

CITY OF PORTLAND, OREGON

OFFICE OF THE MAYOR

EARL RILEY, MAYOR

February 28, 1946

HAL M. WHITE
ASSISTANT TO THE MAYOR

Colonel K. C. Conyers
2630 N. W. Westover
Portland, Oregon

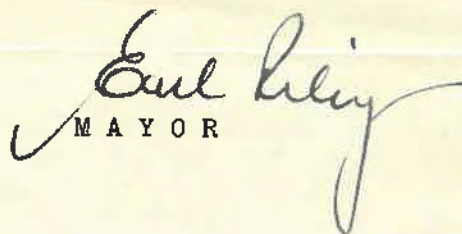
Dear Kit:

Attached is a copy of my annual report outlining the activities of the year 1945 and presenting an analysis and forecast for 1946.

A well informed public is a valuable asset to a community and the report is sent with the thought in mind that you, as one of the community leaders, will be interested in the official viewpoint on various subjects and in the statistics presented in this report and that you will endeavor to convey parts of this information that may be of interest to your associates and friends. All of the activities and problems outlined are your problems as a part of the community and your advice and help is always solicited in our endeavor to adopt the right course in every activity.

I will appreciate any comment you may have to offer.

Very truly yours,


MAYOR

CITY OF PORTLAND, OREGON

OFFICE OF THE MAYOR

EARL RILEY, MAYOR

HAL M. WHITE
ASSISTANT TO THE MAYOR

January 10, 1946

TO THE COUNCIL:

Submitted herewith is the annual report of the Mayor for the year 1945 setting forth a summary of the activities of the City of Portland in that period and a forecast of the prospects of the future:

With 1946 we enter a new year and a distinctly new era fraught with important changes and many serious problems. At no time in history has it been more urgent that the attention of the authorities and of the civic and business leaders and the public be focused on proper solution of problems and issues that involve present and future public welfare and the growth, development and progress of the community.

The major problems may be classified under these headings: employment, unemployment, housing, finance, traffic, industrial reconversion, new industry, shipping, public improvements, community expansion, veteran affairs, race tension, crime, juvenile delinquency, and numerous interrelated subjects, each presenting a challenge to our ability to devise a workable solution.

Since the end of the war there has been barely time to fashion hurried plans to fit a new pattern. Portland found itself at war's end at least a third larger in population than before the war and with a population engaged very largely in war industry. Possibility of a serious problem of unemployment, upon termination of the vast industry manufacturing implements of war, had been foreseen and had been the subject of utmost concern and planning. When the period arrived, unemployment to the extent feared did not materialize. Through previous planning and through the ability of industry and business to quickly shift to new or additional lines of operation, and due to an acute manpower shortage existing at the time, all labor laid off as a result of immediate cancellation of war contracts on or soon after V-J Day was absorbed by permanent industry or business. This, together with the fact that a great number of persons attracted here by war work returned to their homes, enabled Portland to meet the early days of the post war period without unemployment. However, the quick return and release of thousands of men and women from the armed forces did, before January 1, bring about unemployment which increased slowly to what we hope is a peak at this time. By January it was felt that our population was stabilized, or nearly so, and the big remaining question in connection with unemployment would be the speed with which additional employment becomes available. By January 1 only one-half of the persons serving with the armed forces from Portland had returned, leaving an equal number or about 24,000 still to come.

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It is my belief that Portland, having been able to absorb the greater part of her laid-off war workers, will be able to gradually lessen present unemployment and at the same time provide work for the balance of the returning men from service. This belief is based on several factors: 1. Industry is rapidly completing its program of re-tooling and revamping for peacetime manufacture and will be able to add to employment rapidly. 2. New industry is being established at an unprecedented rate in the Portland area. 3. We are at the beginning of the city's greatest building boom with an immediate and urgent demand for tens of thousands of new homes and with millions of dollars ready and waiting for the program of building, modernization, alteration and extension of existing business buildings and industrial plants. 4. Portland harbor is rapidly being made ready for unprecedented activity in shipping. 5. Public improvement projects urgently needed and adequately financed are being put into operation. 6. Heavy industry, which suffered the greatest delays in revamping, are nearing completion of their reconversion program.

In the matter of new industry we find 36 additional payrolls established in 1945, principally the latter part of that year. These have added and will continue to add to employment. We have unusually encouraging prospects for a very great number of additional new industries within the next few months. Unfortunately our planning along this line has met obstacles which have slowed full industrial growth. Originally it was planned that temporary housing in the Vanport area would be of no further use after the war and plans had been developed to convert the entire area into a general industrial district. It has been found that the housing in the major part of Vanport has been almost as much in demand since the end of the war as it was during the war, and instead of the area being converted, it has been necessary to retain it for housing. This has left us facing the serious problem of lack of available sites for factories. Until we are able to build permanent housing in which to move the increased population, we will continue to experience this handicap in new industrial development.

The building program, which at the beginning of 1946 faces a shortage of materials that has prevented construction on any extensive scale, is expected to improve. Portland is four or five years behind in home building due to the war and is now held from going ahead by lack of lumber and several other essentials. Except for this, it is probable that thousands of new homes would be under construction at this time. It is anticipated that the bottlenecks in supplies of materials will be broken and that the building program can gain rapid momentum early in 1946. It is predicted that several thousand houses will be completed or under construction by mid-1946 and that many additional thousands will follow, and that the program will continue until Portland ultimately is able to

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fulfill its housing needs. The present lack of housing comes from the discontinuance of building during the war, plus the vastly increased population. Undoubtedly by the end of 1946 the city will be in a far better housing condition than at the beginning. This building program, together with a very great program of rebuilding and remodeling and of new construction of business buildings and properties, will not only make this the banner year of all years in construction, but will relieve the unemployment situation to such an extent that it is fully expected Portland will have full employment. It must be borne in mind that employment in such a program is not confined to the workmen actually engaged in building but extends back into all channels of manufacture, business and trade. The program will mark the release of a very great amount of stored cash held in reserve for building and improvement. The release of these reserves not only should absorb the present oversupply of labor, but should more than take care of the additional number of returning veterans. The return of men and women from service probably will be slower henceforth than heretofore, inasmuch as thousands of those in service are in the armies of occupation and not yet subject to release and discharge.

It will be noted that business and investors have shown and are showing the utmost confidence in the future of the city. In the main business center of the city the concluding months of 1945 were marked by the great number of buildings being purchased for investment. Throughout the business area a severe shortage of office space is noted and it is apparent that ownerships are planning and striving to create additional facilities as quickly as possible.

Further evidence of Portland's prospects for expansion is an unprecedented general market for real estate. This is emphasized not only by the very great number of private exchanges of residential and business property, but also by the sale of properties acquired by the city for delinquency in assessments. Property that has been held for many years and has had no market is now in demand. During 1945 the city recovered from sale of such property approximately half a million dollars. Placed back in private ownership through sale by the city were upward of 75 acres of property within the city limits. The latter part of 1945 marked only the beginning in this move.

Continuation of temporary housing, while militating against the vacation of property for industrial purposes, has saved the city from a far more serious housing problem. In addition to the number of persons seeking permanent homes, returning veterans have had to find a place to live, usually at moderate rental, and no places have been available outside the housing districts. By an arrangement with the Housing Authority, veterans under such circumstances have been given a preference in rentals in certain parts of the housing projects and the problem to date has been met. How long temporary housing will have to continue depends upon the length of time necessary for Portland to overcome the shortage of permanent housing.

Of utmost importance in business, industry and employment is the reestablishment of Portland harbor in peacetime work. At the beginning of

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the war the entire business and trade of the port that had been built upon a half a century of hard work was lost. The port was taken over almost completely by the Federal Government for military purposes and particularly for lend lease. Portland harbor was the second harbor in the entire United States in shipment of lend lease commodities to Russia. In 1945, when it became apparent that the war was coming to an end, a Port Development Committee was appointed by my office to take immediate steps looking to reestablishing of shipping and shipping lines and trade. This committee to date has done an exceptional job. As we enter 1946 we are virtually assured of all the shipping lines we had before the war, plus additional lines, including some locally owned. As the Federal Government releases the properties held during the war, these lines and this trade will move back into operation. This will mean much business to the port and much additional employment. Sitting as Portland does in the center of a vast agricultural and industrial empire, with better freight rates and shipping conditions than our rival ports of the Pacific, Portland should step rapidly ahead in commerce. The work of the Port Development Committee is rapidly bringing results which will enable this port to capitalize on its position on the main street of the vast new Pacific trade area.

Readjustment of the port to meet the changed lumber conditions is one of the major undertakings to be considered. Lumber production in the immediate area of the port has reached an end due to depletion of timber. The large mills, which have had an important part in export lumber trade, have closed and production henceforth will come principally from southern Oregon areas. The natural route for this lumber going into export trade is to Portland by rail and truck. To accommodate this flow Portland must have handling facilities in the form of railroad connections and berthing for ships and for the storage of lumber while awaiting shipping. These facilities must be located where they may have all shipping advantages including free switching charges. Such a project is in the making and should be classed as a "must" for the harbor if we are to maintain our position as a lumber export center. Such a project should be publicly owned and operated in order that all users may take advantage on an equal basis. Its inauguration will mean many millions of dollars annually in export business and payrolls.

A substantial payroll and a substantial amount of business is involved in a ship layup plan which the city succeeded in getting approved near the end of the year. This calls for the berthing of upward of 300 federally owned ships in harbor areas north of St. Johns and adjacent to Hayden Island. These ships will undergo necessary repairs at local shipyards and will then be processed for berthing as a reserve fleet. The project will mean permanent employment to approximately 500 men, and will continue for many years, the ships being kept in such order that they may be pressed quickly into service in case of need. Portland sought the utilization of vacant harbor areas for this purpose and succeeded in getting government approval. The beginning of 1946 saw the first of the ships being berthed. The number planned for berthing is 300, but this may be increased to 500 or more. The project will release in this area several millions of dollars annually for supplies, repairs and wages.

Public improvements, which were largely held up during the war through lack of materials and manpower, have been considered an excellent backlog with which to combat any serious problem of unemployment. Reserves were set aside by

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many municipal departments for use in the post-war period, and these are now being put into use as rapidly as practicable. Public improvements consist largely only of temporary employment in that the improvements when finished are intended for public convenience, and do not give permanent employment to any marked degree. Also to be considered is the question of public works competing with private enterprise for scarce materials and skilled labor. It has been deemed proper, therefore, that the public improvement program be not rushed into full operation until we shall have time to ascertain employment needs. There are many improvements that must be made regardless of conditions, and these are going ahead. Others are in the engineering stage, and still others will be started when needed.

One of the major improvements at this time is the sewage disposal project, for which the voters approved a bond issue of twelve million dollars. Engineering studies were under way throughout 1945, and plans and specifications for the first unit will be ready for contract by mid-April. This unit will consist of an intercepting sewer from St. Johns to the 13th Avenue sewer along Columbia Boulevard, a sewer to the disposal plant, and from the plant to the Columbia River; also the part of the disposal plant necessary to take care of the sewage diverted by this improvement. This will constitute about 25% of the whole project. Additional units will be constructed following the first unit, the extensions moving southward ultimately to encompass the entire city.

In addition to this major project, other sewer service extensions planned for 1946 include 12.2 miles of construction to cost \$284,000.00. These will serve old and new districts. If home building gets under way in the volume anticipated, present sewer system mileage for 1946 will be greatly increased.

In the Bureau of Water Works the construction program for 1946 calls for approximately 15 miles of new mains of various sizes costing \$744,807.00. This is compared with an expenditure for the same purpose in 1945 of \$72,273.00 and of \$67,327.00 in 1944. Among the major parts of these extensions will be an additional main connecting the reservoirs of the East Side with those of the West Side to increase the water supply to the West Side. Construction is under way at this time.

Street improvements and extensions will assume pretentious proportions during the year with development of new residential tracts, together with completion of improvements in previously opened new districts. In maintenance the use of a fund created by allotment to the city of a portion of the gasoline tax money collected by the state will enable repair and maintenance of existing improved streets to such an extent that defective streets will soon be a matter of the past. Gasoline tax money has been made available to the city during the past two years and except for this a great many streets undoubtedly would be in a deplorable condition at this time. As a result of the gasoline tax fund allocation, it is but a matter of time before Portland will be able to claim a system of well kept streets surpassing any other city. Anticipated in new street extensions and improvements during the ensuing year is a program involving an expenditure of \$180,000.00. For 1945 the expenditure for street repair was \$356,558.21, \$289,741.35 of this being from state gasoline allocation and \$66,816.86 from the city's general fund. For 1946 the expenditure for street repair will be approximately \$370,000.00.

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One of the most serious problems of 1945, and one that will require the utmost of attention in 1946, is that of traffic and traffic control. For the period of the war, increased population produced traffic problems on a minor scale, largely confined to the avenues of ingress and egress from shipyards and other war plants. Gasoline rationing, until the war's end, limited the number of vehicles using the streets and minimized the necessity of improvements and extensions to meet what otherwise would have been a very rapid increase in traffic over the period of four war years. When gasoline rationing was discontinued the avalanche of traffic came virtually overnight and the streets were unable to carry the load. Every effort was made immediately to make such changes as were possible to switch the flow of traffic and enable existing street facilities to carry more of a load. This was accomplished by prohibiting parking in certain areas, rerouting traffic on some of the streets, and in altering traffic control devices such as intersection lights and traffic lanes and guides. These changes are but a temporary or emergency expedient. Permanent relief can come only by a very extensive program of street extensions and widening and by sweeping changes in traffic routing. One of the most drastic of these changes to be made an issue in 1946 will be a proposal for one-way traffic on downtown streets and prohibition of left-hand turns. This is a subject of controversy as we enter the year 1946.

In connection with parking, various plans for underground parking areas similar to that in San Francisco are being studied and will become an issue during the year. The proposal given most serious consideration is for construction of parking under park or street areas for operation as a utility on a basis of charge for service. Under this plan the project would be financed privately but the property would become publicly owned when earnings have reimbursed the private investors. As we enter 1946 this plan is only in the beginning.

A very extensive plan for street widening, extension and elevation is under consideration as part of the general scheme for solving the traffic problem on a permanent basis. Work has been resumed on the south end of Harbor Drive leading toward Ross Island Bridge and work soon will start on the north end where the highway is to cross the Steel Bridge and extend thence northerly to a connection with Interstate and other arterial streets. This improvement, which was under way prior to the war, was stopped as a result of the war and is only now getting back under way.

Trans-river bridges constitute the principal bottlenecks in traffic moving across town from the business center of the West Side to the residential sections of the East Side. It is becoming increasingly apparent that an additional wide bridge will have to be built at or near the harbor end of Fremont Street and that the Morrison Street Bridge, which is now obsolete, will have to be rebuilt.

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Engineers have completed preliminary designs for overhead extension of Hawthorne Avenue from the bridge approach to a point at or near either Grand Avenue, Union Avenue or Seventh Avenue to obviate the bottleneck created by the crossing of main line railway and switching lines which are a constant cause of traffic delays and tieups. Several proposals for overhead ways across these tracks have been prepared by the engineering forces, including one for a single six-lane roadway directly along Hawthorne and another for branch ways extending along alternate streets to the north and south of Hawthorne. A similar plan is proposed for East Morrison Street to overcome the same grade crossings. It is the hope that a definite program can be worked out and agreed upon early enough to enable the matter of these improvements to be placed on the ballot at the May primary election. A still further proposal is to construct an overhead from the east end of Burnside Bridge to a point east where north and south and east and west traffic may be separated. These East Side grade crossings and cross arteries are the cause of a great part of the present bridge congestion. By giving a free flow of traffic across existing bridges and by distributing this traffic to various East Side outlets without interference from cross traffic, it is apparent that present difficulties will be largely overcome.

In connection with a proposed bridge at or near Fremont Street, tentative proposals now under consideration by the State Highway Department are for a Foothills Boulevard leading from Ross Island Bridge to the hills, skirting the city on the west and thence to a connection with approaches to the proposed new bridge. Another proposed arterial way now being investigated by the Highway Department calls for a highway down Sullivan's Gulch to a connection at or near Burnside Bridge. The purpose of this roadway would be to carry traffic across the East Side without interference from cross streets.

These above are all major developments. Also, there is under study at this time a great many street and highway changes, extensions and improvements within the city intended to facilitate the movement of traffic. In connection with proper traffic flow, Portland has a tremendous problem which will require a great deal of consideration on the part of officials and the public, and ultimately will require a very great outlay of money.

A major factor of this problem is that of mass transportation.

The Portland Traction Company has reached an agreement with the city for the elimination, as soon as possible, of all rail lines, substituting therefor buses. This program, while contemplated, cannot be adopted immediately for the reason that buses and other equipment for the change are not available and probably will not be for several months. It is hoped that the year 1946 will, however, see the elimination of the majority if not all rail lines. This should be a great factor in traffic correction and relief. Through negotiations instituted by the City, the Traction Company has agreed to withhold for modernization a fund amounting to \$2,697,122.57 originally earmarked

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for other purposes. This money will be used in improvements in such manner as is approved by the Council. Under this agreement Portland is assured an improvement of service which should go far in modernization. Recent Traction Company difficulties have been due in large part to the lack of ability on the part of the company to acquire new or additional equipment to enable adequate service. In the handling of mass transportation as it relates to traffic, an official committee recently was appointed by the Mayor under the name Transportation Planning Commission to cooperate with the Council in working out a general plan. This committee is now organized and working.

One of the major results of the traffic congestion that developed after discontinuance of gasoline rationing was the number of accidents. For the year 1945 there were 18,909 accidents with a total of 61 fatalities. This is compared with 17,318 accidents and 46 fatalities in the year 1944. This situation necessitated an immediate and intensive program of accident prevention involving increased policing and changed regulations.

The end of the war in August, 1945, brought sweeping changes in the general municipal plan of operation. Civilian Defense, which had operated as an important service in connection with the many activities of the community in safety and war work, came to an official end at midyear except for some of the branches which were considered essential for early post war purposes. Civilian Defense as a whole, as it operated throughout the war period, was the most outstanding demonstration of public cooperation Portland has ever seen. Established when war danger was extremely serious on the

Pacific Coast, it quickly developed into an organization trained to effectively handle any and every form of disaster. Had the war reached American continental shores, civilian protection in Portland was as well organized and prepared as in any community in America or Europe. The entire program involving upward of 50,000 citizens at its peak, was operated at a minimum of public expense owing to the wholehearted manner in which citizens gave their time and talents on a volunteer basis.

When the European phase of the war ended there was retained in service some of the protective branches and most of the service branches. The former, comprising principally the Veterans Guard and Patrol, was shifted to the Bureau of Police and several hundred volunteers continued to aid in policing the city during the time when manpower troubles made it impossible to get additional regular police officers. The Volunteer Fire Service was shifted in control to the Fire Bureau, where the membership continued as an auxiliary to the regular department. This group, numbering several hundred, had been equipped with auxiliary fire fighting equipment furnished by the Federal Government, and did a most effective job in curtailing fire losses.

Service features of Civilian Defense were continued until December 15 under the name Civilian War Services. The various groups of

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volunteers engaged in war bond sales, Red Cross, recreation and hospitality, and many other forms of service to the general community program, were largely responsible for Portland's outstanding leadership in all these activities. Their work will constitute a very bright page in the war history of Portland.

The end of 1945 found the end of the Volunteer Fire Department and found the reorganization of the Veterans Guard and Patrol into police auxiliary. This organization is to continue as an aid to the regular police force, standing in reserve for emergencies. Membership will be limited and training required. With the Volunteer Fire Department, its dissolution has been complete for the reason that the fire fighting equipment loaned by the Federal Government has been withdrawn. In policing, great difficulties were experienced during the war and it had been anticipated that the post war period would bring relief in the number of law violations and the work of the Police Department. Results, however, have been the opposite. The number of arrests and the total of fines and jail sentences in 1945 far exceeded those of the previous year of 1944 when all former records were shattered. The arrests for 1945 totalled 77,485 as compared with 59,582 in 1944. The total fines and bail forfeitures in 1945 was \$609,383.23 compared with \$590,655.66 in 1944. A summation of this shows far more arrests and total fines in any single month of 1945 than during an entire year a few years back. During the war a very large percentage of the trained police personnel was called into the armed forces necessitating replacement with untrained men. Coming at a time when population increased suddenly by upward of 150,000 persons, the difficulties were very serious. The city passed through a long period when it was not possible to find men to fill vacancies in police work owing to salaries far below those paid in war industry. The turnover of men was very great and presented an additional serious problem. Police headquarters and jail facilities proved entirely inadequate and necessitated emergency action in the form of housing of prisoners at the county jails and in other places. Except for the support given by the Veterans Guard and Patrol the city would have faced insurmountable difficulties.

The end of the war brought relief in that the manpower situation eased and regular police officers, who had entered military service began to arrive back to resume their positions. The city, at the outset of the war, adopted the policy of protecting civil service rights of all municipal employees entering the service and guaranteeing their positions back immediately after discharge. Gradually the police force has been built up since the end of the war. The established practice of putting new police officers through a course of several weeks' training before putting them on the streets had to be discontinued during the

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war but was reestablished immediately afterward. Fifty additional patrolman positions were created in late 1945 and appointments made very largely from the ranks of returning veterans. As a result of these changed conditions, the New Year found the Bureau of Police greatly increased in efficiency but still not up to the high standard that existed prior to the war. Within a few months after January 1 it is expected the department will be on its former standard and that the organization will be thoroughly efficient and capable of coping with all the policing problems that confront a modern city. It is very likely that in the very near future the department will have to be enlarged by at least an additional 50 patrolmen. This seems essential because of the many major tasks of traffic, crime and juvenile delinquency.

In facilities the city was able to complete by the end of 1945 an annex to police headquarters providing for proper functioning of several departments, particularly the Women's Division. This annex has enabled the city to establish a kitchen for the feeding of city prisoners thereby doing away with the former plan of feeding by means of outside private caterers. The feeding plan, which was put into operation in December, will enable a large financial saving which will be still further augmented by the establishment of a prison farm where food will be raised. This farm, which it is hoped will be established during 1946, will provide a place for rehabilitation of prisoners, will bring needed relief of overcrowded and unsatisfactory jail conditions and will prove a great saving in feeding costs.

Ultimately Portland must have a new police headquarters. The new annex, while giving some relief, does not give room for the proper functioning of the bureau as a whole, including the jail and the emergency hospital. Plans are under consideration for a new building and very likely these will become an issue within the next few months. In the interim the bureau is doing everything within its power to make conditions as satisfactory as possible under the adverse circumstances. The entire bureau is undergoing a reorganization as we enter 1946. Police methods are changing rapidly and reorganization is necessary to meet changes. With return of regular officers from war service and with the addition of a great number of new men, the time is opportune to place the bureau on a revised and modern basis.

The Bureau of Fire had a great deal the same problem as the police during the war. A comparative number of trained firemen were taken into military service leaving the various stations greatly undermanned and in many instances crippled by inexperienced and untrained men. The regular men are returning since the war ended and the department is gradually returning to the efficiency which made it one of the outstanding departments of the country before the war.

To the aid given by the Volunteer Fire Department, Portland owes a debt of gratitude for the curtailment of fire losses. This organization,

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made up of citizens who sacrificed their own time for training in fire fighting and in responding to fire alarms, proved a valuable asset. The year was marked by a substantial decrease in the number of fires and losses. There were 4,868 fires in 1945 involving a loss of \$1,438,989 as compared with 5,286 fires in 1944 with loss of \$2,797,610.

Fire Department equipment is not at this time up to the standard essential to an efficient department. An appropriation for purchase of new and additional equipment and for changes to meet modern conditions has been made but the equipment is not available and possibly will not be for several months.

Venereal control, which was a major operation throughout the war and which is continuing at this time, resulted in the apprehension during 1945 of 878 women. Of this number 635 were negative and 243 were positive and subjected to treatment. During the war the local departments had the full cooperation of Federal agencies in the endeavor to protect servicemen. Now that the emergency has passed, it is Portland's function to carry this work forward without relaxation, classing venereal infection as a major plague to be combatted in an energetic manner as such.

Mosquito control became an urgent order of business during 1945 for the reason that for the first time in several years the usual forms of control were not sufficiently effective. As a result an intensified program has been inaugurated to prevent a repetition of unfavorable mosquito conditions. An organized plan has been developed and is now in operation whereby brush areas, both in and near Portland, which have constituted the breeding ground of mosquitoes, are being cleared and a cooperative plan has been worked out between Portland and Multnomah County and the other counties surrounding Multnomah, including Clarke County in Washington.

The City of Portland has appropriated \$20,000 for brush clearing on municipally owned property. On privately owned areas the city will clear brush on the basis of assessment of the costs against the property. The County has appropriated \$30,000 for similar purposes. As we enter the new year we find large crews of workmen engaged in clearing infected areas and there are ample funds to continue this work throughout the mosquito season. Also, we have trebled the equipment used in destroying mosquitoes. It is fully expected this general program will solve this problem and make Portland free from mosquitoes through the spring and summer of 1946.

Close of the war period has been followed by the discontinuance of Federal aid in recreation which, while the war lasted, had enabled the city to carry an extensive plan not only in the city but in various housing areas outside. Recreational operation now must be revised and confined to

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the activities possible within the city's financial means. Park maintenance was carried forward on a limited basis during the war and much needed improvement must be done at this time and in the near future to bring the park areas, including playgrounds for children, up to a proper standard in appearance and convenience.

The program for acquisition of additional park areas continued through 1945 and post war plans were made for development as rapidly as possible of areas now completely acquired. While this work is restricted by available materials and equipment, the city is proceeding on such projects as are deemed most urgently needed, and on which all necessary property has been acquired. The first of these is in the area between Oregon and Hoyt and 29th and 30th avenues for the improvement of which an appropriation of \$10,000 was made by the Council. Other urgent developments are in prospect for the Kamm Tract at N. E. 33rd and Skidmore and the Hannah Mason Tract in the Fulton Park area in which the property purchase is complete and the area at Flint and Russell where some additional purchases are still to be made. Still others will follow as funds and facilities become available. All in all the year 1946 will mark a period of rapid improvement in parks and playgrounds. In the program of preparing for expansion, some small areas are being given up so that larger and more important areas may be centered upon and developed.

Among other proposals in connection with parks is the creation of a new zoo. Studies are being made and it is the hope that before the end of the year a project may be undertaken which will give the city a zoo that will bring national recognition.

A civic plan proposed for the dual purpose of providing a post war employment backlog and at the same time eliminating a deteriorated section of the business district and providing needed governmental and civic facilities, was defeated at a special election held in mid-1945. The plan, sponsored and urged by civic and business leaders, was perhaps too far-reaching to be acceptable as a municipal undertaking at this time. A substitute plan to provide at least the additional governmental requirements and some of the educational and recreational needs will become an issue in the near future.

The city's health during 1945 was excellent. There were no epidemics and no marked increase in communicable disease. The Bureau of Health, while seriously handicapped in many departments due to lack of physicians and other scientific help, is on its way to normal as we enter 1946 with plans for return of all health restrictions that had to be relaxed during the emergency. Births in 1945 far exceeded deaths, there being 9,359 births and 4,566 deaths. In 1944 there were 9,283 births and 4,666 deaths.

Release of materials during the latter part of 1945 enabled the city to add materially to street lighting. An additional 382 arc lights were installed. A similar number will be added during 1946 with coverage including some of the new districts which are without lighting at this time.

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Municipal finances continued in excellent shape during 1945. The annual tax levy covering operating expenses for the fiscal year ending July 1, 1946, was 20.1 mills which is an increase of 1.3 mills over the previous year. This increase is attributed to a special 1 mill levy voted by the people in 1945 for a municipal building fund and a three-tenths of one mill increase in general operating expense. It should have been expected that increased costs of materials, equipment and supplies, together with necessary increased salaries of employees would necessitate a far greater tax increase, but increased costs were largely offset by increased revenues from sources other than taxation and from curtailment of improvements and maintenance. During 1945 the bonded debt was reduced by \$1,793,000 leaving an outstanding indebtedness of \$7,194,000 which is approximately \$8,000,000 under the debt limitation.

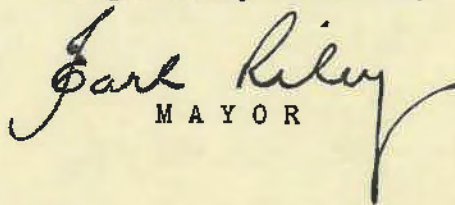
The future for the city from a financial viewpoint is a matter of conjecture. As has been set forth in previous annual reports, our present system of municipal taxation is obsolete and we cannot continue to keep pace with growth and necessary increased service without new sources of revenue. Under the present system real property must carry a load which it cannot continue to carry. Such a system was adequate while Portland was a small city but since reaching a point in growth where assessed values do not and cannot keep pace with demands for essential additional service, our plight is hopeless unless radical changes are brought to the relief of property. The tendency over too many years has been to divert municipal revenues to state and federal treasuries, leaving the municipality to carry the burden of ever increasing service without the benefit of revenue to pay the bills for such service. At this time an interim committee of the State Legislature is conducting a study of the tax structure of the state and its subdivisions and it is to be hoped that from this will come legislative action to enable Portland and other cities to remain solvent. A more equitable distribution of revenues derived by the state from sources within cities is being demanded. It is deemed entirely unfair that the state should take the bulk of revenue from such sources as liquor, gasoline and other commodities and leave to the city the problems of policing with little or no aid from the sources requiring such policing. For the current year 68% of the revenue required for operation of municipal service is derived from the property tax. Thirty-two per cent is from sources other than property tax. In 1931 the property tax amounted to 86% and the revenue from other sources 14%, which indicates that the trend has been toward property relief in recent years. When the property tax was at its height, confiscation of property for delinquency was widespread. Something like 30,000 parcels of property were foreclosed by the city and county for delinquencies incurred during that period. The trend must continue to be downward so far as property is concerned, which makes it mandatory that other new sources of revenue be found. It is deemed unwise and unsound for the municipality to select the same sources as are now taxed by the state and to seek to duplicate or add to the state

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charges. Increased operating costs are bound to increase as the city grows. Assessed values are not going up at a commensurate rate. The logical result will be that the percentage of cost imposed against real property will have to raise and will again result in confiscation as it did in the period following the boom of the 1920's. The only possible answer is additional revenues from sources other than property.

Having in mind the many avenues of expansion planned by private industry and business, as well as the extensive general program of public improvements and changes, I am looking with the greatest optimism on the future of Portland. Everything would indicate that the forthcoming period should far eclipse any like period in history in growth and development. The city is free from friction and I believe we have a unified public spirit which can be counted on to follow an energetic course, approving the things that should be done for public welfare and refusing to countenance the things that mean disharmony. Such a spirit was born of war days when we learned the advantages of unity. Termination of the war has left unity and harmony as one of our most valuable legacies. Such a spirit, together with the potential possibilities as reviewed above, give us every reason to look ahead with the greatest enthusiasm.

Respectfully submitted,


MAYOR