



# Money

TUESDAY, OCTOBER 30, 1984



**AMC extends . . .** its 10.9% financing on its subcompacts through November and is including French-made Renault vehicles. The program was introduced Oct. 3 on Renault Alliance and Encore models built in Kenosha, Wis. AMC sales are down 12%.

**Only 45 cents . . .** of each dollar spent by a home buyer at the deal's closing is for the house. The other 55 cents goes for land, financing, transaction costs and profit to the seller, the National Association of Home Builders says.



By Jim Dennis  
**HAKANSSON: FIRM MAKES SOFTWARE FOR FAMILIES. PAGE 2B.**

**OREGON'S SILICON FOREST**  
RECRUITERS TURNING AROUND STATE'S IMAGE. PAGE 3B.

**INTEREST DECLINE**  
RATE-SENSITIVE STOCKS TOP BUY LISTS. PAGE 7B.

## Oregon seeds hi-tech

### Recruiting, unitary tax change, bring foreign industry

By John Hillkirk  
USA TODAY

Two years ago, C. N. "Norm" Winningstad and Portland Mayor Frank Ivancie led Oregon's recruiting mission to Hong Kong and Tokyo. They laid the groundwork for one of the fastest high-tech booms a state has ever seen.

That trip, and a change in Oregon's unitary tax last August, "opened the floodgates" for \$500 million worth of industrial investments in the state, said Winningstad, chairman of Floating Point Systems Inc., Portland's third-largest high-tech firm.

"They're starting to call us 'Silicon Forest' now."

In the past six months:  
■ NEC Corp. of Japan said it would build a \$25 million fiber optics plant in Hillsboro — the first Japanese plant in Oregon.  
■ Fujitsu Ltd. of Japan last month announced plans for two projects near Portland — a

**High-tech hot spots**

Next Tuesday, USA TODAY's weekly series on high-tech hot spots around the nation will take a look at San Diego — the "Silicon Beach."

\$40 million plant to make disk drives and a \$130 million semiconductor plant.

■ Epson Inc. of Japan last month bought land near Portland for a 100,000-square-foot computer printer assembly plant.

■ National Semiconductor Corp. of Santa Clara, Calif., last month said it would employ 300 to 500 at a new semiconductor plant near Hillsboro.

All of this has astounded Oregon developers.

"We've surprised everybody," said John Anderson, director of the state development



**PICTURE PERFECT:** Dick Ammerman, an engineer at Floating Point Systems Inc., creates a three-dimensional image of a computer at his engineering work station.

office. "We're a new franchise, and we went undefeated in our first season."

Before 1981, Oregon neither sought high-tech nor needed it. For decades, timber and agriculture had been its economic

backbone. Bumper stickers warned outsiders that Oregon is "A nice place to visit, but you wouldn't want to live here."

Admits Anderson, "We had a negative, even unfriendly image outside the state."

Then high interest rates, the recession, and a decline in federal spending for housing, shook the roots out of the timber industry; 40,000 high-paid, blue-collar workers left Oregon in 1982-83 looking for new jobs.

"It was clear the state had deep, long-term problems," said Chris Sturm, research manager at the Portland Chamber of Commerce.

A near-perfect remedy for Oregon's environmentally conscious citizens was clean, high-paying high-tech. The state — with easy access to Japan and a quick hop from Silicon Valley — has what high-tech needs: high quality of life, an international airport, skilled workers and a high-tech infrastructure built around Tektronix Inc.

So in 1982, Portland commissioned a study on its potential as a high-tech center. Its weak points, Sturm said, were higher education and the availability of sites. But the No. 1 problem was the state unitary tax.

That tax, used by about a dozen states, bases corporate tax levies on a foreign firm's worldwide base income instead of what it earns within the state. In August, under pressure from Japanese firms, the Oregon legislature — knowing it would lose up to \$23 million a year in revenues —

modified the tax so it's levied only on a foreign firm's USA operations.

Attitudes also changed. County governments began to work together. The state created the Council for Advanced Science and Engineering/Research for Industry. Oregon opened its first recruitment office in Tokyo.

"And suddenly, we came up out of the noise level," said Winningstad.

Not everyone is pleased. A contingent of Oregonians still fight development. Next Tuesday, citizens will vote on Proposition 2 — a series of property tax changes that would limit funding for education and bonds to build up the infrastructure.

"We're at a branch in the road," Winningstad said. "The people of Oregon must decide if we're going to keep growing and diversifying."

### Hi-tech haven flourishes

**Companies:** 150  
**Employees:** 23,000  
**Major firms:** Tektronix Inc., Floating Point Systems Inc., Intel Corp.

**Focus:** semiconductors, electronics, computer peripherals

**Key program:** University Council for Advanced Science and Engineering

**Initiated by:** State Board of Higher Education in 1982

**Nicknames:** Silicon Valley North, Silicon Forest

**Source:** USA TODAY research



By Heidi Ehrlich, USA TODAY