

MESSAGE BY GOVERNOR VIC ATIYEH  
SECOND SPECIAL SESSION  
62nd LEGISLATIVE ASSEMBLY  
JULY 30, 1984

I have called this 62nd Legislative Assembly into an extraordinary special session to deal quickly with an issue of extraordinary importance to the future of our State and to the future of its citizens.

This is an issue as closely aligned to the future prosperity of our State as any I have encountered in my more than 25 years in State government.

That is not an overstatement.

It is a fact.

The issue I bring before you this morning is repeal of the unitary method of taxation in Oregon.

In the simplest possible language ... in language every Oregonian clearly understands ... it is a question of whether our State will maximize the availability of jobs to this and future generations of Oregonians.

Working Oregonians are my bottom line.

In recent times, much has been said about economic development in Oregon.

Words have been penned and spoken by the bushel basketful.

Liberals and conservatives alike have woefully wrung their hands about the need to do something to expand and diversify Oregon's economy.

But years of neglect have made Oregon's recovery from the dreary depths of our most recent recession agonizingly slow.

Beginning in 1979, Oregon painstakingly ... and aggressively ... began the deliberate, difficult and demanding climb out of the deep canyon into which Oregon's image had fallen.

Since 1979, we have distanced Oregon from an image that we do not care about business investment ... that we want to be left alone in the wilds of the Oregon Country.

Over the past five-and-a-half years, we have positioned Oregon for the action I am asking you to take this morning.

In those five-and-a-half years....

- We have matured in the management of Oregon's innovative environmental laws.

- We have nearly concluded the only comprehensive, statewide land-use plan in the nation.

- We have removed Oregon from its number-one position in Workers' Compensation premiums ... and moved our State far down the list.

- We have replaced the strangulation of red tape in State government with common sense regulation.

- We have written and passed good laws and ... equally important ... we have ensured bad bills failed to become law.

The cleansing process that occurred during our wrenching recession has cleared the way for a more productive ... and a more prosperous ... future for Oregonians.

Together, you and I have positioned Oregon ... more than any other state in the Union ... to move with absolute assurance into a future of productive payrolls, a business environment of diversified industries and a climate for responsible growth.

We will move into that future with a commitment to continue as caring stewards of the environmental heritage and the unsurpassed livability for which Oregon is justly famous.

Oregon is ready to break out of its shell.

Oregon's economy is ready to fly ... not to fly tentatively, but to soar like an eagle.

I began investigating the unitary method's impact on Oregon more than a year ago.

I opened Oregon's public debate on this issue when I talked of my commitment to act in my State of the State address in January.

This morning I am asking you to repeal the unitary method.

This morning I am asking you to free Oregon from that short ... but highly publicized ... list of states that employ this tax formula.

This morning I am asking you to join me in announcing to the world that Oregon is the first state in the Union to repeal the unitary method.

The first state to repeal unitary will make Page One news in the business press worldwide.

The second state to repeal unitary will be a lackluster also-ran.

But getting there first is not my motivation.

My personal concern is for Oregonians now out of work ... and for young Oregonians who will soon be looking for work.

It is this compelling picture we must always keep before us.

The quicker we move, the sooner their day of hope will arrive.

This is a time-perishable opportunity.

Every day the unitary formula remains on our books is another day scores of companies will not even consider Oregon for hundreds of millions of dollars in investments in new payrolls.

You have before you this morning my bill to repeal the unitary method.

This is a bill that says clearly ... Oregon is actively interested in companies of all sizes and types.

Oregon is interested in maintaining the strength and encouraging the expansion of existing Oregon companies.

Oregon is interested in attracting investment of U.S.-based companies whose international presence causes them to spurn Oregon because of our tax laws.

Oregon is interested in foreign-based companies that usually will not even consider investment in Oregon because of our use of the unitary method.

Today, Oregon is working with 71 investment prospects ... a number unprecedented in the history of our State.

This is a number that is guaranteed to grow with unitary repeal.

The product of your action works out to a simple equation....

The greater the number of investment-minded companies looking at Oregon ... the greater the number of companies that will make up their minds to invest in new payrolls for Oregonians.

Corporations would not be lobbying Oregon to repeal unitary if we had not convinced corporations Oregon is an otherwise attractive state in which to invest.

By repealing unitary, you will legislate new common sense into Oregon's corporate tax code.

By repealing unitary, you will breathe new hope, new optimism and new strength into our already unprecedented efforts to expand and diversify Oregon's resource-based economy.

By repealing unitary, you will acknowledge you too understand this is undeniably a pocketbook issue for Oregon workers.

As State policy-makers, you and I often become immersed in the philosophy, the details and the complexities of conceptualizing, drafting and legislating responsible tax law.

That is as it must be.

But as you review this bill, some in this chamber may mistakenly construe the unitary method as an esoteric issue about which few of our fellow Oregonians know or care.

That would be a mistaken view, indeed.

Today, Oregonians understand the unitary method ... like a deadly malignancy ... is robbing Oregon workers of jobs that should be theirs.

Today Oregonians see clearly the unitary method is like an insidious buildup in Oregon's economic arteries that must be cleared to carry thousands of new jobs to Oregon workers.

Attracting additional corporate investment in Oregon ...

- will create new jobs from the initial investments and at least that many payrolls as spinoffs.
- will create opportunities for new businesses needed to serve working Oregonians.
- will generate additional tax revenues from new manufacturing and retail businesses.
- will produce increased personal-income taxes.
- will add to property-tax collections for public schools, public safety and public works.
- and will diversify our economy to position Oregon for greater protection from future national recessions.

Today Oregon has a choice.

Significantly, Oregonians know whose responsibility it is to make that choice.

Significantly, Oregonians understand it is this Legislature's responsibility to repeal the unitary method as an Oregon investment issue.

One choice is to do nothing and to permit your State to languish in the grips of cyclical economic fevers that will continue to sap our strength and diminish our future.

I do not expect you to make that choice.

Instead, I expect you to act decisively to restore Oregon's long-term economic health ... to bolster the optimism of Oregonians ... and to position Oregon for a prosperous future.

As you know, I am also asking you to act on a second issue.

This issue is repeal of the so-called Oregon-Washington border tax.

This may seem like an unrelated issue ... but this tax, like the unitary method, has become an economic development issue for Oregon.

I believe imposition of this tax formula on out-of-state residents unfairly puts Oregon in the position of taxing income not earned in Oregon.

Months ago I made a commitment to Governor Spellman to ask this Legislative Assembly ... at its earliest meeting ... to repeal this tax formula.

Imposition of this tax has turned many Washingtonians against Oregon.

Imposition of this tax has caused the Washington Legislature to impose a retaliatory tax on some Oregonians.

Imposition of this tax has so enraged a few Washingtonians they have tried to sabotage Oregon's relations with businesses wanting to invest in Oregon.

Repeal of this unfair tax formula will restore harmony to our common borders.

Likewise, repeal of the unpopular unitary method will instantly build an enviable international reputation for Oregon as a state aggressively seeking corporate investment in new and diversified payrolls.

In the next 24 to 48 hours, you will do one of two things.

You will repeal the unitary method ... as I expect you will ... and send the clearest of signals that Oregon really wants jobs for its citizens.

Or, as I do not expect, you will fail to act ... and the pall of economic darkness will cover our State for decades to come.

As much as any Oregonian alive, I understand the complexities, the difficulties and the responsibilities you carry as State legislators.

But I have been disappointed ... as I know each of you has been ... when Oregonians have looked to this Legislature for leadership ... and have turned away in despair.

Their despair has come at those times when this Legislature failed to live up to its historic role in maintaining Oregon's national reputation for leadership.

Today I offer you a new opportunity to live up to the expectations of Oregonians.

Today you can offer Oregonians renewed hope for a prosperous economic future.

Today Oregonians are counting on you to act quickly to unlock Oregon's promise of new, diversified and secure payrolls for this and future generations.

It is an opportunity Oregon ... and this Oregon Legislature ... cannot afford afford to keep waiting.

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