

Death spirals and dead horses

There was no sugar-coating Oregon's problems at the Leadership Summit, where Gov.-elect John Kitzhaber promised "a decisive break from the past"

Out of all the dark imagery at Monday's Leadership Summit, none was more apt than Oregon perched astride its old economic horse, digging in its spurs, flicking its whip and shouting encouragement, unwilling to face this fact:

The horse is dead.

Oregon is riding an economy as stuck and stationary as a dimstore horse

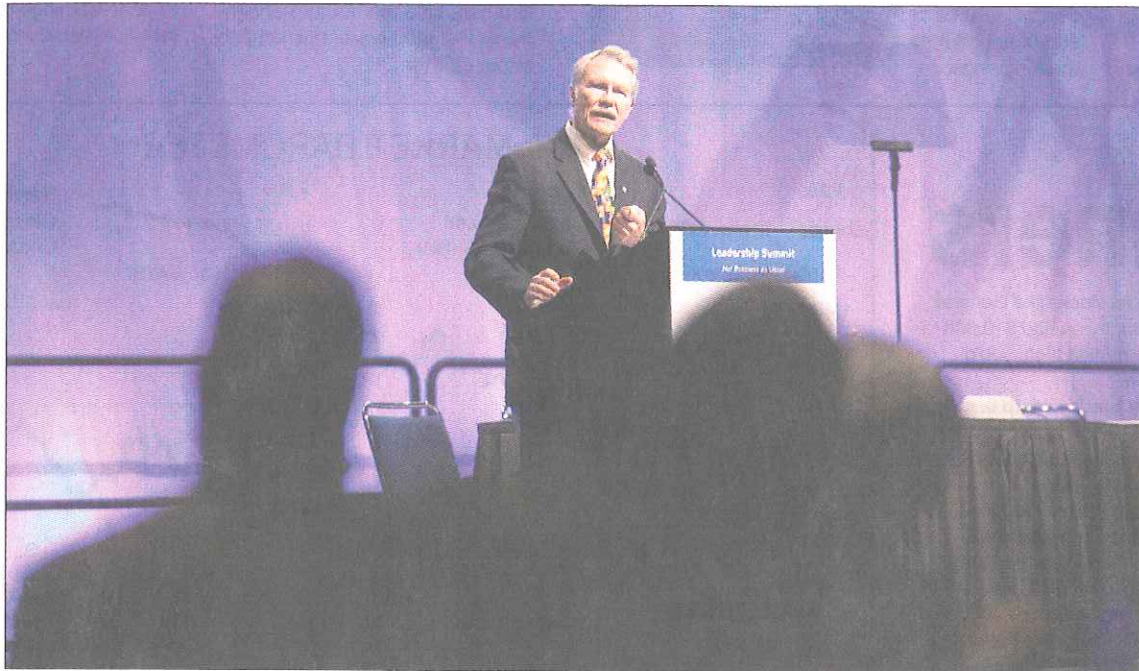
while the Legislature hollers and rears back on the reins, demanding that taxpayers pump in a few more quarters to keep the thing going.

Ride's over. That was the stark message from Monday's Leadership Summit, a gathering of hundreds of business and government leaders at the Oregon Convention Center. This is the eighth time Oregon leaders have gathered to share ideas and shape policy issues, but this summit was different in tone and substance than all the previous events.

Speaker after speaker described Oregon as "high centered," "anchored," and in a "death spiral." There were the usual recycling centers set up outside in the lobby corridors, but inside the conference room the word "sustainability" carried a different challenge: Can Oregon itself, its hopes and dreams, be sustained?

Oregon's per-capita income has fallen well below the national average and ranks lower now than anytime since 1929. Take the Portland-area out of the calculations and per-capita income across the rest of Oregon has plunged to 75 percent of the national average. Meanwhile, skyrocketing health care, pension and corrections costs are eroding public spending on schools and higher education.

It is a painful shock to hear Oregon described as a "poor state." Truth hurts. The most vital goal of the Oregon Business Plan, which Gov.-elect John Kitzhaber strongly endorsed in his speech Monday, is to create 25,000 new jobs a year and return per-capita income to the national average by 2020. Just getting to average would add another



Gov.-elect John Kitzhaber addresses the 2010 Oregon Leadership Summit at the Oregon Convention Center on Monday.

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\$1 billion to the state's general fund — and perhaps as much as \$700 million to the state's beleaguered schools.

The numbers are bleak. Still it was heartening to hear so many Oregon leaders promise to pursue changes that will lead to more and better-paying jobs — re-opening public forests, expanding biomass and other renewable energy projects, developing higher-speed rail, expanding

trade of all kinds. Kitzhaber gave a strong speech, declaring, "This is the legislative session when we must stop kicking the can down the road."

We'll see. Oregon has never before made the deep, structural kinds of changes it needs now. It's one thing to agree with Kitzhaber's statement that Oregon has to "invest in people, not spend money on problems." But to some extent, those "problems" are people in prisons, people addicted to drugs and alcohol, kids in foster care.

For years now, Oregon has spent its political energy fighting about what services to cut and whom to tax. There is no future in that. Last year the relationship between Oregon business and government leaders was so fractured after a bruising tax fight that the summit was canceled. They didn't want to be in the same room. Is there any wonder the state lately has gone nowhere but down?

For generations now, Oregon has liked to think of itself as a place of innovation, creativity and collaborative leadership. To an extent, we've been clinging to some rapidly graying examples of that spirit — public beaches, the bottle bill. If Oregon is serious about being the state that corrals health care costs, reforms its public schools, brings jobs to rural areas, it must summon again its bold, innovative spirit.

It can happen. Much of the necessary leadership filled the convention center on Monday. But it will happen only if everyone — elected officials, business leaders, philanthropists, educators, taxpayers — accepts and understands that Oregon is done riding its dead horse.