6-8-1945

City Club of Portland Bulletin vol. 26, no. 06 (1945-6-8)

City Club of Portland (Portland, Or.)

Let us know how access to this document benefits you.
Follow this and additional works at: http://pdxscholar.library.pdx.edu/oscdl_cityclub

Part of the Urban Studies Commons, and the Urban Studies and Planning Commons

Recommended Citation
http://pdxscholar.library.pdx.edu/oscdl_cityclub/123

This Bulletin is brought to you for free and open access. It has been accepted for inclusion in City Club of Portland by an authorized administrator of PDXScholar. For more information, please contact pdxscholar@pdx.edu.
NOTICE: A full meeting will be given over to presentation and full discussion of these important measures on Friday, June 8. The membership will vote on these measures without further discussion at the luncheon meeting, Friday, June 15.

ELECTION MEASURES

STATE BUILDING FUND (state measure)
Presented by WILLIAM L. JOSSLIN, Chairman of the committee

CIGARETTE TAX (state measure)
Presented by OLIVER CROWTHER, Chairman of the committee

CIVIC CENTER (city measure)
Presented by HOLLIS JOHNSTON, Chairman of the committee

ELECTED TO MEMBERSHIP
CLARE W. McFARLANE, Accountant, Pacific Machinery and Tool Steel Co.
Proposed by Dr. Robert F. Anderson.
E. EARL FEIKE, Attorney. Proposed by Dr. Edward L. Clark.

BONDS PROVIDE FUTURE RESEARCH . . .
"There will always be civic problems to study and a bond bought during the Seventh War Loan Drive for the club will help to build a fund to aid future studies. Herewith is a war bond purchased in the name of the City Club of Portland."
—Dr. F. W. BRODIE
Amount of contributions to date: $1,801.00
To the Board of

At the purchase of 32 blocks of ground in addition to the property already owned by the city, the study was begun this plan involved the property originally to the Council by the City Planning Commission and the Portland Area Postwar Development Committee.

At that time the 32-block area plan had been approved in general but had not been finally acted upon by the City Council. Subsequently the Council has designated an area within which a Civic Center may be developed. This area is somewhat reduced from that recommended to the Council by the City Planning Commission and the Portland Area Postwar Development Committee.

During the course of this study interviews were held with the following: city officials, affected property owners, state highway officials, city public transportation managers, bond and finance experts, representatives of the Portland Area Postwar Development Committee, representatives of the City Planning Commission, and taxation experts.

A study of a Civic Center for Portland involves consideration of:

1. The potentialities of the geographic location of the city.
2. Tax structure in the state and the city.
3. The trade and industrial development which may be expected in the city and trade area.
4. Physical structure of the city.
5. The traffic within and to and from the city.
6. The character of the people.
7. The problems concerned with the advanced planning needed to provide for the city's growth.

After a review of the situation the committee satisfied itself that a definite plan of a Civic Center is needed. It then studied the several proposed plans for a Civic Center presented by the City Planning Commission and reviewed the entire history of city planning in Portland up to the present date.

The study of the committee must of necessity be in terms of generalities since no specific, complete, plan for buildings and developments has yet been approved. Because of this fact the committee confined itself mainly to an examination of the city's need for the facilities expected to be provided by a Civic Center program. The committee therefore treated the question as if the buildings, streets, plazas, and facilities as shown in the drawings prepared by the City Planning Commission embody the Civic Center idea. The voters will be asked to approve the means of attaining a long standing ambition on June 22. Should the people approve, the Civic Center itself will then be in the hands of the future and under the protection of the City Planning Commission.

Reference will be made in this report to both the plan involving the purchase of 32 blocks, submitted to the council by the city planning commission, and the reduced plan, involving the purchase of 19 blocks, which was approved by the council—the plan which forms the basis of the measure to be voted upon. For purposes of identification this report will refer to the first as "submitted plan, and the second as the "approved plan.

Portland is Growing

The Portland Area (Clackamas, Columbia, Multnomah and Washington Counties—Oregon and Clark counties in Washington) had a population in 1940 of 522,000. According to ration book registration, the Area population stood at 702,000 in May, 1944. Some out-migration during the past year probably has reduced the population figure to about 680,000 persons. The net represents a 30% increase over the 1940 figure. Studies indicate that 51.9% of the newcomers wish to remain in the area after the war and that about 41½% are definite in their intention to stay.

The above figures indicate that we may expect a hump in our population curve over and above that shown in the growth-of-cities graph here-with.

Population and Industrial Trends

Judging the future growth of Portland by the experienced rate of growth of the large American cities, (see graph), which rate appears to be determined by the size of the city rather than by the time at which it occurs, we may reasonably expect Portland and its immediate environs (Vancouver, Washington, not included), to reach a population of 500,000 in 1950 and a population of 1,000,000 in about 1990. The state and the trade area will by the same calculations maintain a commensurate growth.

The focus of attention given to the Pacific Northwest during the war has spread a knowledge of us and an interest in us throughout the nation, and it is only a natural conclusion that the population growth estimates are conservative.

Portland is known as a home city,—New Englandish—some have called us "old maidish." The people of this city have the valuable reputation of being hardworking and pious, seldom...
Portland's Civic Center needs are based upon continuing population increase as indicated above.
spectacular, unused to plunging recklessly. We have dreamed and planned much and built little. We have been moderately prosperous but not ostentatiously rich. What wealth we have earned has been not from oil gushers but rather from the use of the pick and shovel.

In order to come to a conclusion on the question of a Civic Center for Portland, it is necessary to review the resources of the city and the area. This city lies in a strategic location for climate, natural resources, hydroelectric power, transportation by land, water, and air, for trade with the rich valleys and the Inland Empire, and for the overseas trade which now locums promising in the Pacific. We are in the midst of a play-ground which can support a recreation industry that can be expected to grow from the present $45,000,000 per year asset to one which will equal or surpass the present $100,000,000 tourist income of Washington if not the $500,000,000 income of California. We are possessed of abundant, low cost, electric power so necessary to certain kinds of manufacturing and useful to all enterprise. The Pacific Northwest has approximately one-third of the merchantable timber in the United States. The timber industry, when placed on a sustained yield basis, is destined to become ever more important in the national economy. Forest wastes, a loss in the past, now promise to become an important resource with the growing wood chemical industry, the products of which will include plastics, foods, yeasts, and alcohol.

War industries now established here will have to scale down and some will disappear. But many will re-adjust themselves and become members of our permanent industrial family. The population in our trade area is growing—manufacturing and all business may be expected to keep pace.

**Need of Plan Long Recognized**

In spite of evidence which may appear to deny the fact, Portland has long recognized the need of a plan for its growth. From time to time, outside city planners have been employed to prepare plans. The first of these was the so-called "Bennett Plan" in 1912. The second, prepared by Charles H. Cheney, dealt mainly with traffic and zoning. The third plan was prepared by Harlan Bartholomew in 1932. The fourth plan was included in the Robert Moses report of 1943. The primary purpose of the Moses Report was a recommendation for a construction program to provide postwar employment. The Civic Center area dealt with in that report was not intended to be a careful and exhaustive study in detail but rather a project which might be undertaken at a propitious time.

Examples of good planning and good follow-through action of a type of plan similar to the one proposed for Portland are found in Cleveland, San Francisco, and Denver.

**Benefits of Plan**

The demolition connected with the Civic Center project may appear to be costly when viewed from the standpoint of a present occupant of the area. This demolition, on the contrary, is a benefit when viewed from the proper point of perspective of the city's over-all welfare. The frightful devastation in London has furnished the capital of the British Isles opportunities for the needed repairs to their streets, parks, and industrial system. The British regard this as a Godsend in spite of the staggering cost. The London people mean to remake their city and at the same time they are removing the blight which in normal times it is so difficult for them to strengthen their determination to clear away. The ruin which has been poured upon them from the skies is being turned to advantage and, if the death toll could be forgotten, the physical cost claimed by the German bombings has, in certain districts, actually paid dividends.—(See Fortune magazine, July 1944, Guy Greer.)

Civic energy is not easily released. It took Chicago twenty-five years for civic leaders to gain the public support necessary to establish its city betterment program; but once it got under way and the benefits were demonstrated, the city became dedicated to civic advancement and its improvement program has continued. The same effect can be expected in Portland.

Most cities of the world are suffering from the lack of guided growth and development. Portland is no exception. The community has grown as a pioneer city and the results of unguided drift stand in the way of proper and advantageous placement of future public buildings. If no plan is adopted, any future developments will likely be determined from the force of expediency as has happened in the past, with little or no relationship to logical placement. Every building or other development which follows can be expected to further complicate future plans.

**Elements of Civic Center Plan**

Some of the more important considerations of the approved plan for Portland are:

1. Elimination of blight: Experience shows that once blight has set in property cannot be revived unless redeveloped as an area. Where property values have been shrinking steadily there is an indication that blight has set in. This fact is a hopeless prospect for the owners and for the public from the standpoint of bearing taxation. The area involved needs to be redeveloped by the city to save it from further fall in value, to encourage the improvement of adjacent property and also to avoid the spread of blight into contiguous areas. An estimate of increased values in contiguous areas which might be expected with the completion of the Civic Center is shown on the Chart.

2. Official business facilitated: the transaction of business between various departments of city, county, state and federal governments, and between these departments and the public should be facilitated. Involved in this question is the need for parking of automobiles, both official and public, and the close and convenient accessibility of traffic arteries from the buildings to city and out-of-town points.

3. Pageants and celebrations: The Rose Festival, which has become an institution of national
as well as local importance, needs a worthy public plaza, which would further brighten and dramatize the event. The situation on the river would permit tying river pageantry into the celebration. Indeed, the location is capable of becoming magnificent and is a unique opportunity to bring Portland a Civic Center unsurpassed in setting. The same facilities could well be service other events and pageants.

4. Traffic: Portland, as it emerges from war restrictions and faces the future growth, needs urgent attention to the matters of traffic movements. Our narrow streets and lack of alleys make our problems unusually difficult to solve satisfactorily.

5. Parking: Along with the problem of automobile movement we need parking facilities and these should be adjacent and convenient to traffic arteries and to the business and shopping district. We are threatened with a condition when the pressure of traffic will prohibit all on-the-street parking.

6. Building sites: Important buildings require ample sites. Portland does not now afford adequate plots of ground upon which to build large public buildings. Our 200-foot square blocks are an intolerable restriction upon planning latitude.

7. Convention Hall: Portland, like every important city, needs a large building to accommodate conventions, athletic events and exhibitions.

8. City and state buildings: The present City Hall has been outgrown and several city departments have been forced to seek outside office space. A new adequate building is needed. For convenience and economy state bureaus now housed in Portland need to be gathered into one building under state ownership.

9. Future buildings: The city should keep space available for the construction of additional public buildings within the boundaries of an area devoted to similar functions.

10. Land costs: It is to the city’s interest to purchase the least expensive land available which serves the purpose.

11. Financing: The financing must be adequate to the needs and the taxation must be equally spread.

12. Flexibility: Any plan should permit of its expansion and accomplishments in steps.

13. Location: The ideal location should be adjacent to, but not in, the established business district.

**Over-all Civic Center Plan**

The overall plan for the Civic Center and Waterfront Improvement, as it was submitted to the Council for approval, represents an attempt on the part of the City Planning Commission to embody all the elements of good planning insofar as it is practically possible.

Fundamentally, the plan is based on a traffic distribution street formed by widening Second Avenue so as to drain traffic from Harbor Drive, which traffic would be fed from the Burnside bridge and the proposed relocated Hawthorne Bridge, and from a new east-west artery at Clay Street, and permitting it to distribute itself westward into the business district. In order to understand the traffic features of the plan, it is necessary to look at the Harbor Drive, which is a link in the State Highway system and is to be connected in the future with ramps to the Steel, Burnside and Hawthorne bridges by the state and to the proposed east-west artery. This artery would be located between Clay and Market Streets and would be a wide, depressed thoroughway.

Since it is proposed that the entrance levels of the buildings be from a raised plaza some fifteen feet above the street level, space is provided for automobile parking under the buildings and plazas. While Second Avenue is widened, First Avenue is abandoned, thereby forming a strip of land about 360 feet wide extending from Front Avenue to Second Avenue providing good settings for buildings and plazas. Designing buildings and plazas raised above street levels would provide automobile parking for some 4000 cars underneath at the present street level, or 8000 cars, if two decks of parking should prove necessary upon final study. 4000 cars parked along the street would require an area approximately from Burnside to Jefferson Streets and from Second Avenue to Twelfth Avenue.
The use of parking space would be divided between the inhabitants of the buildings and the public during daytime. The parking capacity under the city buildings, and undoubtedly a substantial portion of that under the other buildings, would be available to the public for nighttime use.

The plan provides space for a new City Hall in close relationship with the present City Hall which in the plan would be converted into a Municipal Court Building. Space is also provided for a new State Office Building.

Among items which have been suggested, and which are under study by the City Planning Commission to be grouped in the Civic Center area are a Convention Hall and Sports Arena, a combination-use building which the committee feels is an immediate need in Portland and should have early priority; a Music Hall and Opera House; an Historical and Natural History Museum; and an Horticultural Hall to be used for year-round displays of local flowers and shrubs for which Portland is famous. These buildings have winning degrees of support from the citizens and certainly all might be regarded as desirable to a city of Portland’s size and importance, as entertainment and recreation for our own people and for visitors.

Many details of the plan remain to be determined. The proposed State Office Building has gone no further than the talk stage. The state authorities do not commit themselves that a new building is necessary, nor that it will go in the Civic Center group in case it is decided to acquire such a building. The proposal is so logical and enough encouragement has been given by state authorities, however, that its realization appears highly probable.

While the details are not determined, experiences of other cities show that demands for space for further buildings increase as time goes on and that originally planned areas prove to be too small rather than too large. San Francisco is in that position today.

The twelve blocks extending from Morrison Street to Ash between Second and Front Avenues, contained in the submitted plan to the City Council, were intended for purchase by the city and later sale to the federal government for the construction of buildings to house its bureaus and departments. This area was included in the submitted plan but deleted in the approved plan to be voted upon at the June election. Should the federal government follow up the conversations with action on its own account, the original plan might then be completed as originally conceived.

In the opinion of the committee, the submitted plan with its proposal to purchase thirty-two blocks was sound in that it would tend to encourage federal officials to take part in the program. It would enable the city completely to develop the city traffic distribution street on Second Avenue. It would permit the closing of First Avenue, thereby creating large building plots for future use of the city or for sale to private users in case the federal government failed to cooperate.

Federal Buildings

The proposal to locate the federal office buildings between a rebuilt and widened Second Avenue and Harbor Drive, and north of Alder Street, was one of the important parts of the submitted plan. Many points in favor of such a location for federal offices are immediately apparent. Ready access to arterial routes into and out of the city, equally accessible from the proposed Second Avenue distribution street without interference with the normal congested business district traffic, ample parking facilities; location on the edge of the downtown business center, ample area to permit lower buildings, and ample space for expansion; nearness to hotels and the financial district; an uncongested site with an outlook on the river;—all indicate that the area is admirably situated for such use.

Having available an area so suitably located in an approved City Plan should encourage the location of important federal offices in the area and should make more likely the selection of Portland as the site for regionalized federal departments and bureaus as such offices are established in the Northwest. There is at present a need for two large office buildings to provide accommodations for miscellaneous agencies not now provided with federally owned space, with indication that more will be required in the future.

Placement of a large number of employees in this area should have an important and beneficial influence in the rehabilitation of the adjoining property west of Second Avenue.

It is therefore evident that the pending federal building program in Portland and the Northwest has a close relationship with the Civic Center program. The federal officials have been making surveys for the past year to determine how much space is needed for the departments located here, such as the Forest Service, Bureau of Roads, Bonneville Power Administration, Army Engineers. There are at the present time something over five thousand federal employees stationed in Portland and this constitutes an important local industry.

Federal officials found from their survey that 500,000 square feet of office space are needed for these departments now represented here, exclusive of temporary war-time agencies. The concern of the agencies is to secure adequate accommodations and location with respect to one another. At the same time, it is reported, the office building managers in the city have expressed themselves as anxious to get government offices out of their buildings so that they may make long time contracts with tenants of their own choosing. The federal officials state that the situation has become so critical with the federal people under present rental arrangements, with the crowded conditions within the present government owned buildings, that some agencies are contemplating moving their local offices to other cities in order to find satisfactory quarters. It was conceived by the committee that more better locations, making advantageous location and ground available for federal buildings should encourage construction and arrest the present tendency to move away and, on the contrary, since space provided
would be of such an advantageous character, other agencies would tend to locate here.

At the same time it must be recognized that the federal government could not allow itself any part or commitment without the prior move and establishment of street changes on the part of the city. The same conditions apply to the state’s deliberations as well. In the submitted plan which includes space for federal and state buildings within the Civic Center, it is to be seen that the entire property must first be purchased by the city, changes made in streets and boundaries, and the property then allocated to city development or state or federal purchase. Space for a state building is provided in the approved plan. In lieu of the procedure as to the federal building program provided in the submitted plan, the committee believes that the city should: provide for the changes in Second Avenue along the border of the approved Civic Center area, a change which involves the corresponding abandonment of First Avenue; declare the intention of continuing the same scheme northward to Ash Street when the propitious time arrives; encourage and urge the federal government to purchase this property with the understanding between it and the city that the street changes would be made.

Your committee believes that, under the circumstances, the citizens of Portland should approve the provisions of the complete submitted plan and that the city should strive toward the realization of that program.

**Financing and Costs**

During the progress of the committee’s study several methods of financing were under consideration by the city authorities, and the committee analyzed each of those proposed methods. The committee believes that the plan of financing finally adopted by the City Council is sound and the best one among those it studied. The charter amendment finally submitted to the people by the council provides for—

1. The issuance and sale of general obligation bonds amounting to $2,000,000 face value which will be retired in accordance with the provisions of the amendment.

2. A special two mill property tax to be levied for each of the next five years. On the basis of present assessed valuation this levy would produce about $650,000 per year or a total of approximately $3,400,000 in the five-year period—or a total of $5,400,000 from bonds and levy combined. The measure provides that not to exceed $1,000,000 of the funds may be expended for the construction of Civic Center buildings. The balance would be available for the acquisition of property and/or improvements for a civic center.

According to estimates supplied to the City Planning Commission, the cost of purchase of the nineteen blocks is $3,100,000. This leaves a balance of $1,300,000 to cover the cost of demolition, the street changes, construction of plazas and other improvements. In the absence of a definite plan for these improvements, it is obviously impossible to estimate their cost. It can be assumed that the $1,300,000 will cover these costs but that, should the full amount be not required, the levy in the fourth and fifth years can be adjusted so as to avoid over-collecting.

**ADVERSE PUBLIC OPINION**

Views in opposition to the Civic Center plan have been expressed during the period of planning and discussion and since the Council approval. Many of the objections to the plan have been answered by the foregoing discussion. Other objections seem to be based upon:

1. The assumption that it is not warranted in view of the resulting increased taxes.

2. Financial injury claimed by some persons whose property is in prospect of condemnation.

In direct examination of the first item, it must be recognized that no civic betterments can be had without cost. Of the estimated cost of property acquisition, about $300,000 would be the value of the land assigned to the state. The committee believes that this land cost is reasonable and that the tax burden is not great in view of the need for the program and the rewards. While the returns from the provisions of the ballot measure will supply funds for the purchase of property and improvements to it, and $1,000,000 toward building construction, it must be kept in mind that future construction must come from future funds. There is no telling at this time what buildings will be finally allocated to the center, and from what sources—federal, state, city or bequeathed—funds will come. The question of raising city money for future city buildings and improvements will rest with the voters and the question will be subject to the merits of each case as it presents itself. (See table of estimated cost of suggested improvements and buildings.)

The second reason for objection is a quite natural one on the part of any property owner who stands to lose an advantageous location of business and whose view of the future may be geared to the prospects of this very subject. Should the Civic Center be approved by the voters, the committee believes that individuals whose property is subject to condemnation will be adequately compensated and that those who contend that they are being dispossessed of their business places will be able to relocate and that, in the large sense, they will benefit along with the rest of the people of the city. The committee feels that the logic of the plan compels the city to take possession of this property.

In reply to direct questions put by property owners in the proposed Civic Center area, the City Council has declared its policy in the following statement:

"To acquire land only as needed in the progressive development of the area and, if and in the event an occupant or owner has not succeeded in making arrangements to relocate, it will be the policy to grant, whenever possible and consistent with the public interest, such additional time as may in good faith be needed to obtain quarters elsewhere. In the development of the Civic Center it will be the purpose of the council,
PROPOSED CIVIC DEVELOPMENT ALONG THE WATERFRONT

STAGE 3

LEGEND
1 NEW CITY HALL
2 HALL OF JUSTICE
3 NEW CITY JAIL
4 STATE OFFICE BUILDING
5 HORTICULTURAL CENTER
6 MUSEUM
7 MUSIC HALL
8 COLISEUM
9 FEDERAL OFFICE BUILDING
10 MARKET BUILDING
11 APPROPRIATE SEMI-PUBLIC USE

PORTLAND CITY PLANNING COMMISSION
W. A. BOWES COMMISSIONER OF PUBLIC WORKS  ARTHUR D. WYAT DIRECTOR
Proposed Civic Center: Robert Moses Plan: 1943
ESTIMATED COSTS AND FLOOR SPACE REQUIREMENTS FOR PUBLIC AND SEMI-PUBLIC BUILDINGS PROPOSED FOR THE CIVIC CENTER

(From preliminary computations by the City Planning Commission)

<table>
<thead>
<tr>
<th>Buildings</th>
<th>Source of Information</th>
<th>Area, Square Feet</th>
<th>(Very Rough) Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Office Buildings</td>
<td>Federal Agencies</td>
<td>500,000</td>
<td>Not Estimated</td>
</tr>
<tr>
<td>City Hall</td>
<td>Comm. Fred L. Peterson, Existing area: 93,621 sq. ft. Estimated need three times greater, or 280,000</td>
<td>280,000</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>State Building</td>
<td>Secretary of State</td>
<td>100,000</td>
<td>$1,250,000*</td>
</tr>
<tr>
<td>Music Hall†</td>
<td>(Assumed)</td>
<td>50,000</td>
<td>$700,000</td>
</tr>
<tr>
<td>Coliseum</td>
<td>(Assumed)</td>
<td></td>
<td>$3,200,000†</td>
</tr>
<tr>
<td>Museum</td>
<td>Oregon Historical Society</td>
<td>70,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Horticultural Center</td>
<td>(Assumed)</td>
<td>70,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Hall of Justice and Jail</td>
<td>Police Department</td>
<td>120,000</td>
<td>$750,000§</td>
</tr>
</tbody>
</table>

* Board of Control Preliminary Estimate.
† This building would be adjoining the Coliseum as contemplated at present and would use stage house jointly.
‡ To seat maximum of 10,000 people, overall dimensions 250' x 420'.
§ If present city hall is used as a hall of justice, jail section alone would be about $200,000.

ESTIMATED COST OF TERRACES AND RAILS
(From unit costs estimated by the Department of Engineering of the City of Portland, Oregon)

Exclusive of Areas under Buildings, and Exclusive of the Federal Offices shown... $ 739,839
Landscaping... $ 200,000
Widening of Second Avenue... $ 750,000

not to disturb the present ownership of property until necessary to do so for the public convenience.

"If and in the event there are property owners within the area who find that because of the establishment of the Civic Center their businesses are hurt to the extent that they are suffering a loss which in equity entitles them to relief, it shall be the policy of the council to negotiate for the acquisition of their properties and so relieve them of their burden whenever this may be done without prejudice to the general public welfare.

"In order to avoid inflation of values and sky-rocketing damages and in fairness to the property owners and the public at large it shall be the policy of the council to seek and acquire firm options to purchase all the land within the area as speedily as negotiations can be consummated."

COMPARISON WITH MOSES REPORT

The Portland City Planning Commission's Civic Center plan was sent to Robert Moses for his comments. His reply was not favorable to the detailed plan submitted by the City Planning Commission. Many of the points commented on by Mr. Moses have been answered in other parts of this report. (For content of Moses letter see appendix.)

Many people may have the erroneous idea that the Moses Report constituted a plan for a Civic Center and that the plan prepared by the City Planning Commission is violating its provisions. The Moses Report, as elsewhere stated, was not a plan and did not attempt any detailed study of buildings needed or use of property.

The plan which has been presented to the voters represents a year's detailed study of land costs, building needs, traffic and parking adjust-
ments, and areas and arrangements required to accommodate the buildings reasonably expected to be contained within the Civic Center.

The area included in the measure to be voted upon is some one million dollars less costly than the area suggested by the Moses report; the traffic provisions are better; the parking and building locations are closer to the established business center. It is an area wherein there are many decedent buildings; the proposed Civic Center program will help stabilize values in contiguous areas which for the past twenty-five years have been falling sharply, and the large building plots are more readily attainable.

While the area contained in the approved plan involves the purchase of nineteen blocks, the area contained in the suggested Moses Report involves the purchase of twenty and three-quarters blocks; furthermore, many of the blocks included in the Moses project contain high value buildings such as the Congress Hotel and the Labor Temple.

SUMMATION OF OVER-ALL PLAN

1. Portland is a growing city. It has a bright future. Larger values will accrue to citizens if it grows in accordance with a wisely considered plan. If on the other hand it is permitted to grow according to no plan, mistakes are bound to follow and the city will gradually become more hodge-podge.

2. The plan submitted to the council, of which the approved plan contained in the measure on the ballot is the first step, contains the major elements of a good economical civic center plan. The property it is proposed to use is less costly than any other acceptable location of similar area.

3. The plan is flexible. Due to the location selected, further sites for expansion, if required, could more economically be procured than other locations which have been proposed.

4. The committee believes that the Civic Center and Waterfront Improvement Plan is sound in the long run, that it is vital to the future of Portland, and that the time to start is now. As pointed out in this report important opportunities of locating government and state buildings may be lost if action is postponed.

The voters of Portland will be called upon to decide the Civic Center measure at the June 22nd election. Your committee has weighed all the aspects of the subject which it feels have a bearing on this question.


It agrees with Arthur McVoy, the director of the Portland City Planning Commission, who says in his report to the City Council: “There are times in the history of any city of importance when a chain of circumstances is built up which challenges a bold and far-reaching solution of the serious problems which have arisen as a result of natural changes in urban growth and of past neglect and past mistakes. It is during such periods that cities recognize as great today obtained their greatness. It is during such periods that other cities with lesser leadership and less ability to see their opportunities have fallen by the wayside.” Portland faces this choice today.

RECOMMENDATIONS

The committee recommends that the City Club approve passage of the charter amendment to be submitted to the people of Portland on June 22nd in support of the proposed Civic Center project as approved by the City Council.

This committee further recommends that the club support the ultimate development of the Civic Center project as outlined by the City Planning Commission.

The committee recommends that the City Council make every effort to facilitate the independent purchase by the federal government of the area in the submitted plan which is not included in the approved plan. This effort should include cooperation by the city in condemnation and vacation of streets by the city where necessary to realize the original plan.

Respectfully submitted,

Harold H. Cake
Ralph Beardoff
Howard Emor
James Frankland
C. M. Gartrell
George Rossi
William M. Tugman
Rev. Ralph C. Walker
Hollis Johnston, Chairman

Approved June 1, 1945, for transmission to the Board of Governors by Donald M. Drake, Chairman of the Section on Planning and Public Works, and Anson S. Frohman, Chairman of the Section on Legislation and Elections.

Accepted by the Board of Governors and ordered printed and submitted to the membership of the City Club for consideration and action June 4, 1945.

APPENDIX:

CHARTER AMENDMENT SUBMITTED TO THE VOTERS BY THE COUNCIL

AN ACT

To amend an Act of the Legislative Assembly of the State of Oregon, entitled "An Act to incorporate the City of Portland, Multnomah County, State of Oregon, and to provide a charter therefor and to repeal all Acts or parts of Acts in conflict therewith," filed in the office of the Secretary of State, January 23, 1903, as subsequently amended by said Legislative Assembly and by the people of the City of Portland from time to time, and as revised, codified and arranged by ordinances numbered 76932 and 76902, by adding thereto a new section to be numbered by the Council, authorizing the issuance and sale of series of bonds to be issued at such time as the Council may determine to an amount not exceeding $2,000,000 with interest not exceeding 3$, and the levying of a 2 mill tax in excess of the 6% tax limitation
of the constitution and charter for each of five fiscal tax years ending within the following fiscal year for the acquisition and improvement of property for a civic center as a project the council deems having certain charter provisions not applicable to said project; and authorizing the City Council to provide a civic center for the grouping of public buildings and subject to the restrictions provided to do all things necessary therfor.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON:

Section 1. The Act of the Legislative Assembly of the State of Oregon entitled, "An Act to incorporate the City of Portland, Multnomah County, State of Oregon, and to provide a charter therefor, and to repeal all Acts or parts of Acts in conflict therewith," filed in the office of the Secretary of State on the 27th day of April, 1945, is hereby amended by adding thereto a new section to be numbered by the Council, which new section shall read as follows:

CIVIC CENTER ACQUISITION AND DEVELOPMENT. To the end that public buildings may be grouped and post war employment increased the City Council is hereby authorized (1) to plan for and provide a civic center in and about which public buildings may be located for greater public convenience; (2) to issue and sell general obligation bonds of the City in an amount of $2,000,000 face value; (3) to levy a special tax of 2 mills on each dollar of valuation of property in the City of Portland, subject to the fiscal years 1945-46, 1946-47, 1947-48, 1948-49 and 1949-50, which tax for each of said fiscal years is hereby specifically authorized and directed to be levied to pay over time to the maturity date of the bonds hereby made available for the construction of buildings for civic center to express the balance of the funds hereby made available for the acquisition of property and/or improvements for a civic center, and to pass such ordinances and exercise such other power and authority as may be necessary to carry out said project. Before completion of said project the authorities of the State and Federal Government and their agencies shall be consulted with a view of obtaining their cooperation and ascertaining the portion of such civic center needed by them. The land to be acquired shall embrace not more than 19 blocks adjacent to the present County Court House, City Hall and river front approximately between S. W. Columbia and Morrison Streets. Title to the necessary property shall be acquired in fee simple and the Council may provide, sell, lease or convey to the State, Federal Government or their agencies, and/or other bodies for use in serving the public welfare, such portions as may be agreed upon and not needed by the City for its own use. Adjacent properties may be restricted as to use in order to conform to the civic center plan and damages may be paid as ascertained to be just or the property may be purchased outright and thereafter sold, lease or convey it subject to restrictions. Restrictions with respect to the matter of vacating street area, selling, leasing or conveying property shall not apply to this project, and the Council shall have authority to dedicate such streets or other areas for public use as may be needed to complete the plan.

The bonds herein authorized shall mature in not less than five years and not more than thirty years from the date of issue and shall not be counted in the limitation of indebtedness and the special tax levy herein mentioned is hereby specifically authorized for each of said years and shall not be computed as a part of the revenue raised each year by general taxation which is subject to the tax limitation of Section II, Article XI of the Constitution of the State of Oregon, and said special tax herein provided for shall be in addition to all other general or special taxes which may be levied according to law. Said bonds or any part thereof may be sold directly to the Federal Government or to any agency thereof as provided by O. C. L. A. Section 95-1603 as amended. Such bonds shall be signed by the Mayor and Auditor or Auditor pro tem and the coupons shall bear their facsimile signatures. All property and property rights required for said project may be acquired by agreement or by condemnation.

The ballot title adopted for the foregoing measure is as follows: An Act to amend the Portland city charter so as to authorize the City Council to issue and sell general obligation bonds not exceeding $2,000,000 face value in any one year, subject to the restrictions and limitations provided in this Act, and to levy a special tax not exceeding 2 mills per hundred dollars of valuation of property, subject to the restrictions provided herein, for the purpose of providing funds for the acquisition and improvement of property for a civic center as a post war project and the group-

ing of public buildings within a defined area, exempting such project from certain charter provisions, and providing safeguards.

The Council of the City of Portland, by Resolution No. 22575 adopted on the 27th day of April, 1945, submitted the foregoing measure to the legal voters of the City of Portland, Oregon, to be voted upon at the Special Municipal Election to be held on said City on the 22nd day of June, 1945, and the foregoing measure and ballot title are published pursuant to the laws and ordinances in such cases made and provided:

Dated this 28th day of May, 1945.
Date of first publication, May 29, 1945.
Date of last publication, May 30, 1945.
J. O. BREDEMEIER
Auditor pro tem of the City of Portland.
C-1281-21

Hon. William A. Bower
Commissioner of Public Works
City Hall
Portland, Oregon

Dear Commissioner:

While Commissioner Cooper and I were unable to confer in New York because of conflicting engagements on both sides, Major Clarke did have time to tell us of the proposed Civic Center plan with Commissioner Cooper, and subsequently most of the discussion with the Portland Report have discussed the matter with us. What follows are our conclusions.

It is difficult to make a fair and responsive comment on a plan as ambitious as that proposed by the City Planning Commission of Portland. In the nature of things, there should be a good deal more time to pass upon such a project. Since, however, time seems to be of the essence and because you are apparently committed to the submission of some kind of proposition to the people this fall, I give you here our conclusions briefly and categorically for what they may appear to be worth. Let me add that these comments are in no sense based upon pride of authorship in the suggestions we made in the Portland Report, though of course we have had in mind precisely the same conditions which led to our conclusions in that report and which seem to us to be equally valid today.

First: We believe that the plan proposed by the City Planning Commission is entirely too ambitious. It includes property not presently needed for a reasonably large and impressive civic center. We see no reason, for example, why property should be acquired at this time by the City for the State and Federal buildings in the absence of any definite commitment on the part of either State or Federal authorities and in view of the fact that both of these authorities have the power of eminent domain, as well as the right to acquire property by purchase within the City limits. The State and Federal governments may in the end not approve the sites you have selected. They may select other sites or for an indefinite period take no action whatever. The idea of acquiring expensive land at this time and selling it later seems to us to be highly questionable. Unless the psychology of Portland voters is different from that of voters in most other places with which we are acquainted, we do not believe that this provision will appeal.

Second: It seems to us to be premature to acquire land for museums and similar institutions in the absence of any definite agreement with the private interests whose direction and support are a requisite to the success of such undertakings.

Third: We greatly question the wisdom even in future of acquiring so much land along the river front as is proposed in the plan of the City Planning Commission.

Fourth: We question the estimates of cost of both land and construction. They seem to be too low.

Fifth: We question the character of the proposed layout which seems to us to be visionary, uneconomic and not attractive. Certainly this layout requires a great deal more study than can be given to it in the time between now and election, and therefore it is the recommendation of the Portland Report that the plan be presented to the people in anything like its present form.

Sixth: We question whether Portland at this time and in the light of other pressing improvement demands is justified in spending as much as ten million dollars, a great deal
INTERNATIONAL RELATIONS
INSTITUTE OPENS AT REED COLLEGE

City Club members are invited to attend any or all of the lectures and discussions of the Northwest Institute of International Relations to be held June 10 to 17 at Reed College for the 11th successive year.

Day sessions will be held in Eliot hall at the college. There will be three lectures, two discussion periods and an informal tea hour each day, in addition to the "town meetings" to be held in the First Congregational church each evening, at 8 p.m.

Schedules and information may be obtained from the Institute office, 504 Park Building, BR 3388. Registration at the college will start at 2 p.m. Sunday, June 10.


WILLIAM HENRY CHAMBERLIN
TO ADDRESS CITY CLUB

William Henry Chamberlin, author of the current best seller, "America: Partner in World Rule," authority on Russia and the Far East, will speak to the City Club on Friday noon, June 15. Chamberlin will participate in the Northwest Institute of International Relations discussions.

DETOUR TO USE DRUNKOMETERS: Detroit's police department is training patrolmen in the use of drunkometers, taking the step after an unusual rise in the number of accidents during 1944 resulting from operation of automobiles by drivers under the influence of liquor.

PEDESTRIAN ORDINANCE: Utica, N.Y., has adopted and placed in effect a pedestrian traffic ordinance which prohibits the crossing of the street except at designated crossings and with the "go" of the traffic lights. The ordinance, adopted in March, is designed to eliminate jaywalking and fines have been fixed by the court to cover the offense, the International Association of Chiefs of Police reports.

WAR SERVICE APPOINTMENTS: Of the approximately 2,800,000 persons currently working for the federal government within the continental limits of the United States, about 2,000,000—or about 71 per cent—hold war service appointments that will expire within six months of the date on which the war is officially declared ended.
STATE BUILDING FUND

BILL AUTHORIZING TAX LEVY FOR STATE BUILDING FUND—Purpose: Levies tax for two years outside limitation fixed by section 11, Article XI, Oregon constitution, of $5,000,000 annually, creating state building fund of $10,000,000, to be offset by income taxes; appropriating $6,000,000 for the construction, alteration and repair of buildings required for state institutions under the jurisdiction of the State Board of Control, and for furnishing and equipping such buildings; appropriating $4,000,000 for the construction, alteration and repair of buildings required for institutions under the jurisdiction of State Board of Higher Education, and for furnishing and equipping such buildings; continuing each appropriation until expended.

To the Board of Governors of the City Club:

Your committee, appointed for the purpose of studying the proposed law, introduced in the last Legislative Assembly as House Bill 415, relating to the state building fund, divided its study into two parts:

1. The effect of the proposed law.
2. The need of an extensive state building program.

The title of the measure as well as its text indicates a tax levy upon real property in the amount of five million dollars annually for two years to provide a ten million dollar building fund. Of this sum six million dollars is for the construction, repair, and alteration of buildings under the jurisdiction of the State Board of Control and four million dollars for buildings under the jurisdiction of the State Board of Higher Education.

Title and Text Misleading

Both the title and the text are necessarily misleading. The funds appropriated are not expected to be raised from the collection of real property taxes. The reference to real property taxes in the measure is in reality legal fiction made necessary by our income tax law.

The income tax law provides that the revenue derived shall be used for the reduction of real property taxes paid on real property. Therefore, to make income tax revenue available for use there must first be a real property tax to be reduced.

We have had and still have state real property tax levies for many different purposes yet there has been no state real property tax collected as such since 1936. The income taxes since that time have been sufficient not only to reduce real property taxes but to eliminate them.

The proposed law specifically provides that the amount levied shall be offset, as are other taxes, by funds derived by taxes upon net incomes.

The people are asked to vote upon this particular tax for the reason that it exceeds the constitutional limitation of 6% increase.

Review of State Collections

During the fiscal year ending June 30, 1944, there was collected in income taxes the sum of $14,566,808.49. The next fiscal year ends June 30, 1945. Since we are so near the end of that period, state officials feel safe in making a prediction of income tax collections in the amount of $16,000,000.

During the biennium referred to there will have been a total of $30,566,808.49 collected. As the income tax law then stood, it was possible to pay all state expenses and to grant a deduction of 75% of the tax paid in 1944 and 30% of the tax to be paid in 1945. Even with these discounts there was accumulated a surplus of $15,625,221.51 which is available for use.

The 1945 legislature appropriated for the coming biennium amounts totaling $36,651,370.96 which are payable from funds to be derived from income taxes.

We found state officials willing to estimate but reluctant to be quoted relative to the probable income tax collection during the coming biennium.

By eliminating the deduction or discount granted on taxes on 1943 and 1944 incomes the estimates are for approximately $22,000,000 in the fiscal year 1945-46 and approximately $18,000,000 in the fiscal year 1946-47, or a total of $40,000,000 for the biennium. With the surplus of $15,625,221.51 there will be an estimated $55,625,221.51 from which to pay appropriations of $36,651,370.96 leaving a balance of $18,973,850.55 available to meet the building program of ten million dollars, leaving a surplus for the biennium of approximately nine million dollars if the estimates received are accurate. This nine million dollars seems to the committee to be a reasonable safety factor in case the estimates of collection are too optimistic.

Since the estimates are based upon the full amount of income tax without allowance for the discount enjoyed by tax payers during the past two years it would seem at first glance that the passage of this measure might possibly result in the elimination of such discount if the estimate of collection is too optimistic. This, however, is not the case. The proposed measure will have no effect upon the discount during the coming biennium because of the passage of House Bills 260 and 261.

These bills, which are identical except that one applies to personal income taxes and the other applies to corporation excise taxes, both provide in part as follows: "that in the event that certain measure enacted by the forty-third Legislative Assembly of the State of Oregon, designated and introduced in such assembly as House Bill No. 415...shall not be approved by the people, then shall there be transferred to such account, in addition to the funds herein provided in each of the fiscal years 1945-1946 and 1946-1947 the additional sum of five million dollars ($5,000,000)."

We do not mean to infer, as some have done, that the proposed building program will not cost the tax payers money. Ten million dollars spent...
in building state institutions will cost ten million dollars. We do find, however, that the passage or defeat of this measure will not affect the present tax structure. The elimination of the deduction to the extent of ten million dollars is an accomplished fact by House Bills 260 and 261. The money will be collected and set aside, regardless of the action of the voters.

**Appropriations and Use of Money**

The problem seems to us to be not one of taxation but rather one of appropriation and use. This conclusion leads us to our second classification, the need of an extensive state building program.

The proposed law does not contain a specific building program. It is necessarily general in its nature. This does not, however, mean that the present State Board of Control and the State Board of Higher Education have not made extensive studies of building needs. Their surveys and plans are quite definite. Since the measure calls for a long range building program rather than immediate construction these surveys and plans are necessarily subject to change. Because of our constitutional limitation upon terms of office it is certain that there will be changes in the personnel of the board of control, composed as it is of the governor, secretary of state, and state treasurer, before the building program is completed. It is also likely that the personnel of the State Board of Higher Education will change. New or different conditions arising subsequent to this time and new officers charged with responsibility of the building program are likely to cause changes in the plans.

We have carefully studied the specific plans and surveys available. Because of the likelihood of changes and because of the fact that we are not called upon to vote on a definite and specific program for the state institutions is long overdue.

**Institutions Affected by Measure**

The institutions under the jurisdiction of the State Board of Control included in the outlined building plans are the penitentiary, Oregon State Hospital, Eastern Oregon State Hospital, Fairview Home for Feeble Minded, Oregon State Tuberculosis Hospital, Oregon State Training School for Boys, Hillcrest School for Girls, Oregon State School for Deaf, Oregon State School for the Blind.

State office buildings are not included although they are under the jurisdiction of the State Board of Control. The last office building was paid for from rentals collected from self-sustaining departments occupying it, for example, the State Industrial Accident Commission, and the State Highway Commission. This arrangement has been found satisfactory and now seems to be the accepted policy of the state.

Reports from state officials, heads of institutions, as well as independent investigating agencies and penal experts, indicate that new or different conditions arising subsequent to this time and new officers charged with responsibility of the building program are likely to cause changes in the plans.

For example, the survey of the state mental institutions of Oregon conducted by the United States Public Health Service, Division of Mental Hygiene, Section of Mental Health Methods, shows that our mental institutions, although well administered, fall far short of the minimum standards of the psychiatric association. Many of these shortcomings are the direct result of insufficient and inefficient buildings.

The buildings which house the majority of the patients at the Oregon State Hospital are approximately 60 years old and obsolete; some of them constitute a real fire hazard. The hospital has a maximum proper capacity of approximately 2,200. At present it is housing more than 2,700 patients. Exercise courts are used for dormitories, dining rooms are crowded, too many beds are placed in rooms, and it is impossible to segregate patients properly for treatment. It is rather shocking to find that in some wards but two toilet seats are provided for the entire ward. Little improvement can be made without a major building program.


The penitentiary reached its highest population in 1939 being at that time, 1,116, some of whom were housed upon the farm located a short distance from Salem. Two of the four-cell blocks are emptied into a concrete trough in the prison yard each morning by the prisoners.

Although, due to war conditions there has been a sharp decrease in the prison population all facilities, including administrative facilities, are still overtaxed. Present facilities must be improved in order to make for better and more efficient care of patients. Exercise courts are used for dormitories, bathing and toilet facilities are overcrowded and inefficient; inadequate space is provided for the eating and sleeping of the patients. Little improvement can be made without a major building program.

The Oregon State Tuberculosis Hospital is in particular need of additional buildings. There are many unfortunate persons who must be denied admission until an additional hospital can be added.

We have not sought to point out all of the conditions and needs but merely to give point to our conclusion. In our opinion a major building program for the state institutions is long overdue. Requirements seem to indicate the necessity for spending at least six million dollars upon this program.
**Higher Education Facilities Extended**

The institutions under the jurisdiction of the State Board of Higher Education included in the building program are Oregon College of Education, Eastern Oregon College of Education, Southern Oregon College of Education, University of Oregon Medical School, University of Oregon, Oregon State College.

The building program does not contemplate income yielding buildings such as dormitories which are provided for on a self-financing basis. The prewar peak enrollment in these institutions was 11,509. For many years class rooms, laboratory facilities, and administrative offices have been crowded. This is due to the fact that there was a steady increase in enrollment without a comparable increase in facilities. Between 1929 and 1939 the enrollment increased considerably more. Since 1929 Oregon has appropriated from tax funds but $100,000 for new buildings. Buildings are needed at all of these institutions. We do not enumerate the buildings contemplated. We have, however, examined the building program and conclude that a four million dollar building program is necessary.

In reaching our conclusions we have not sought to pass upon the estimate of future population made by those whose opinion we respect. We find that there is need for the building program even though Oregon does not, in the postwar period, exceed her prewar population.

It seems that the end of the war will certainly emphasize the building needs which have existed since before the war. Studies indicate that we should provide for a larger number of persons particularly in correctional institutions and in our colleges.

**Conclusions**

Based upon our studies and findings we have reached the following conclusions:

1. The $10,000,000 will not be collected as a tax on real property.

2. By the end of June 1945 there will be a surplus from income tax collections, available for use, of $15,625,221.51.

3. Estimated income tax collections for the coming biennium are ample to cover appropriations.

4. Passage of the proposed law will not affect the present tax structure.

5. The income tax law as amended, provides for the collection and retention of an additional $10,000,000 if the proposed law fails to pass. If it does pass this sum is appropriated for buildings.

6. The measure is not one of taxation, but rather one of appropriation, for use, of funds provided for by existing law.

7. State institutions under the jurisdiction of the Board of Control presently need a $6,000,000 building program.

8. Oregon institutions of higher education have a present need of $4,000,000 for a building program.

9. Present buildings must be improved. New buildings must be built. The proposed law is a feasible plan for the accomplishment of these "musts."

**Recommendation**

Having reached these conclusions we recommend that the proposed law be passed.

Respectfully submitted,

Arthur Markewitz
Thomas J. Miles
Ira T. Walker
Jay R. Wilson
Oliver Crowther, Chairman

Approved June 1, 1945, for transmission to the Board of Governors by Anson S. Frohman, chairman of the Section on Legislation and Elections.

Accepted by the Board of Governors and ordered printed and submitted to the membership of the City Club for consideration and action June 4, 1945.

**CIGARETTE TAX**

BILL AUTHORIZING CIGARETTE TAX TO SUPPORT PUBLIC SCHOOLS--Purpose: Levies tax of ten cents on every cigarette sold, offered for sale or given away; requires dealers to affix stamps purchased from the state tax commission on all cigarettes and cigarette- vending machines; provides for segregation of stocks in interstate business; directs administration and enforcement of the act and provides penalties for violations; prescribes procedure for the confiscation, sale and release of seized cigarettes and vehicles; transfers all money in excess of $5,000 over administrative expenses to the state public school assistance fund; and directs distribution thereof.

To the Board of Governors of the City Club:

Your committee, appointed to study the cigarette tax bill, submit the following report:

House Bill No. 417 (Oregon Laws, 1945, Chapter 318), has been referred by the legislature to the people of Oregon for their approval or rejection at a special election to be held June 22, 1945. The ballot title of the bill is shown above.

If approved by the people, the tax will be levied on and after November 1, 1945.

The act provides that on the third Monday in December in each year, and at such other times during the year as he shall deem advisable, the state superintendent of public instruction shall apportion the state public school assistance fund in proportion to the number of teachers employed the preceding year in the first twelve grades of the public schools in the several districts. The act provides that wholesalers and retailers shall be allowed a sum equal to 3% of the face value of the stamps purchased by them for their services in affixing the stamps to in-
dividual packages and containers, provides for records and reports to be filed by wholesalers and retailers, and provides penalties for violations. Registration certificates costing $1.00 must be secured for each place of business at which cigarettes are sold.

**Tobacco Taxes In Other States**

Thirty-two states now levy taxes on tobacco products. Of these, twenty-one tax only cigarettes. In seven of the states the taxes are on an emergency basis, being reenacted every year or every biennium, as the case may be. Taxes range from 2c to 5c per package of 20 cigarettes. The proceeds of the taxes in all but seven states are placed in the general fund. Maine and New Mexico use these revenues for the purposes of old age assistance. Texas apportions two-thirds to old age assistance and one-third to the available school fund. Alabama places all of the proceeds in a special educational trust fund. Kansas divides the money among the state, county, and municipal governments. South Dakota apportions two-thirds of the proceeds to its general fund and one-third to its rural credit bond and interest fund. In Georgia the proceeds are used to pay confederate pensions, any balance going to the general fund.

Tobacco tax states have increased from 14 in 1934 to 20 in 1937, to 26 in 1940, and to 32 in 1945. Among Western States having tobacco taxes are Arizona, Idaho, New Mexico, Utah, and Washington. The Idaho law went into effect May 8, 1945. These thirty-two states are collecting over $150,000,000 a year in tobacco taxes. This compares with the collection by the federal government of almost one billion dollars in tobacco taxes for the fiscal year ended June 30, 1944. Tobacco taxes are in fourth place among state revenues; they have proved themselves very stable...Unless shortages in tobacco products develop or tobacco rationing takes place, tobacco tax revenues may be expected to produce substantial yields, notwithstanding seasonal and regional fluctuations, and notwithstanding the fact that an increasing number of persons in the armed forces are consuming tax-free tobacco.”—Recent Trends in State Revenues, Federation of Tax Administrators Research Report No. 16, page 23.

**Affirmative Arguments**

Your committee recognizes that, subject to the exceptions hereinafter noted, the Oregon cigarette tax bill compares favorably with the tobacco tax laws of other states. Your committee was advised that the bill is adapted from the Washington cigarette tax law.

In a letter, dated May 23, 1945, the tax commission of the state of Washington advised your committee that no serious objections to the Washington law have been voiced by responsible citizens; that cigarette users there have made no serious objections on the ground that they are contributing more than their share of state revenue; that farmers generally are favorable to its continuance; that the commission has encountered many difficulties in the enforcement of the law in that the tax has been evaded in many ways,—primarily through interstate mail purchases from dealers in Oregon and Idaho, through purchases from federal instrumentalities, such as post exchanges, ships' stores, cooperatives operating in federal areas, etc., and through black market sales; that it has had no difficulties in collection of the tax on sales made by established jobbers and tobacco dealers; that enactment of cigarette tax laws in Oregon and Idaho will aid in enforcing the Washington law; that the Washington cigarette tax currently raises the sum of $3,250,000 a year and but for the cigarette shortage would raise another half million; and that the expense of administration is less than 1% of net collections.

Of the $25,000,000 to $30,000,000 needed for elementary and high schools in Oregon for the school year 1945-46, the following state funds will be available (in round numbers) under existing laws:

- Irredicuble school fund $300,000
- 2-mill elementary tax (surplus income tax) $2,000,000
- State school support fund (surplus income tax) $8,000,000
- County school fund (surplus income tax) $3,000,000

Total $13,300,000

Only the irredicuble school fund and the 2-mill elementary tax are permanent in nature. Furthermore, the 2-mill elementary tax will have to be assumed by real property taxpayers on a state-wide basis if the income tax returns fail to produce a sufficient amount. The state school support fund and the county school fund are dependent upon a sufficiently large income tax surplus being available to offset property taxes. Thus, when income tax surpluses disappear, the real property taxpayers of the various counties and local school districts will have to take up the slack. At the same time, it will be necessary for them to continue also to provide the funds in excess of $13,300,000 required to complete the financing of their public schools.

Article VIII, Section 3, of the Oregon Constitution states: "The legislative assembly shall provide by law for the establishment of a uniform and general system of common schools." Oregon schools, however, have not been "uniform" because of the varying financial resources of the local school districts upon which they are so largely dependent for support. For example, in
Lane County the school tax rate varied from .4 mills in School District No. 47, to 49.2 mills in School District No. 43. Many school districts in Oregon have reached the saturation point beyond which they dare not go in attempting to impose taxes. Other districts are prevented by the 6% limitation amendment from increasing their taxes sufficiently to meet school needs. The chief advantage of the proposed bill is that it will provide a permanent source of new revenue for state support of elementary and secondary schools in the amount of approximately $2,000,000 per year through the medium of a cigarette tax.

Proponents of the bill urge that Oregon school needs are critical; that many school districts, and particularly the Portland district, have been subjected to sharply increased costs due to wartime population shifts; that teachers' salaries are unusually low in proportion to compensation paid for similar work; that school authorities are unable to secure a sufficient number of properly trained teachers; that schools have emergency certificates, indicating a lack of the requisite qualifications; that 1,656 teaching replacements are needed next year in addition to the annual turnover of 1,450 teachers; that of the 245 students eligible for teaching certificates in all teacher training institutions in Oregon in 1945-46, about one-half will go to other states; that enrollments in some districts have increased by from 15% to 20% that schools in many districts are over-crowded and additional school housing must be immediately provided; and that most districts will have to exceed the 6% limitation in order to keep operating.

Proponents of the bill state that there are no other state revenues available for education; that the liquor profits are used for old age assistance; gasoline taxes, and auto license fees go to highways; and income tax revenues must be used to offset property taxes.

The bill has been endorsed by the Oregon Congress of Parents and Teachers, Oregon State Teachers' Association, Oregon Business and Tax Research, Inc., Oregon State Association of School Boards, Rex Putnam, State Superintendent of Public Instruction, Governor Earl Snell, Dr. Willard B. Spalding, Portland School Superintendent, the Oregon Journal, the Oregon Voter, and other individuals and agencies. The most vigorous opponent of the bill is organized labor — both A. F. of L. and C. I. O. The Oregon State Grange has taken no stand on the bill.

Negative Arguments

The 1945 law is a substantial duplicate of a cigarette tax bill enacted by the 1941 Oregon State legislature (Oregon Laws, 1941, Chapter 488), and defeated at a referendum election on November 3, 1942, by a vote of 127,366 against to 110,643 for. The 1941 act, however, provided that after payment of administrative expenses, all moneys in excess of $5,000 should be apportioned one-fifteenth for state vocational education and five-sixths for public relief. In the City Club Bulletin for October 23, 1942 (Volume 23, Number 24), will be found the report of the City Club committee recommending a negative vote on the bill.

However, the club membership recommended an affirmative vote on the bill.

The objections urged against the present bill are as follows:

1. The 1945 Oregon legislature, by Senate Joint Resolution No. 2, provided for a commission of thirteen key officials and citizens to make a complete study of Oregon's tax system. Imposed upon this commission is the duty "7. To make a study of the needs and requirements of public education in all its branches, and particularly the proportionate costs of primary and secondary education which should be carried by the state, with the view to determining how these charges against the cost of government may be more equitably distributed and our educational system improved. The sum of $20,000 was appropriated by the legislature for the use of the commission, and it is required to report its findings to the 1947 legislature, "or any earlier convening of any legislative assembly in Oregon." Oregon's tax structure, and particularly the provision made for the support of the public schools, is a complicated hodge-podge which has "grown like Topsy." Before a new tax is engraved upon Oregon's battered tax tree, the tax study commission should be given an opportunity to recommend to the people of Oregon an intelligently conceived, well-integrated, broadly-based, harmoniously-functioning, modern tax system, including provision for sound, permanent, and adequate support of our public schools.

2. The bill provides for an automatic and proportionate distribution of cigarette tax revenues, regardless of the needs of the individual districts and regardless of whether or not such individual districts are efficiently operated and conducted. It is a matter of speculation as to whether or not the cigarette tax revenues as distributed would materially relieve the admitted needs of certain districts. If the local districts desire state-wide support for their schools they must be prepared to submit to a reasonable amount of supervision and the maintenance of standards which will tend to establish the uniform system of common schools directed by our state constitution. About fifty cents of every dollar raised by the state and local governments in Oregon goes for the support of our schools. The people of Oregon have not been ungenerous in providing reasonable support for this great public institution. However, they have the right to know that their hard-won tax dollars are efficiently expended.

3. The cigarette tax revenues would provide only about one-fifteenth of the funds needed for the support of our elementary and high schools. The enactment of this partial relief may actually tend to postpone the securing of a permanent system of adequate support for our public schools.

4. This bill continues the unsound trend in Oregon to earmark special revenues for particular purposes. It is generally recognized by tax authorities that it is best for all tax revenues to be paid into the general fund of the state and to be disbursed therefrom only by special act of the state legislature, according to actual need. Where, however, a public agency is given the
## ANALYSIS OF PARKING

(From estimates prepared by the City Planning Commission)

<table>
<thead>
<tr>
<th>Building</th>
<th>Number of Occupants</th>
<th>Estimated Number of Parking Spaces Provided</th>
<th>Ratio of Occupants to Spaces</th>
<th>Parking Space for Occupants</th>
<th>Permanent Public Spaces</th>
<th>Part Time Public Parking Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Group</td>
<td>5,000</td>
<td>1,662</td>
<td>1 to 4</td>
<td>1,250</td>
<td>412</td>
<td>1,662 on Saturday afternoons, evenings and Holidays</td>
</tr>
<tr>
<td>Coliseum and Music Hall</td>
<td>10,000 Max., (Coliseum) 2,500 Max. (Music Hall)</td>
<td>1,114 cars in the area at night; on Saturday P.M. and Sundays 2,776 cars</td>
<td>1 to 3 Music Hall</td>
<td>Total when Coliseum is in use requiring full capacity</td>
<td>None</td>
<td>When Music Hall alone in use, 281; When Coliseum is in use, none</td>
</tr>
<tr>
<td>Museum of History, Science and Industry</td>
<td>Maximum on Sundays and Holidays 400; Ordinarily 200</td>
<td>537</td>
<td>1 to 3</td>
<td>133 on Sundays and Holidays; 66 Ordinarily</td>
<td>461 Except Sundays and Holidays</td>
<td>537 on Sundays, Holidays, and most evenings</td>
</tr>
<tr>
<td>Horticultural Center</td>
<td>Maximum on Sundays and Holidays 500; Ordinarily 250</td>
<td>376</td>
<td>1 to 3</td>
<td>166 on Sundays and Holidays; 83 Ordinarily</td>
<td>293 Except Sundays and Holidays</td>
<td>376 on Sundays, Holidays, and most evenings</td>
</tr>
<tr>
<td>City Hall</td>
<td>600</td>
<td>192</td>
<td>1 to 2*</td>
<td>300</td>
<td>None</td>
<td>200 Saturday afternoons, at night and Holidays</td>
</tr>
<tr>
<td>State</td>
<td>600</td>
<td>161</td>
<td>1 to 3</td>
<td>200</td>
<td>None</td>
<td>161 Saturday afternoon, evenings and Holidays</td>
</tr>
</tbody>
</table>

**Total number of permanent parking spaces for public use every day**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1,058</td>
</tr>
</tbody>
</table>

**Total number of parking spaces which can be used during the day for public use except on rare occasions when coliseum or music hall might be in use**

On street parking averages ten to block. Hence 2,172 would hold the cars on 217 blocks. Equivalent to Third to 10th, Burnside to Salmon.

* May be even higher after the war.
The City Planning Commission proposes that ample space be provided for automobile parking under buildings and plazas outlined in the submitted plans. Portland’s proposed waterfront development is based on need for a wide throughway to relieve traffic congestion caused by narrow streets and lack of alleys.
proceeds of certain taxes, past experience indicates that all of the proceeds will be spent, regardless of whether or not public interest requires such expenditure.

5. The earmarking of cigarette tax revenues for the support of the public schools is particularly distressing on moral grounds to a large number of highminded citizens of this state. They feel that the schools should not be required to depend for support on a habit which physicians, educators, and others are compelled to discourage.

Opponents of this bill have also submitted a number of other arguments. It has been suggested that the cigarette tax is the forerunner of a general sales tax, which has been four times rejected by the people, and that it is itself a sales tax; that if enacted, cigarette smokers would pay more than their share of school costs and would become actively hostile toward school needs; that there is no apparent connection between the source of the tax and the use of the proceeds, as the gasoline tax is used to build highways; that cigarettes are already taxed six and one-half cents a package by the federal government, or about one-half the retail price; that there are already overburdened state, who are already overburdened districts badly need additional sources of revenue, except for purposes connected with the war effort; that earmarking promotes undesirable rivalry among state agencies, each making effort to secure for itself alone the proceeds of the special tax; that this bill places an additional burden on the retailers and wholesalers of this state, who are already overburdened with reports and governmental detail required to be performed by them; that the school people really do not want this bill—that they did not support it in the legislature and are now giving it lukewarm support simply because nothing else is offered.

Conclusions

Your committee has reached the following conclusions:

1. If the people of Oregon want a cigarette tax, the bill provides a reasonable system of collection and administration, comparing favorably with that of any other state.

2. Some Oregon school districts badly need additional revenue, but this bill provides for an automatic distribution of the cigarette tax revenues in proportion to the number of teachers employed the preceding year in the first twelve grades of the public schools in the several districts—regardless of need. There is no indication that the districts who really need help would get substantial aid under this bill.

3. If state-wide financial support is to be given local districts, the state should have the right to supervise the districts sufficiently to insure the maintenance of proper standards. This bill provides for the distribution of the proceeds regardless of efficiency or the maintenance of standards by the several districts.

4. Earmarking of tax proceeds is an unsound public policy; all tax revenues should be paid into the general fund and be disbursed therefrom by special act of the state legislature as needs develop every two years.

5. Oregon’s tax system and especially its provision for the schools is unsatisfactory; but before another makeshift repair job is done, the tax study commission provided by the recent state legislature should be given an opportunity to recommend a well-planned, integrated, broadly based, modern system.

Recommendation

Your committee therefore recommends a negative vote on the proposed cigarette tax bill.

Respectfully submitted,

Ralph G. Alberger
Henry J. Detloff
Robert W. Earl
Robert C. Warren
William L. Josslin, Chairman

Approved June 2, 1945, for transmission to the Board of Governors by Anson S. Frohman, Chairman of Section on Legislation and Elections.

Accepted by the Board of Governors and ordered printed and submitted to the membership of the City Club for consideration and action June 4, 1945.