensively developed and developing areas of the over-all metropolitan district.

It is unrealistic and unfair to limit its tax base to the present boundaries of the City or the District. Literally thousands of persons living outside of the area whose businesses or livelihoods are directly provided by the port operation or indirectly dependent on it through shipping or transportation or other water-oriented enterprises, contribute not one dime in taxes that maintain the operation.

The name "Port of Portland" is not only inaccurate as descriptive for an extended metropolitan port district, but it carries a connotation which might be repugnant to some communities that should be included within the port area. A more general and inclusive—and therefore more accurate—designation is in order.

7. Law Revision

At the present time there are three separate categories of port districts dealt with in the Oregon Revised Statutes. In a number of important respects, the provisions for these various categories are inconsistent even as they may apply

to the Port. This results in some uncertainty and confusion which should be eliminated. The ordinances and regulations applicable to the CPD are in an even more confusing disarray. They have not been organized in any semblance of an orderly code applicable to a dock commission operation. Specific ordinances have been enacted and regulations promulgated from time to time in a patchwork fashion to meet specific immediate problems.

The majority of your Committee concludes, therefore, that a thorough review of the statutes with a view to recodification is in order.

8. Organizational Study

It is further concluded, in view of the foregoing consideration of general, basin-wide, state-wide, and local-district harbor and port problems and potential solutions, that a further, definitive, and official study should be made, looking to the planning and design of a more desirable and effective pattern of port organization and possible consolidations and federations. Establishment of an official state study commission for this and related purposes, as proposed by Governor Hatfield and a number of legislative leaders, would be desirable.⁽²²⁾

IX. MAJORITY RECOMMENDATIONS

Based on the foregoing conclusions, the majority of your committee recommends the following two major phases of action:

Phase 1:

A. Action by the State Legislature

1. Declaring as a matter of state policy that the unification of the Port of Portland and the Portland Commission of Public Docks is in the public interest,
2. Providing for the consolidation of the Port of Portland with the Commission of Public Docks to form a single, joint metropolitan port commission establishing the final number of commissioners and prescribing their qualifications and providing that vacancies occurring on the consolidated commission should not be filled until a vacancy occurs in the prescribed number.
3. Increasing the area of the new port district to include the counties Multnomah, Clackamas and Washington, or at least parts of the latter two adjacent to Multnomah County, and those areas situated adjacent to navigable rivers which are or may be located near industrial or commercial concerns, transportation or terminal establishments dependent on metropolitan port facilities and operation, with consideration of airport and airport property.
4. Changing the name of the Port of Portland to one more accurately descriptive of the area and functions involved.
5. Approving a measure for the creation of a study commission to consider the problems described below.

B. Action by the Portland City Council placing on the ballot at the next ensuing election a measure to be voted on by the citizens of Portland authorizing and directing the Commission of Public Docks to transfer all of its properties, facilities, functions and obligations to the Port of Portland.

⁽²²⁾Note House Bill 1835, 52nd Legislative Assembly, 1963 and House Bill 1020, 53rd Legislative Assembly, 1965.

Phase 2:

A. That the Legislative Study Commission recommended in Phase 1, Paragraph A (5):

1. Review the duplicating statutory framework of Chapters 777, 778 and 779 of the Oregon Revised Statutes applicable to Port Districts and recommend amendments designed to simplify the basic law, remove duplication of provision and eliminate contradiction and confusion;
2. Make a thorough and detailed report of port organization throughout the state, particularly in the Columbia River Basin, evaluating agency structure, programs, functions and procedures for the purpose of consideration and recommendation of such changes, reorganization, consolidation, merger, or federation as may appear to be in the public interest;
3. Consider, and, if deemed advisable and feasible, undertake consultation with appropriate officials of other states concerning the prospect of the creation of an inter-state harbor authority for the Columbia River harbor area operation.

Respectfully submitted,

Leo H. Baruh
F. W. Beichley
Roy F. Bessey
John H. Buttler
Robert E. Dodge
John E. Huisman
P. S. McAllister
Norman B. Ronning
Dirk Snel
McDannell Brown, *Chairman*
For the Majority

X. MINORITY DISCUSSION

In view of the length of the Majority report, the Minority considers it advisable to make only a passing reference to some historical background and activities of the Port of Portland and the Commission of Public Docks of the City of Portland.

Your Minority has found itself in disagreement with many of the Majority's recitals in its background material, and particularly with much of the implication contained in that report. For this reason, it finds itself reluctantly unable to adopt as a part of its report much of the general material in the Majority's report. To include our specific disagreements and our criticisms of what we consider unfair implications, would expand this report to a degree which, under the circumstances, would seem unwise.

The Minority of the Committee concludes that there exists no persuasive support for the Majority's recommended merger. It is the Minority's recommendation that the City of Portland's dock operations should remain with the City.

As the Majority points out, from time to time, efforts have been made to merge Portland's Dock Commission with the Port of Portland. All such efforts fail for the same reason: *there is nothing constructive to be accomplished by such a merger.*

The nature of a "port" and the "Port of Portland" should not be confused. As a highly placed person serving the maritime industry stated to your Committee, "If the Port of Portland were not misnamed as a 'port' none of this discussion about merger would have arisen."

A "port" is generally considered to be urban in character.⁽²³⁾ "It is," according to one study, "essentially a community enterprise whose nature is largely shaped by the community's conception of what a port is or should be."⁽²⁴⁾ At the time of the incorporation of the Port of Portland, the "port" as we know it, was comprised of three towns on both sides of the river. For a short while in the 1880's, Portland, on the west side of the river, undertook on its own to maintain the channel, even building and operating its own dredge. The Corps of Army Engineers at the time was in channel clearing only a "sometimes" basis.⁽²⁵⁾

The purpose of the Port of Portland was originally stated to be "to so improve the Willamette River at the Cities of Portland, East Portland and Albina, and the Willamette and Columbia rivers between said cities and the sea," to make and maintain a channel of specified width and depth and to spread the tax base to include all three towns.⁽²⁶⁾ The waterway itself was then thought of in terms of a "public highway."⁽²⁷⁾

Although the channel work was delegated to the Port of Portland, regulation of the harbor area itself was provided for in the City Charter consolidating Portland, East Portland and Albina.⁽²⁸⁾ Today these charter powers are greatly expanded⁽²⁹⁾ and the Commission of Public Docks has been created as the arm of the City for "exclusive government and control" of the City's harbor area.⁽³⁰⁾

The Charter expressly provides that the City's "title, rights and interest" to the harbor property, docks, etc., "that it may now own or hereafter may acquire, are hereby declared to be inalienable."⁽³¹⁾

⁽²³⁾ 48 Am. Jur. 150, Shipping § 223; *State ex rel Mitchell v. United States Fidelity & Guaranty Co.*, 144 Or 535, 24 P2d 1037.

⁽²⁴⁾ Fair, "Port Administration in the United States," page 4.

⁽²⁵⁾ Portland City Club Bulletin, Vol. XIII, No. 17, pages 1-2.

⁽²⁶⁾ Or. Laws 1891, pp. 791-5.

⁽²⁷⁾ Oregon Admission Act §2; *Cook v. Port of Portland*, 20 Or 580, 27 Pac 263, 266, 13 LRA 533.

⁽²⁸⁾ Or. Laws 1891, p. 796 §§ 37 (14, 15, 16, 32) 190.

⁽²⁹⁾ Charter of City of Portland §§ 1-107 2-105(a) 76-78; 9-604 (22), 10-218, 11-803, 11-804.

⁽³⁰⁾ *Id.*, Chapter VI; *Albina Engine & Machine Wks. v. City of Portland*, Cir. Ct. State of Oregon (Mult. Co.) #241-833.

⁽³¹⁾ Charter of City of Portland § 1-107.

For the purpose of providing “connections for and means of interchange of traffic upon the lines or tracks of all common carriers, public or private, with the greatest facility and economy; and the least obstruction, inconvenience and cost possible,” the Portland Charter states that it is “the policy of the city of Portland to create a common transportation terminal, both land and water, embracing both sides of the harbor for its full extent in the city, which shall be subject to entry and use throughout its full extent by all common carriers on equal terms, as far as the property, rights and jurisdictions of the city may apply to secure same;” and it is (within 1,000 feet of the described meander line of the river) “subject to use and demands for such common terminal purposes and needed connecting roadways, tracks and appurtenant facilities; provided that the public docks may be furnished with warehouses subject to lease.”⁽³²⁾ The above responsibility belongs both to the Dock Commission and the City Council.

This Minority strongly feels that rather than to experiment with mergers or new agencies to improve our public port operations, whatever is necessary instead to support and assist the present agency of the city ought to be done. The Committee has seen, during the course of its three-years’ study, a major portion of the city’s dock rehabilitation and construction programs come to life. The Committee was given access to the dock development plans as they were drawn, and the Minority of your committee was most impressed by witnessing the responsiveness of the Dock Commission to the constructive demands of the local Steamship Industry Committee in implementing changes.

Some suggestions for merger consider—with an eye to efficiency and economy—that all the maritime activities of the Portland harbor ought to be conducted under one agency. As the Majority points out, however, the Port of Portland’s marine services, i.e., ship repair facilities and channel maintenance, have been “loss leaders.” It seems to your Minority that adding these activities to the City’s already overburdened operating budget would be a mistake. The City’s present dock construction and maintenance programs are calculated to be self-supporting, and there is no reason to unbalance these plans.

Most schemes for merger of the two agencies contemplate that the Port of Portland will assume the obligations of the Commission of Public Docks.⁽³³⁾ To the extent that the Port of Portland is an arm of the State, as many suggest, such schemes would seem to violate the spirit of the constitutional policy that “the State shall never assume the debt of any county, town or corporation whatever.”⁽³⁴⁾ To the extent that the Port of Portland may not be such an arm of the State, the Minority would like to emphasize that the Majority is recommending surrender of Portland’s municipal powers to an agency whose commissioners are appointed by the Governor,⁽³⁵⁾ whose charter is controlled only from Salem, and over which the people will not have the local or “home rule” powers that they now enjoy.⁽³⁶⁾

This minority is further persuaded that the singleness of purpose of the Commission of Public Docks is a good thing for the City. Its full-time objective is the public operation and development of the City’s harbor. Merger of the Commission of Public Docks with the Port of Portland would serve to dilute such singleness of purpose and would place the dock operations in competition with the Port of Portland’s other activities, such as industrial real estate development and airport operations. The Minority of your Committee cannot conceive of how this combined arrangement would serve the interests of the harbor.

⁽³²⁾ Id., § 10-218.

⁽³³⁾ See ORS 778.020(2) & 778.065(1).

⁽³⁴⁾ Or. Const. Art. XI §8.

⁽³⁵⁾ ORS 778.215.

⁽³⁶⁾ *Rose v. Port of Portland*, 82 Or 541, 162 Pac 498.

The nature of the Dock Commission was once described by an eminent jurist⁽³⁷⁾ while discussing the Charter amendment (creating the Dock Commission) as follows:

"I am satisfied that by the provisions of the amendment of November 8, 1910, private structures on the water front, as well as public docks, were placed within the authority of the Dock Commission. The purpose and design of the investiture of power and authority was the creation of a municipal department specially selected, organized and functioning in a separate, preferred and technical field over the water front area. Obviously a category of public interest calling for special attention and treatment as to area, character, and relation to the overall municipal operation. A limitation of authority to public docks would unnecessarily, improperly and unreasonably restrict the functioning of this specialized department and be contrary to the specific powers and area of authority conferred by the ordinance, as well. Such limitation would, to a degree, emasculate the Dock Commission by artificial restriction having no relation to objectives sought.

"* * *

"I have no doubt the intent and purpose of this amendment was to delegate to the Dock Commission all necessary and appropriate powers and authority possessed by the City. Here was initiated a new department of municipal government and control; specially created for a specific purpose, obviously under the impression that authority so imposed and vested could thereby better be exercised; of necessity all appropriate powers and authority were included in such investiture. The language of the Charter amendment suggests a full delegation of the city powers to this specially created, qualified and directed body. It was undoubtedly thought that in this manner would more efficient administration of this important function of city government be accomplished; it was thus removed, at least to a large extent and degree, from the political discord and motivations that might impair efficient operation. I am satisfied the charter amendment constitutes a full delegation from the City to the Commission of the power and authority the city received from the state. And this includes governmental and police powers within the area of the Commission's field of activity and responsibility. And limitations are sufficiently set up by the charter amendment within which the Dock Commission must act and be guided."

Although the Commission of Public Docks will have its 55th birthday this year, it really came of age only since World War II, and more particularly in the last 12 to 15 years. In 1950 the Commission of Public Docks controlled three general cargo berths in the "downtown" area, and operated Terminal 4, which was publicly labeled a "white elephant", and it was seriously thought that it should be disposed of. Many of the other general cargo docks in the harbor were obsolete or were seriously decaying.

By 1954, the Dock Commission was engaged in a major rehabilitation program (with the full support of the City Club). At the time of the last City Club study of the subject,⁽³⁸⁾ the program of rehabilitation of the docks had proceeded as follows:

"Major capital improvements as a result of the 1954 program include:

- (1) Conversion of the old lumber dock at Terminal 1 into a three-berth general cargo facility;
- (2) Purchase and modernization of the old West Coast Terminal, thereby creating Terminal 2, a three-berth general cargo facility;

⁽³⁷⁾Judge James W. Crawford in *Albina Engine & Machine Wks. vs. City of Portland*, Cir. Ct. State of Oregon (Mult. Co.) #241-833.

⁽³⁸⁾Vol. 41, No. 22, P. 168—Portland City Club Bulletin, October 28, 1960.

(3) Expansion of the grain elevator and grain handling facilities at Terminal 4 making Portland the Pacific Coast's leading grain export port and providing Portland with the largest elevator on tidewater west of the Mississippi River; and

(4) Construction at Terminal 4 of the Pacific Coast's most modern bulk unloading facility, * * *

Today the "white elephant" (Terminal 4) ranks with the City's best general cargo complex (Terminal 1) in ship calls, and there is heavy competition for the newly-installed cranes. It's the site of Matson Navigation Company's container business and the Commission is negotiating with another major customer with expectations of further expanding the facility.

The *rehabilitation program* which commenced in 1954 is still continuing and is not expected to be completed for two more years. On the other hand, the Commission's *building program*, for the new construction of docks, is an entirely different project and actual construction is only now getting under way.

The Dock Commission's future development plans are reported in the recently published "Eschbach Plan" which provides design of harbor improvements for years ahead. Representatives of the steamship industry have advised this Minority that they are pleased with the new plan for the public docks and your Committee was told that the dock operation will be self-sustaining in the foreseeable future. The fact that this plan exists is persuasive evidence to your Minority that the Dock Commission is doing the job it is supposed to do. Merger will not cause the job to be done better.

Your Minority claims support for its recommendation in the conclusions of the City's "Port Development Committee" dated December, 1948, ending three years' study. The committee, appointed by the Mayor, consisted of one hundred responsible citizens under the chairmanship of Mr. Hillman Lueddemann. Paragraph 14 of the report is as follows:⁽³⁹⁾

"Our Committee undertook the study of consolidating the Port Commission and the Commission of Public Docks. I might here make it clear that it never was the recommendation of our Committee that these two bodies be consolidated. We merely directed ourselves to study the problem, and we finally passed it to the Port Director to study. After receiving the factual data embodied in Mr. White's report, we sent a copy of the report to all civic bodies for study and recommendation. The result was [that] the feeling was practically unanimous by the various groups that a *merger was not necessary for the advancement of the Port's business.*" (Emphasis added).

During our own three years' study, no one has suggested a single substantial benefit to be accomplished for the City of Portland by such a merger.

To the Majority's conclusion that "the only justification suggested for continuing the present dual arrangement was that it presently is working reasonably well and should not be disturbed", the Minority would add its own conclusion that nothing constructive will be accomplished by experimenting with discontinuance of the separate functions. The Minority has no assurances that merger will "work reasonably well" at all.

The Minority of your Committee strongly opposes any transfer to any agency outside the City of Portland of its Charter powers of municipal government and control as an improper surrender of the people's sovereign rights.

⁽³⁹⁾ City of Portland Calendar No. 5990, December 23, 1948, page 638.

XI. MINORITY CONCLUSIONS

The Minority of your Committee concludes that:

1. The control of our port area is a proper municipal function of the City of Portland only.

2. The financing, operation and development of the City's public docks is properly a community function and ought to remain under the control of the citizens of the City of Portland.

3. The dock construction and rehabilitation programs of the Dock Commission are adequate to provide for the City's harbor facility needs for the foreseeable future and on a self-sustaining basis.

4. The Port of Portland is not the appropriate agency to operate the City's public docks nor to exercise municipal government and control of the City's harbor area.

XII. MINORITY RECOMMENDATION

The Minority of your Committee recommends that the City Club go on record as favoring the continuation of the separate operations of the Commission of Public Docks of the City of Portland and the Port of Portland.

Respectfully submitted,

Roscoe A. Day, Jr.

Edward L. Fitzgibbon,

For the minority.

Approved April 1, 1965 by the Research Board for transmittal to the Board of Governors.

Received by the Board of Governors April 5, 1965 and ordered printed and submitted to the membership for discussion and action.

APPENDIX A

INTERVIEWS

INDIVIDUALS INTERVIEWED BY THE COMMITTEE included:

Mark O. Hatfield, Governor, State of Oregon
Robert D. Holmes, former Governor, State of Oregon
Terry D. Schrunck, Mayor, City of Portland
Sam H. Mallicoat, Administrator, Division of Planning & Development, Department of Commerce, State of Oregon.
Lloyd Keefe, director, City of Portland Planning Commission
John B. Urner, then Acting Director, Metropolitan Planning Commission
Thomas J. White, attorney, Senior Partner, White, Sutherland & White; Counsel for Commission of Public Docks, Oregon State Public Ports Authority Association and Waterway Terminal Co.
E. Wayne Cordes, attorney. Partner, White Sutherland & White
Col. Sterling K. Eisiminger, then Portland District Engineer, U. S. Army Corps of Engineers.
Harold A. Kidby, Chief of Rivers and Harbors Section, U. S. Army Corps of Engineers.
David R. Steelquist, Sales Manager, Sea-Land Service, Inc.
Kenneth Fridley, Wasco, Oregon, former organizer, Columbia River Traffic Bureau and Port Authority of The Dalles.
C. E. Hodges, Manager, Albina Dock.
Ivan Bloch, Industrial Consultant.
Les Dana, Editor, Daily Shipping News.
Richard D. Ford, Executive Secretary, Washington Public Ports Association.
Chester A. Moores, Industrial Realtor.
Al Bullier, Sr., Industrial Realtor and Industrial Consultant, Port of Portland.
Oliver C. Larson, Manager, and **Frederick W. Stokeld**, Assistant Manager, Industrial Development Department, Portland Chamber of Commerce.
Charles Ross, President and **John Parks**, Business Agent, International Longshoreman and Warehouseman's Local No. 8.
Harvey B. Hart, Manager, Port of Longview, Washington.
William D. Ray, President, Port of Walla Walla and Treasurer, Inland Empire Waterways Association.
Dorsey Martin, Chairman, Port of Columbia County, Washington.
Wilbur Elder, President, Port of Chelan, Washington.
E. V. Lorenz, President, Port of Lewiston, Idaho, and Vice President for Idaho, Inland Empire Waterways Association.
Archie R. Rolfs, President, Port of Douglas County, Washington.
Roland Lindburg, President, Port of Benton County, Washington.
James W. Davis, Executive Director, North Carolina State Ports Authority, Wilmington, N. C.
Louis C. Purdy, General Manager, Port of Toledo, Toledo-Lucas County Port Authority, Toledo, Ohio.
J. P. Turner, General Manager, Port of Houston, Harris County Navigation District, Houston, Texas.
Capt. Joseph T. Bishop, President, Portland Stevedoring Company.
Jack Eyre, Representative, Arthur D. Little Company.

The Committee also interviewed representatives of port and dock agencies as well as industrial and occupational groups directly involved with port operations, as follows:

FREIGHT FORWARDERS:

Joe Warren, Seaport Shipping Co.

BARGE AND TUGBOAT OPERATORS:

Robert Ditewig, Western Transportation Co.
A. M. Laakso, Pacific Inland Transportation Co.
Capt. Lew Russell, Tidewater Barge Lines.
Don Ray, Willamette Tug and Barge Co.

STEAMSHIP OPERATORS:

J. E. Strowger, Kerr Steamship
Archie Davis, Transpacific
H. H. Wrightson, Williams-Diamond
R. C. Lawrence, American Mail Line
Norman Guthrie, Burchard & Fiskens, Inc.
Hollis Farwell, formerly with Alexander & Baldwin for Matson Navigation Co.

SHIPPERS:

Rubin Dacklin, Boise Cascade Corporation
John King, Georgia-Pacific Corporation
Lowell Patton, Oregon Lumber Export Company
John Pettengill, North Pacific Lumber Company
Donald Robinson, Riviera Motors, Inc.
Harry Starr, Cargill, Inc.

FINANCE INSTITUTIONS:

William R. Wells, Vice President in Charge, International Banking Department, First National Bank of Oregon
Kenneth R. Cochran, then Assistant Vice President, Bank of California, N.A.
Harvey H. Cornell, Vice President and Manager, International Banking Department, United States National Bank of Oregon
Walter Johannsen, former Vice President, International Banking Department, United States National Bank of Oregon, and member, U.S. Trade Mission to the Philippine Islands.

STAFF OF THE PORT OF PORTLAND, including:

George M. Baldwin, General Manager
 Robert A. Neumeister, Assistant General Manager
 Ernest W. Bauer, Comptroller
 Jacob V. Fryberger, Manager, Aviation Department.
 William S. Dirker, Manager, Research, Planning and Information Dept.
 Lewis Arnold, Manager, Industrial Development Department
 Robert F. Dow, Chief Engineer
 Arnold M. Cogan, Planning Director
 Earl B. Ellis, Assistant Manager, Marine Department
 Harry M. Hanna, Administrative Assistant to General Manager
 William G. Proctor, Information Director

COMMISSIONERS OF THE PORT OF PORTLAND, including:

Dennis Lindsay, Harold Hirsch, Howard B. Somers and Raymond M. Kell.

STAFF OF THE COMMISSION OF PUBLIC DOCKS, including:

Thomas P. Guerin, General Manager
 Keith Hansen, Assistant General Manager
 Edward Smith, Comptroller
 George Grove, Sales and Traffic
 Alfred M. Eschbach, Chief Engineer
 Fritz Timmen, Public Relations

COMMISSIONERS OF COMMISSION OF PUBLIC DOCKS, including:

Raymond M. Kell, Robert J. Rickett, H. B. Cooper, James W. Goodsell and Marshall N. Dana.

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MEMBERS INVITED TO NOMINATE CANDIDATES FOR "CITY CLUB AWARD"

The City Club Awards Committee, created by the Board of Governors in accordance with Article VIII of the City Club By-Laws, will consider nominations from City Club members for the "City Club Award", Leib L. Riggs, Chairman, announced this week.

The Awards Committee will consider these nominees and such other nominees as the Committee itself may select, on the basis of the following criteria adopted by the Board of Governors:

"The Award shall be made by the Board of Governors no more often than annually, as a recognition of the contribution made by a member of the Club toward accomplishment of the Club's purposes. The Award may not be made to any member of less than ten years continuous membership. It shall be awarded to those members who, by virtue of their long-standing service to the Club, their continued demonstrated willingness to assume Club responsibilities and assignments, and their demonstrated long-time interest in the goals of the Club, warrant, in the sole opinion of the Board of Governors, recognition of their service by being given the City Club Award".

Nominations, which are to be submitted in writing, should include full particulars concerning the candidate's Club experience and activities, to the extent known, and which, in the nominator's opinion qualify the candidate for the Award. The types of Club activities to be cited could include: research committee experience, including both ballot measure and long-range studies, chairmanships, service on Research Board, the Board of Governors, as an officer, on such special committees as Nominating, Membership, etc., as well as such special qualities as leadership.

There is no current deadline set by the Committee, but it is expected decisions will have to be made before the next annual dinner or annual business meeting. The fiscal Club year ends May 31st.

Serving on the Awards Committee with Chairman Riggs are Burdette W. Erickson, James E. Maxwell, Donald W. Morrison and Waldo B. Taylor.

PROPOSED FOR MEMBERSHIP AND APPROVED BY THE BOARD OF GOVERNORS

If no objections are received by the Executive Secretary prior to April 30, 1965, the following applicant will be accepted for membership:

Robert Morris Smith, Accountant. Maintenance Accounting Supervisor, Consolidated Freightways. Proposed by Dr. Mark Chamberlin.

HOOGSTRAAT NAMES VEHICLE SAFETY COMMITTEE MEMBERS

Emerson Hoogstraat, chairman of the Motor Vehicle Safety Committee study, has named the members of his committee, as follows:

Gordon Beebe, Alan M. Corwin, Newell T. Crolius, Robert Ditewig, John H. Donnelly, M.D. and Morton A. Winkel. Paul R. Meyer serves as Research Advisor.

The authorization to the committee directs it to "recommend practical and worthwhile improvements in law and regulations, other than traffic regulations, which would promote safe operation of motor vehicles".

It is suggested to the committee that its investigation should include such facets as periodic re-examination in licensing of drivers; the desirability of requiring particular safety devices and design factors in vehicles sold and/or licensed in Oregon, a state vehicle inspection system, and any other feasible regulatory measures which might substantially reduce automotive hazards "and human incompetence in the operation of motor vehicles".

DIRECTOR, BUREAU OF PRISONS, TO BE CITY CLUB GUEST SPEAKER APRIL 23: CRYSTAL ROOM

Myrl Alexander, Federal Bureau of Prisons, will be the City Club's luncheon meeting speaker on Friday, April 23rd. His topic is yet to be announced.

Arrangements for the meeting were made by Allen Hoffard, City Club member now residing in Washington, D. C., where he is Information Officer for the Bureau.

The April 23rd meeting is scheduled for the Crystal Room of the Benson Hotel.