

Different perspectives on growth in the West

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IN ALL OF the recent talk about expanding downtown Denver, of doing something about the energy recession on the Western Slope, of firming the educational foundation for a Colorado high-tech industry, and of reviving small towns devastated by the agricultural depression, opponents of growth in Colorado have been strangely silent.

One wonders, for example, whether in the middle of the 1980s the opponents of having the Winter Olympics in Colorado would be quite as vociferous in defeating the games as they were in the more prosperous 1970s. Probably the public facilities to be paid for by the games would look pretty good today as a mayor struggles to match the civic purse to his image of a great city. Stimulation of the state's sluggish economy might not be scorned in political rhetoric as it was when the Olympics went down at the polls.

There is nothing like a degenerating economy to clear the mind in the growth vs. no-growth debate. If it's less poignant to contemplate this truth as it relates to events away from home, consider recent developments in our sister Western state of Oregon.

Oregon has long been been a role model for new Westerners who, having just moved out here, want to close the door on the next ones in line. You may recall the days of Oregon's Gov. Tom McCall publicly inviting people to visit Oregon, but not to stay.

According to the New York Times, Oregon Secretary of State Norma Paulus was recently reminded that eight years ago she got the big yuk from the populace when she suggested throwing rocks at California license plates. Those were the days when the rest of us in the mountain West were viewing Texans much as they regarded Santa Ana's hordes at the Alamo.

Today Ms. Paulus admits with the same candor "there's nothing like poverty to change your attitude. Now we're like brazen hussies throwing ourselves on anybody with a shekel in his pocket."

Oregon is throwing itself at the Japanese. Masakatu Tomita of Epsilon America says, "Many people are following the Oregon Trail now, from Japan and other countries . . . we love Oregon." The Bank of Tokyo ascribes much of this new yen to Oregon's repeal of its unitary tax, which, like Colorado's, seemed designed to discourage growth, and to Oregon's skilled-labor supply, relatively cheap land, low cost of living, hospitable population and astute growth recruitment, now called "marketing."

The role of the unitary tax is interesting. That's the law which allows a state, if Company A puts a plant in Colorado, to tax that company's business anywhere



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else, in Tulsa or Timbaktu. Oregon and Florida have repealed their unitary taxes, Massachusetts threw its out via its Supreme Court and Indiana has agreed to stop such nonsense in the next legislature.

Gov. Vic Attyeh of Oregon estimates the state has lost some \$15 million in annual revenue by repealing its global unitary tax. But, he estimates, foreign investment already announced in 1984 will total \$690 million over the next several years, bringing in 4,600 jobs. All of that investment was announced as a result of the unitary tax's repeal.

Oregon also is considering restructuring its property tax to encourage business immigration and establishing high-tech educational centers near its universities. It has mounted an effective effort to market the state, including a promotion office in Tokyo.

What is going on in Oregon may not be 100 percent relevant to Colorado. The West Coast timber economy has been even more depressed than our oil, and Oregon has a water and hydropower base which is almost as attractive to industrial investors as its tax reforms. But Oregon provides a good example of how growth looks different from the perspective of depression than it did from that of prosperity.

Here in the interior mountain West, the problems of attracting the right kind of growth are beginning to get more serious attention. As we realize that the economic deterioration in the agriculture and energy industries is likely to be long-lasting, not just a blip on the screen, efforts to become more attractive to other kinds of investment are gearing up.

For example, a major effort will be made to repeal the unitary tax in the next Colorado legislature. The state's lackluster marketing effort is coming under fire. And, most important, the querulous babble about preventing growth in Colorado has quieted.

Even Texans are beginning to look like good guys, though many of them are no longer as well-heeled as they were in the 1950s when they began to give the mountain West its series of growth shots.

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