

WORKING PAPER NO. 37

COLUMBIA RIVER BASIN PROJECT
FOR WATER SUPPLY AND WATER QUALITY MANAGEMENT

PEND OREILLE BASIN (IDAHO-WASHINGTON)
PRELIMINARY ECONOMIC RECONNAISSANCE
AND ESTIMATE OF GROWTH, 1960-2010

DATE: November 30, 1962

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Region IX

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This working paper contains preliminary data and information primarily intended for internal use by the Columbia River Basin Project staff and cooperating agencies. The material presented in this paper has not been fully evaluated and should not be considered as final.

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I. INTRODUCTION

A. Purpose of This Analysis

This analysis is intended to provide a preliminary estimate of the economic potentials and anticipated growth of the subject area.

B. Definition of the Area

The Pend Oreille Basin, for the purposes of this study, is defined to include Bonner County, Idaho and Pend Oreille County, Washington.

C. Study Period

The study period is the 50-year period 1960-2010, with an interim point at 1985.

D. Limitations of This Analysis

Three limitations apply to this study. The first is that it is intended only as a preliminary estimate of the outlook for the subject area's growth. Subsequently, in connection with the Columbia River Basin Project for Water Supply and Water Quality Management, an analysis will be made on an industry-by-industry basis of the growth potential in the various subbasins. At that time this preliminary estimate will be reviewed and revised if necessary.

The second limitation is that this study is intended for use particularly in assessing future water needs. Emphasis has been placed on the analysis of those industries which make heavy demands upon the water resource. Other industries have been considered only insofar as

they may have a significant effect on future population. For this reason, this study is not submitted as a detailed industrial forecast.

The third limitation is one of scope. The study is oriented to a specific project and is intended for sizing purposes. Consideration of inter-region relationships at a later date may require modification of conclusions.

II. PRESENT ECONOMIC BASE

A. Population

Population of the Pend Oreille basin at April 1960 is shown in Table I. The total population of the area changed very slightly in numbers in the decade 1950-1960. Though Pend Oreille County's numbers dropped considerably, a moderate rise in Bonner County resulted in a slight over-all gain for the area. There was no area in the region that displayed significant population growth.

As Table I indicates, the region is one with a predominantly rural pattern of settlement. In fact, the ten years 1950-60 saw urban populations drop from 48.5 percent of the basin's total to 47.7 percent, as population decline was slower in the rural than in urban portions of Pend Oreille County, while the rural population of Bonner County increased faster than its town population.

TABLE I a/Population Trends in the Pend Oreille Basin

Pend Oreille County	<u>1950</u>	<u>1960</u>	<u>Change</u>	
Metaline	563	299	-264	(47.7%)
Metaline Falls	547	469	- 78	(13.3%)
Ione	714	648	- 66	(9.2%)
Cusick	360	299	- 61	(17 %)
Newport	1,385	1,513	128	(9.2%)
Urban Total	3,569	3,228	-341	(9.5%)
Rural	3,844	3,686	-158	(4.1%)
Pend Oreille County Total	7,413	6,914	-499	(6.7%)
Bonner County				
Clarks Fork	387	452	65	(16.8%)
Ponderay	248	231	- 17	(6.8%)
Priest River	1,588	1,749	161	(10.1%)
East Hope	149	154	5	(3.3%)
Hope	111	96	- 15	(13.5%)
Sandpoint	4,265	4,355	90	(2.1%)
Kootenai	199	180	- 19	(9.5%)
Oldtown	258	211	- 47	(18.2%)
Urban Total	7,205	7,428	223	(3.1%)
Rural	7,648	8,159	511	(6.7%)
Bonner County Total	14,853	15,587	734	(4.9%)
Basin Total	22,266	22,501	235	(1.1%)

a/ U. S. Census of Population, 1950, 1960

B. Industry

The region depends on three major industries - agriculture, lumbering, and mining. Together these industries provided about 33.6 percent of the total employment in 1960. A fourth source of employment is the area's recreational resources in the form of rivers, lakes and forests, which swelled the ratio of service employment to 53.5 percent in 1960 - unusually high for a predominantly rural area. Table II categorizes major sources of employment in 1960.

Agricultural employment has dropped steadily with farm consolidation. The average farm in the area is fairly large, 521.1 acres in Bonner County in 1959, 339.5 acres in Pend Oreille County. The agricultural pattern shows a steady rise in the value of livestock and products, with dairy products accounting for roughly half of the value of livestock products, and a moderate decline in value of crops. Irrigation is practiced on a very minor scale. In 1959, only 2,813 acres were irrigated in Bonner County, 2,702 acres in Pend Oreille County, down from 3,830 and 3,392 respectively, in 1954. ^{1/}

Lumbering depends on forest stands in the Coeur d'Alene, Nordman and Kaniksu National Forests. Extensive logging and a number of small saw mills are chief sources of employment, with shingle mills and wood preserving plants also present. It would appear that a substantial part of the region's log output is sawed in nearby Coeur d'Alene.

Mining in Pend Oreille County has, in the past, been a more significant contributor to the regional economy. Lead and zinc deposits

^{1/} U. S. Census of Agriculture, 1959

are currently worked in two mines, with a third, quite large, mine under development. A lengthy strike at the Kellogg, Idaho smelting plant of The Bunker Hill Company combined with persistent low prices for lead and zinc, resulted in a stringent cutback in production in the early 'sixties, which has halved mine employment.

Other manufacturing activities are largely concentrated in Sandpoint, Idaho, county seat of Bonner County, and service and commercial center for the region. Sandpoint also appears to be a center of tourist trade, a substantial element in the regional economy.

TABLE II ^{a/}Employment by Industry, 1960

	<u>Pend Oreille</u>	<u>Bonner</u>	<u>% of Area Total</u>
Agriculture, Forestry and fisheries	208	611	10.5%
Mining	223	13	3.2
Construction	140	295	5.5
Mfg...Lumber & wood products	395	860	16.1
Other durable goods	134	56	2.4
Non-durable goods	34	66	1.2
Trans. Comm. & utilities	110	371	6.1
Wholesale & retail trade	330	1006	17.3
All other services	538	1309	23.6
Industry not reported	<u>45</u>	<u>110</u>	<u>1.9</u>
Total	2,157	4,697	87.6
Unemployed	<u>253</u>	<u>722</u>	<u>12.4</u>
Total Labor Force	2,410	5,419	100.0%

a/ U. S. Census of Population, 1960

III. ESTIMATED FUTURE GROWTH

A. Factors Influencing Future Growth

During the 1950-60 decade the Pend Oreille basin was practically static in population and economic activity. Suffering from the effects of low commodity prices on its raw-materials based economy.

The future outlook continues to depend largely on the region's agriculture, timber and non-ferrous metals; and for several reasons, these present the area with little hope for vigorous expansion.

Farm consolidation appears to have lagged to some extent behind Northwest experience, suggesting a continuing drain on agricultural employment. The region's forests are being exploited near sustained yield levels, indicating only moderate growth of timber production. At the same time, the area would appear to support an unusual number of small sawmills; some strain on lumbering employment may be expected as a greater portion of the area's timber comes to be cut in fewer, but larger and more productive, mills.

The sustained depression of the domestic lead and zinc industry - a function of the combination of excess productive capacity internationally, competition from substituted products, and slowly rising demand for products using the metals - suggests only moderate growth from this resource.

Some economic growth is promised by expansion of the tourist industry in the three national forests of the area, and the lakes - Priest, Pend Oreille, and Hoodoo - which are its distinctive feature. The national trend to more extensive outdoor recreation, and an excellent highway network,

make such recreational attractions eminently valuable to an area.

B. Future Population

Various projections for future population growth in the States of Washington and Idaho have been made by state and federal agencies. As suggested above, it would appear that the growth of the Pend Oreille basin will be well under that of the states in which it lies. For the purposes of this study, it is assumed that the population decline of Pend Oreille County can be reversed and that Bonner County will continue to grow. If an annual growth rate of .7 percent is assumed, population of the basin would be as follows:

<u>1960</u>	<u>1985</u>	<u>2010</u>
29,415	36,760	46,720

Within the area, growth of the Idaho portion should continue to exceed that of Pend Oreille County in Washington.

No attempt is made at this time to forecast the growth outlook for individual towns. As a rough guide, it may be assumed that growth will be concentrated in the three larger towns, and in those serving the mining industry. Rural populations may be expected to decline, and the decline may well include some of the smaller towns, as the prevailing national trend to urbanization asserts itself in the area.