



## Oregon State Archives

800 Summer Street NE

Salem, OR 97310

503-373-0701 ext. 1

[sos.oregon.gov/archives](http://sos.oregon.gov/archives)

## GOVERNOR MARK O. HATFIELD ADMINISTRATION

Governor from January 12, 1959 to January 9, 1967

### RECORDS FROM 1967

For more records see the [Governor's Records Guides](#).

#### **Farewell Message, 1967**

Source: Farewell Message Governor Hatfield



Mr. President, Mr. Speaker, Members of the Fifty-fourth Legislative Assembly:

This is the ninth regular session of the Legislative Assembly in which it has been my privilege to participate during the proceedings of opening day. I congratulate you who have taken your oath of office for the first time and welcome you who are returning for renewed public service.

This is a day in which the spotlight rightfully belongs upon the man who has been chosen to succeed --- a man who is no stranger to either the executive or the legislative branches of state government nor, I might add, to the homes of our citizens.

As I take leave of the governorship, I have placed in your hands a record of service and several recommendations, in addition to those of a budgetary nature which were given you on December 1. Now, before relinquishing executive leadership, and in accord with the tradition of the day, I would refer briefly to some landmarks of our journey together over these past eight years.

] We have seen Oregon's population advance from less than a million and three quarters to the two-million mark.

WE have witnessed a near-doubling of enrollment in our state colleges and universities the development of a community college system numbering 11 institutions and 18,000 students; and the establishment of a Graduate Research Center.

WE have led the nation in percentage of interstate freeways completed; in the establishment of new parks and waysides; in the development of state-wide outdoor recreation programs; and in beautification of our highways.

We have initiated a comprehensive, long-range water study; strengthened our means of combating air and water pollution; intensified oceanographic research and given impetus to oil and mineral exploration.

We have pioneered welfare reform through improved management, and in programs emphasizing self-reliance; at the same time tightening controls against abuse.

---

Oregon's greatness has been portrayed not only across our state and nation, but in Europe and Asia. Resultant job development has increased individual per capita income more than 26 per cent. Payroll expansion has totaled 180,000. Plant facilities have increased by 700.

I would be remiss if I did not acknowledge with deepest appreciation the public service which has been rendered by a record number of appointees who have responded to the call for duty with boards, commissions, task forces, the judiciary, elective public office and the many other function of state government.

Our progress has been considerable by any standard of comparison, but there is yet modern constitution. These challenges cannot longer be avoided. You should continue the pattern of putting our administrative agencies in a more manageable form. Environmental improvement is a never-ending task, as is the strengthening of consumer protection and the expansion of job opportunities.

Oregon is the greatest state in the Union in the favor of its people and its natural environs. This truth is never more apparent than when one is about to depart for areas which struggle with massive problems of slums and deprivation, climatic rigors, racial tensions, transportation nightmares, bureaucratic immensity, and international complexities.

I go from you with deep appreciation for the cooperation of the past and the opportunity for further service at the other end of the continent as a member of your Congressional Delegation.

In transferring the mantle of trust, I ask that we be given wisdom with which to meet our challenges, fortitude to confront the responsibilities we assume, and imagination to capitalize upon the sets of our fair Commonwealth and the abilities of its people. Our role as stewards in God's kingdom is short lived. May it be so performed that those who come after will look upon this land as ever fruitful and upon our labors as ever worthy.

#### Legislative Message

A record of Service, 1959-1967

Review and Recommendations

#### The Challenge

As we look forward to a rapid population growth we must realize that it will not be an unmixed blessing. Additional people will bring greater prosperity to Oregon. New industry will move here. Small towns of today will become cities and our cities will become best urban complexes. Especially is this true in the Willamette Valley. This new growth will transform the face of Oregon.

#### What Kind of Oregon?

The question to be asked is this: What kind of Oregon do we want or are we going to have 100 year hence? We dare not make the mistakes of many of the Eastern states and our neighbors on the West Coast. We yet have breathing time for we have not had the unprecedented growth of other sections of the country. Unplanned development could spell chaos for our land and for our people.

#### What Kind of Planning?

Translating our plans and dreams into realities will take time and progress might not come as fast as many of us would wish, but we must continue to change our course for the future of Oregon. Planning programs of our Division of Planning and Development have proven the wisdom of flexible and comprehensive guidelines which may be adjusted to meet needs and attain desirable goals. At no time should we permit

---

either myopia of partisanship to diver us from the Ultimate objective of greater social and economic well-being from our state and each of its citizens.

#### The economy

The past eight years have been the period of greatest economic expansion in the state's history. There have been over 700 new industrial plants and on-site plant expansions, an over-all investment of \$700 million. Employment has increased by 180,000 and personal income has risen \$2.4 billion. In 1958 Oregon's per capital personal income was below the national average. Today it is above. All this has meant a better way of life for our people.

The recent slowdown in the timber industry underscores the fact we must continue the program of economic diversification which has brought about a broadening of our means for providing jobs, education our children, and performing necessary public services.

We must continue to encourage industry which is compatible with our environment and continue to stress the geographic dispersal of industry throughout our state.

We must continue to broaden our export potential --- the markets of Europe, Asia and Latin America have barely been touched, as proved by our trade missions to the Orient and Western Europe.

We must continue to develop our recreational facilities and to enhance our natural and man-made beauty. In the last eight years through the development of 35 new state parks and waysides and through tourist promotion we have seen additional millions of dollars flow into Oregon.

#### Transportation and Public Safety

The movement of persons and property in a completely safe, economical and efficient manner is an ideal toward which we must continue to strive. We have made tremendous advances in transportation. In the last eight years Oregon has spent over \$650,500,000 in highway construction. We have built over 420 miles of freeways and 4,216 miles of other roads and highways. Twenty-one safety rest areas have been established.

#### Interstate Highways

We have completed Interstate 5 from California to the Washington border, through the use of funds paid by the highway users themselves, without incurring bonded indebtedness. Unlike many so-called "federal aid" programs, the interstate Highway System in Oregon is totally financed from user fees, thus assuring that those who benefit the most also pay the bills without drain upon the general funds of either state or nation.

We have competed the Astoria Bridge. We should work toward the day when Highway 101 will be a modern, high-type facility from the Canadian border to Mexico.

#### Utilities

Advances in our economy, together with effective administration of the Public utility Commissioner's office have benefited Oregon rate-payers through improved serviceman lower costs.

#### Technological Changes

We must be prepared to take advantage of progress. Giant tankers dwarfing any ships that have heretofore sailed the oceans are being constructed. Jumbo jets, designed to carry more people and cargo than ever before, are now under order. Within the next decade will become the supersonic transport. The railroads, through mass transit systems and other mans, are regaining the significance they once had. These changes and many more are coming and we are preparing for them.

---

The Oregon Port Authorities Commission, created pursuant to my 1965 recommendations, has been investigating means of developing and integrated system of ports, marine terminal facilities, waterways, major airports, interstate bridges, and related transportation facilities and services. During its two-biennium life, the Commission will submit a series of reports for your consideration. The Commission's findings and recommendations will serve as a basis for necessary statutory changes to permit capitalization upon the progress so evident in transportation.

Rapid improvements in our highway system and in the capability of modern equipment would indicate that there may be a need for modernizing our laws relating to such transportation. I would, therefore, recommend that careful review be given to the laws governing vehicle length in order that they may truly reflect the needs and capabilities of the industry while still meeting the safety demands of the public.

### Traffic Safety

Parallel to further progressing creation of improved facilities there must be greater effort toward insuring protection of those who travel in public and private conveyances. WE have in the last eight years spent \$9,820,000 in providing additional safety features on Oregon highways. We have widened over 590 bridges and over 2,900 miles of road and improved 1,400 hazardous driving locations. But the tragic slaughter taking place yearly spurs a redoubling of our efforts. With this in mind I propose legislation to do the following:

1. Broaden application of Oregon's seat belt law to include drivers and passengers of buses, taxicabs and trucks.
2. Authorize adequate funds to permit personal appearance for driver license renewals, particularly in those cases where past records indicate re-examination is warranted.
3. Funding additional traffic police manpower at the state, county and city levels.
4. Authorize increased traffic court personnel to process persons accused of a hazardous moving traffic violation.
5. Require periodic vehicle inspections.
6. Grant authority for police to halt and inspect vehicles to determine adherence to legal safety requirements.
7. Create a maximum speed limit law in addition to the basic rule.
8. Grant authority for the Department of Education to certify driver education teachers.
9. Give additional legal authority to control drivers through operator licensing.
10. The creation of a Highway Traffic Safety Research Center in Oregon.

To fund this and other programs which will become necessary as a result of new federal laws, I have recommended a modest increase in motor vehicle license fees and in our continuing economic progress and reduction of death, injury and personal anguish. They can no longer be ignored.

### Motor Vehicles

Although one of the largest and most important functions of state government is handicapped through failure of the Legislature to adopt my recommendations for joint housing of transportation-related

---

functions, the Department of Motor Vehicles has strengthened its means to more adequately serve the public. The activities of this agency must necessarily be broadened to meet requirements of new federal laws. Adequate funding, as provided in my budget, will help assure a continuation of the progressive pattern established during the past eight years.

### Crime

I have consistently stressed the importance of strong, effective law enforcement within our system of criminal justice.

There are many studies now being made in this area. A President's Commission, the legal profession, many social scientists and others are seeking ways to improve law enforcement and the administration of justice. I recommend that the Legislature authorize, and appropriate funds for a crime commission to act as a clearing house for all crime research and study projects relevant to Oregon and to find ways to prevent crimes, to enhance the security of persons and property, to deal effectively with criminal offenders and to insure fairness in the criminal process in Oregon, I further recommend that the crime commission be established under the jurisdiction of the Governor.

### Oregon State Police

Through maintenance of the highest possible standards of professionalism, and with major emphasis upon standardization of uniform practices among law enforcement agencies, the State Police organization is today recognized as a leader in its field.

By establishment of the Advisory Board on Police Standards and Training, we have made a start toward a further upgrading in the caliber of our law enforcement officials at all levels.

I cannot too strongly urge continuing support for these activities, with particular attention to sufficient remuneration for those who daily risk life and limb in the protection of persons and property.

### Emergency Organization

We have furthered our means for coping with natural and others disasters, a number of which were dealt with during the past eight years. Four years ago, the Legislature unwisely reduced appropriations for the Civil Defense Agency. The 1964 Christmas flood tested our ability to meet crisis and proved the necessity for a strong basic organizational.

The Emergency Command Post which we established during the 1964 disaster has become a model for other states, as has the Nuclear Emergency Organization created under the direction off the Public Utility Commissioner. These facilities and plans must be constantly reviewed to insure their adequacy to meet further tests.

### Natural Resources

Again I would not that our natural resource wealth underbids the entire economy and contributes to the well-being of teach citizen. Too often in the past, complacency and a lack of understanding have denied the managers of these resources adequate tools with which to properly discharge their role as stewards.

The public has indicated a willingness to assume its obligation in several important areas, and has particularly voiced concern for greater efforts in assuring maintenance and enhancement of our environment.

### Air and Water Pollution Abatement

---

Past progress in the control of air and water quality is impressive by any standard of comparison, yet the State Sanitary Authority has been unfairly criticized, oftentimes by those who insisted that both state and local agencies in the field must operate with insufficient fiscal support.

In my December 1, 1966, Budget Message, I provided for a sizable increase in funds for their agency, authorization of which will increase both manpower and facilities necessary to do the job.

Additionally, I have endorsed the recommendations of the Legislative Interim Committee on Public Health as concerns new legislation covering both manpower and facilities necessary to do the job.

Additionally, I have endorsed the recommendations of the Legislative Interim Committee on Public Health as concerns new legislation covering both air and water pollution abatement programs.

Beyond the recommendations of the Interim Committee, consideration should be given to measures which would accelerate construction of municipal sewerage facilities, such as state grants or loans. In those instances where a community or industry refuses to construct needed facilities, provision for state construction and assessment of costs offers another approach.

#### Fish and Game

The same reasons which make an upgraded pollution control program imperative underscore the urgency of so supporting our fish and game agencies that they may meet increasing public demands.

Significant achievements with regard to the status and yields of fish and game are a matter of record. Annual yields have been substantially increased and diversified. Spectacular gains have been made in producing steelhead and certain races of salmon, and in the rehabilitation of lakes and streams.

Our offshore waters are receiving increased attention from both domestic and foreign commercial fishermen.

During the past 15 year, the numbers of hunters and sports anglers have increased by 60 per cent. Population growth, further industrialization, urban sprawl, and other spouting demands for land and water use make it essential that more intensive management be practiced.

The Budget which I have submitted provides a means of meeting these future needs.

#### Water Resources

In this decade, a new threat to our continued progress has arisen in the form of attempted raids on our most valuable natural resource --- water.

Fortunately, because Oregon took steps a decade ago to inventory and catalog for use the waters of its river basins, much of the data necessary to project our short-range needs was already available when we were confronted with the possibility that political muscle might divest us of the means for further growth.

My recommended, long range, "ultimate needs" water study, which the 1965 Legislature approved as necessary for the determination of requirements for a century sense is well underway. It is clear that full information must be developed if we are to dispel the ill-founded myth of water surplus and that Oregon's resistance to attempted diversion of the Columbia and other rivers for use in other areas is provincial.

We must continue to develop data to prove Oregon's present and future needs for agriculture, industry, power generation, navigation, fish and wildlife, mining, pollution abatement, human consumption, scenic and recreational enjoyment and other beneficial uses of water. The projected two-biennium "ultimate needs"

---

study should be brought to a speedy and successful conclusion, and my budget provides funds for this purpose.

The budget provides funds to defray the cost of Oregon's participation in the Western States Water Council and the soon-to-be-created Pacific Northwest River Basins Commission, regional entities which we have promoted to insure comprehensive and cohesive planning and development.

The on-going Willamette Review already offers evidence of new and feasible projects under the locally-sponsored, federal-cooperative Small Watershed Program, and must continue state assistance in planning for such projects.

#### Flood Plain Zoning

Limited studies of the Willamette river flood plain by federal agencies, together with those undertaken by the State Water Resources Board during the past two years, re-emphasize the need for state assumption of responsibility for establishing land-use regulations to protect our citizens and faculties. I again urge that the Water Resources Board be given authority to establish such regulations, and to protect remaining available reservoir sites in a similar manner.

#### Offshore Oil and Mineral Resources

Since passage of the Submerged Lands Act by the 1961 Legislature, exploration and leasing activities have brought some \$80 million in new wealth to our economy. Whether the ocean's depths off our coast will yield oil and gas in commercial quantities is still unknown, but we should continue to encourage industry in its search.

We must also capitalize upon the potential for mineral exploration in this area by giving the State Land Board, or its successor, authority for orderly development of such resources.

#### Oceanography

Advances in research to unlock the potential of the sea during the past six years, the establishment of new facilities within our State System of Higher Education devoted to this purpose, the recent visits of the Soviet fishing fleet off our coast, recognition that the ocean provides a means of eliminating hunger throughout the world --- all attest to the need for continuing support of our oceanographic program. In the budgets of Higher Education and the Fish Commission, the state is accepting its responsibility as a partner with the federal government in this vital area.

#### Forestry

To help insure stability and growth in our number one industry, we have enacted conservation-oriented timber tax laws, strengthened our means of combating fire and predators, and have neared completion of the rehabilitation of the Tillamook Burn area. The goal of maximum production from state-owned timber lands is in sight. The largest public forest nursery in the Northwest has been brought to full production.

We have lessened the burden of fire protection upon forest landowners, but we must continue to move in the direction of more equitable distribution of such costs through greater participation by the using public and insisting upon adequate federal funding.

In recent months, we have witnessed the near-disastrous effect of ill-advised federal policies upon our forest products industry, and I have urged the national administration to undertake corrective measures. These include a review of such policies; and determination of means for increasing the allowable cut on federal lands without prejudicing to complete without delay the primary access road system in the National Forests in Oregon; and a high-level, decision-making Japanese-American conference on log exports/;

---

Oregon, with almost one-fourth of the nation's timber supply, and the largest producer of lumber and plywood, is literally at the mercy of the federal landlord who controls 52 per cent of its total land area and approximately 80 per cent of its commercial timber.. We must continue to insist upon removal of present inequities.

Within state government, we must continue to move toward broadening the responsibility of the Department of Forestry. Statutory enunciation of a true multiple-use policy will be of major assistance.

#### Parks and Recreation

The growth in use of our state park facilities has continued at a tremendous rate, with upwards of 16 million visitor-days recorded last year, nearly double those of 1959. New parks, imported facilities, and board-scale planning for future needs have characterized advancements during the past eight years. We have completed the first statewide, comprehensive outdoor recreation plan, and have utilized funds available through the Federal Land and Water Conservation Fund for further development, being the first state in the West to complete eligibility under this user-financed, grant-in-aid program.

The forest products industry, public and private utilities, and other non-governmental entities have aided immeasurably in helping to supply needed recreational facilities. Their continuation as active partners in this vital area is essential.

There is need to assess the contribution of other state and local agencies to over-all public requirements. For example, the State Forestry Department should be encouraged to develop the full recreation potential of lands under its control, as should the State and Board and the State Game Commission.

#### State Lands

In the past I have recommended reorganization of the State Land Board and delegation to the successor agency the authority to initiate land management practices designed to fully develop the potential of these holdings, not only because of the social and economic benefits which will accrue, but to increase income to the Common School Fund.

Studies now being completed, and the findings of the Legislative Interim Committee on Public Lands, attest to the soundness of this recommendation. I urge that they be implemented through referral of necessary constitutional changes to the people and passage of measures which will complete the transition from custodial to management status upon approval of a constitutional amendment.

#### Agriculture

Agriculture continues as a major factor in the Oregon economy. During the last eight years it has had a \$60 million increase in annual cash marketing's. We have created an effective Import-Export Committee, an aggressive Freed Grain Freight Committee, and have given strong support to a vigorous Agri-business Council of Oregon, formed this past year.

The new Agriculture Building on the Capitol Mall enables more efficient service to the agricultural community and the consumer.

Oregon farmers are progressive businessmen and contribute much to our state. They have problems beyond their individual and collective control --- problems which will take continued vision, leadership, and public understanding if agriculture's potential is to be realized.

My budget includes adequate funding to plan and develop programs to expand irrigation, to improve our range and brush lands, to provide drainage and further flood control. Our farm lands must be conserved for food production which will be so urgently needed in the foreseeable future. This will require planned urban

---

development and equitable taxation for producers. And, as in the past, I urge continued support of research and of market development programs for agriculture.

## Social Concerns

### Veterans' Affairs

In 1995 I proposed that farm and home loan benefits available under Oregon's veterans' law be extended to cover all holders of the American Expeditionary Medal. I once again urge this extended coverage.

### Education

NO activity of government is more important than education. During the last eight years we have created our Community College system, consolidated school districts for greater efficiency, substantially increased the quality of our teaching staff and decreased the percentage of student dropouts. We have created a Graduate Research Center and have advanced the use of educational television. Provisions for education the physically and mentally handicapped children have been dramatically improved.

The growth of the state's population is reflected most pointedly by the rapid rise in enrollments. For example, in 1959 higher education has only to provide for 23,269 students. This year, facilities and staff are meeting the demands of 44,030 students. This has required an increase in teaching staff from 1,277 in 1959 to 2,218 this year. The increase has also affected the need for new buildings. New construction exclusive of expenditures for community colleges in the state has required the outlay of \$114,375,000.

The Education Coordinating council has developed further liaison among units of our far-flung systems of secondary and higher education, but there remains a need for even closer cooperation if we are to meet the requirements of both public and private institutions.

### Civil Rights

In the past two decades Oregon's civil rights legislation and climate have been far in advance of the nation. Many here today have participated in public and private activities to help encourage an enlightened mind and attitude. We must recognize that no law, be it national in scope or local in nature, is the sole means of avoiding discrimination. Every citizen, viable organization and institution, could well make a contribution toward the goal of true equal opportunity. While this is a problem of the nation as a whole, additional advances in Oregon will come through local human relations councils and similar endeavors, which I have recommended to our mayors in the past.

### Public Welfare

Oregon has sought to meet the needs of its less fortunate citizens. Job training for welfare recipients was pioneered by Oregon long before passage of the Economic Opportunity Act. Ours was one of the first states to develop a work relief program.

Medical assistance for the aged has protected over 13,000 medically indigent elderly persons each month against financial disaster resulting from serious illness. Since 1962 we have disbursed over \$22 million to pay for hospital, nursing home and physicians' care for the elderly. Since Medicare went into effect, this program has supplemented federal benefits. This biennium public welfare investigators have saved \$173,000 through investigation of suspected welfare fraud violations.

But it should be remembered that inflation strikes hardest at those on fixed incomes. Many of our elderly citizens have not proportionately shared in the prosperity and progress of our state. Welfare standards should be reviewed --- to see if they are sufficient not only to provide the necessities of life but the encourage lessened dependency and greater self-sufficiency.

---

## Workmen's Compensation

Since the action of 53rd Legislative Assembly another one-third of Oregon's work force has been afforded protection under Workmen's Compensation insurance. There has been an average 25 per cent benefit increase. WE have achieved diversification of coverage --- among the State Compensation Department, private carriers and self insurers --- with adequate safeguards.

The industrial Accident Advisory Committee I appointed in 1965 has been meeting each month. It has called in expert witnesses from California to New York, obtaining facts on benefits, unscheduled disabilities, permanent partial disability and other matters pertaining to the Workmen's Compensation Act.

I urge careful consideration of recommendations this committee places before you.

## Unemployment Insurance

Every state must constantly guard against further federal encroachments. By exercising responsibility at the state level, justification for federalization is minimized.

Fortunately, we can modernize our benefit program to provide insurance payments of 50 percent of the worker's wage (not to exceed 50 per cent of Oregon's average weekly wage) as a maximum. Also, because of the present status of the Unemployment Compensation Trust Fund we can decrease the taxes paid by employers by over 14 million dollars in the next few years This is not only possible, but I strongly recommend it to you for your consideration. It would keep Oregon's benefits related to Oregon Paid wages.

## Economic Opportunity Programs

During the last two years more than 158,000 Oregon citizens have benefited from the Economic Opportunity programs. In 1964 we created the Governor's Coordinating Committee which sought to implement the federal Economic Opportunity Act. Leadership at the state level has resulted in the high degree of success experienced by programs such as head Start and the Neighborhood Youth Corps in Oregon. Our efforts here have been singularly free of the confusion, loss of public confidence, and other difficulties experienced elsewhere.

## Rehabilitative Programs

WE have moved in the direction of more humane treatment of those with chronic illness, and those who have transgressed against society. During the past decade, there has been increasing emphasis upon rehabilitation rather than continual confinement or positive measures.

The development of community mental health clinics, establishment of Dammasch and Columbia Park State Hospitals, the Oregon Correctional Institution, the work release program, the Women's Prison, new programs at MacLaren and Hillcrest, and more adequate facilities at Fairview --- these and other accomplishments are a source of pride, as well as a means for more effectively and economically serving those entrusted to our care.

The decline of in-patient population at the hospitals has brought Oregon from a position of well above the national average in this area to one considerable below.

In the correction institutions, education is playing an ever-increasing role in we cannot preparing offenders for return to productive society.

We cannot relax in these efforts to restore self-sufficiency.

---

## Governmental Structure

### Constitutional Revision

IN my previous messages to the Legislature, I advocated extensive constitutional revision. In 1963 I stated: "The tools of government have become dulled with the passage of time." THE need for a modern constitution continues and grows. This Legislature should refer a realized modern document for the people's approval.

### Governmental Reorganization

The success of the Department of Commerce, the Mental Health and Corrections Division of the Board of Control, and other inter-departmental streamlining as authorized by your predecessors attest to the need for continuing progress toward a more efficient and economical structuring of the Executive Branch of state government. Not only should the Department of Commerce be given permanent life, our ability to adequately serve the people of Oregon must be strengthened by further statutory adjustments and amalgamations to eliminate organizational obsolescence. My previous recommendations in this area provide sound guidelines for advancement.

### Inter-Governmental Relations

The complex urban problems which we face now and in the future demand the state strengthen its means to adequately discharge inter-governmental responsibilities.

The unprecedented growth of the federal government combined with its vast proliferation of programs underscores the need for adequate coordination. I recommend establishment of an inter-governmental relations coordinator in the governor's office and a new state policy planning position which would coordinate and integrate all the various state-wide activities in this area.

### Taxation

During the past eight years, we have costlessly improved state services with no increase in state income tax rates. At the same time, we have afforded significant property tax relief, lessened the adverse effect of inventory taxes and those on in-transit goods and materials, and helped assure continuation of a stable timber supply through enactment of conservation-oriented laws.

The means for furthering property tax relief is at hand. Our continued economic progress indicates that within the framework of the existing state tax structure there will be sufficient flexibility to permit the raising of necessary revenues. Therefore, I once again urge the adoption of a neat receipts tax, based upon ability to pay. This would be possible through modification of the present income tax structure, prior to any coming toward the onerous alternative of an entirely new tax source.

Although some of our citizens are rightly fully disturbed by their size of their property tax bills, it should be noted that the property tax is basically a sound method of providing financial support for local government. Additionally, while such taxes have risen, statistics indicate Oregon shows the smallest percentage increase in this area of all Pacific Coast states.

Nonetheless, there remains a pressing need to eliminate inequities and afford further reduction, not only by state assistance, but by insisting upon more manageable and efficient local governments, and a reduction in the proliferation of entities dependent upon this tax source.

### The Future and the Past

---

We have in the last eight years worked to build a sound base capable of continuing to support his state's growing prosperity, The challenge we have met in our own way is by no means lessened --- but increased by the complexities of social progress and growth. These problems can be met, for God gives us the power to choose the course we shall follow; the power to make right decisions; and the power to do all which we must. May we as a people and a state be blessed always.

In another century the only to the person who worked for a like period of time in the position I now leave, bid his associates farewell in words I find are a applicable today. Governor Pennoyer said:

“Grateful to the people for their bestowed confidence, thankful to all my associates for their uniform courtesies, and wishing for the incoming administration abundant success, I now relinquish, with a conscience void of offense, the great trust assigned me, sincerely imploring the blessing of Almighty God upon our beloved Commonwealth.”