

Post War Readjustment and Development Commission

By John W. Kelly, Executive Director

There was apprehension throughout the United States that following the war there would be mass unemployment and disruption of the economy. To meet this situation in Oregon and solve it, the 1943 legislature created the Post War Readjustment and Development commission, as proposed by Governor Earl Snell in his inaugural message. The 1945 and 1947 legislatures provided small appropriations to continue the commission. The global war ended in 1945 and Oregon is now in the transition period and engaged in an immense development program. Oregon's future has never been brighter.

Pessimists predicted that with the war's end and the closing of the ship construction industry, unemployment and hunger would be widespread. This prophecy was never fulfilled. As war contracts were cancelled, free enterprise asserted itself, and there was no severe disruption of the employment situation.

Under the Unemployment act, a fund in excess of \$70,000,000 had been built up by the payroll tax (contributed by employers) to provide benefits for workers in covered employment. This fund cushioned every worker who had earned credits. As the payroll tax contributions came in and claims were paid, the net decrease from the trust fund was \$5,000,000. The unemployment fund was solvent.

In anticipation of the jobless load, the commission encouraged the political subdivisions to build up work piles which would be available when the expected depression arrived. Every community as well as the counties selected a program of public works, not "make work" projects, but undertakings of permanent character.

The federal government, the state, the highway department and free enterprise prepared their plans and arranged for finances.

The only cause for delay in setting in motion the vast construction program was the restriction on materials imposed by the federal government under the Veterans Emergency Housing administration, and the scarcity of building materials. These limitations obstructed building at all levels for more than a year—into the summer of 1947.

"Post War" is an elastic term. It is not confined to the moment that the shooting stops. It is an indefinite period of time. Post war projects will be under construction for several years—the corps

of army engineers have sufficient projects to keep them constantly engaged for approximately six years on the present program; many counties have programs extending for 10 years. It will require at least five years before the housing shortage has reached the point of saturation, because of the heavily increased population. The program for new schools will require construction for three or more years.

Oregon's population is estimated at 1,474,000 an increase of 33.3 per cent since the census of 1940. Hundreds of thousands of migrants invaded Oregon during the war to work in the shipyards and other war industries. Approximately 40 per cent of the migrants went "back home" and made claims for unemployment. The army was demobilized and men and women from Oregon returned to civilian life. There is a definite westward movement in the east and thousands are on the march to Oregon. It is the greatest migration that Oregon and the other Pacific coast states have experienced since the days of the gold rush.

The swelling population is affording a constantly increasing market and this is attracting large and small new industries to the state. In the first 18 months after V-J day 4000 new enterprises had been launched, all in covered employment, and the list is constantly growing.

Eastern concerns, many nationally known, have established branches in the state or have built and are building manufacturing plants. Several are in the class ranging from \$5,000,000 to \$15,000,000. There is no concentration of industries in the metropolitan area; they are well distributed throughout the state. Transportation facilities are afforded by transcontinental railroads, highways, airways, waterways, and steamer lines, coastal and to the Orient. The climate is ideal, with no extremes of temperature, and outdoor work can be carried on all year. There is an abundance of cheap power, water; labor relations are excellent. These are considerations of importance to the concerns investing large sums with the expectation of permanency and developing with the country.

In the spring of 1947 the covered payrolls exceeded the peak of peacetime before Pearl Harbor; the covered workers were within a few thousand of the peak employment of 1943. And the massive programs of the corps of engineers, which will require an army of skilled and common labor, had not started.

One of the greatest developments in Oregon, the construction of a series of multiple purpose dams in the Willamette valley, is now underway. These reservoirs are for flood control, navigation, hydro-electric power, stream purification and irrigation. Another development is the multiple purpose McNary dam on the Columbia river.

At present Willamette valley floods cause a damage of about \$6,000,000 at each occurrence.

Chemical and light metals industries are securing a foothold in Oregon with

prospects of large expansion. Forest products, next to agriculture, the largest industry in the state, are launching a program of remanufacturing and with a smaller harvest of logs are maintaining the high level of employment. This is a conservation policy. Greater use of wood waste for new products is in the making.

Thus far the readjustment of Oregon's economy from war to peace has been remarkable for its few dislocations and it has emerged with every assurance of a glowing future.



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