

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

January 21, 1997 Hearing Room 343

1:00 PM Tapes 1,2

MEMBERS PRESENT:

Sen. John Lim, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Bill Fisher

Sen. Gary George

Sen. Avel Gordly

Sen. Veral Tarno

MEMBER EXCUSED:

STAFF PRESENT:

Jim Stembridge, Administrator

Julie Havel, Administrative Support

MEASURE/ISSUES HEARD:

Committee Rules

Member Introductions

Informational Briefings

"Oregon's Economy"

"Export Trends"

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

Tape/#	Speaker	Comments
Tape 1, A		
005	Chair Lim	Calls meeting to order at 1:10pm
<u>ADOPTION OF RULES</u>		

	Jim Stemberge	Committee Administrator, summarizes proposed model committee rules. EXHIBIT A
026	Sen. Gordly	Comments about witness testimony; those who travel from long distance should go first.
036	Chair Lim	Agrees. Continues with discussion of proposed model committee rules.
044	Sen. George	MOTION: Moves to ADOPT the proposed Committee Rules dated 01/21/97.
	Chair Lim	Hearing no objection, declares the motion CARRIED.
INTRODUCTION OF MEMBERS AND GENERAL COMMENTS		
073	Sen. Gordly	Comments that she wants to know how the definition of "global" is defined. Comments on potential trade with South Africa.
087	Sen. Dukes	Comments that her district has several ports, and therefore a strong need for economic development and an emphasis on trade.
107	Sen. Fisher	Comments that his district is primarily rural and he has concerns about small businesses surviving. Also concerned about the rules and regulations that may be obstacles to their survival.
137	Sen. Tarno	Comments one primary issue in his district is part of Coos Bay being dredged and the potential for development and exporting a variety of products. Already imports variety of items such as logs, and exports oysters, but there is room for expansion.
160	Chair Lim	Comments his district lies in Gresham, and portions of Eastern Portland. Only Korean State Senator in the United States.
180	Chair Lim	Comments T & E needs to set the tone of this issue--right now Oregon is prospering, but there will be "rainy days" in the future and we need to be prepared.
196	Chair Lim	We need to posture ourselves regarding how we are going to compete on a global level.
207	Chair Lim	Continues with discussion on goals of committee.
216	Chair Lim	Introduces Committee Administrator Jim Stemberge.
224	Stemberge	Summarizes highlights of interim committee activities.
242	Sen. Gordly	Recognizes and introduces Carl Flipper, her legislative aide.
265	Chair Lim	Recognizes audience members and invites them to introduce themselves.

OREGON'S ECONOMY		
307	Paul Warner	State Economist, presents overview on "Oregon's Economy". EXHIBIT B
352	Warner	Continues presentation on economic trends.
Tape 2, A		
006	Warner	Continues presentation on unemployment rate in Oregon.
034	Sen. Gordly	Asks about unemployment rate as compared to population.
046	Warner	Explains changing technology or changing labor market affects some groups, other potential workers don't have the necessary skills.
075	Sen. Tarno	Asks about occupations.
083	Sen. Fisher	Asks why Gilliam County's rate is so noticeably higher.
096	Warner	Explains low population may be affecting rate determination.
104	Warner	Explains Oregon's shift to a "service economy" over past several years.
121	Sen. Gordly	Revisits issue of unemployment rate in Gilliam County.
130	Warner	Explains at the state level, it must be an indirect estimate when it comes to unemployment rate, so there is a margin of error.
146	Sen. Gordly	Pursues with follow-up question.
152	Warner	Continues question and discussion on how Oregon does not have good estimates on state level.
171	Warner	Recommends Employment Department be invited to give presentation on its analysis, which is much broader and contains much more extensive data.
185	Chair Lim	Agrees it would be a good idea.
190	Warner	Continues presentation on 1985 top 15 standard industrial classifications.
230	Chair Lim	Question regarding classifications.
	Warner	Explains.
245	Sen. Gordly	Asks follow up question.
249	Warner	Explains.
254	Warner	Continues presentation on employment by occupation and characteristics of householders who moved to Oregon in the last five years.
		Continues presentation on percentage change in

300	Warner	employment and timber employment vs. high tech employment.
350	Warner	Continues presentation on construction employment and housing starts.
386	Sen. Gordly	Acknowledges affordable housing crisis in state, and asks if he can show comparison to housing prices and income.
Tape 1, B		
037	Sen. Gordly	Continues with question regarding affordable housing and availability.
050	Warner	Explains Housing and Community Services Department would be useful resource.
100	Warner	Continues presentation on population growth 1995-2005 projections.
124	Warner	Summarizes presentation and gives closing remarks.
156	Sen. George	Asks about offloading population from the valley floor.
171	Warner	Explains.
175	Sen. George	Asks about stability.
194	Chair Lim	Asks what we need to be prepared for if we should enter into a recession.
200	Warner	Explains that among other things, he would recommend the creation of a rainy day fund so funds could be set aside for use when those periods hit.
227	Chair Lim	Shares his concerns about small businesses prospering as well as large corporations, especially in Eastern Oregon region.
<u>EXPORT TRENDS</u>		
259	Stembridge	Submits report on Oregon Economic Growth and International Exports: A Comparison with California and Washington. <u>EXHIBIT C</u>
318	Stembridge	Continues presentation on gross state product by industry.
368	Stembridge	Continues with report on comparison of top ten commodities and export partners data and agriculture exports.
408	Sen. Dukes	Asks question regarding data.
Tape 2, B		
020	Sen. George	Asks additional question.
047	Sen. Dukes	Asks about exports to Japan and the nature of the relationships shown in the graph in Exhibit C.

055	Stembridge	Explains relationship and acknowledges it is confusing to read.
072	Sen. Dukes	Asks for clarification about what needs to happen in order for Oregon to catch up to Washington in terms of exporting to Japan.
081	Sen. Dukes	Asks if he has gross figures on this data.
086	Stembridge	Explains how different West Coast States import/export at different levels and discusses the reasons for the differences.
091	Sen. Dukes	Continues question and discussion on figures.
119	Sen. Dukes	Asks about relationship between Hong Kong and China regarding exports, and who is actually getting and using the product. Uses apple exports examples.
137	Stembridge	Explains, and suggests inviting Oregon Economic Development Department to come and give overview on this specific issue.
157	Stembridge	Continues presentation and summarizes report.
188	Chair Lim	Announces next meeting agenda items.
194	Chair Lim	Adjourns meeting at 2:45pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A - Senate Committee on Trade and Economic Development Rules for 1997 Session --Jim Stembridge, Committee Administrator (2 pages).

B- Economic trends--Informational Overview. Paul Warner, State Economist (17 pages).

C-Oregon Economic Growth and International Exports: A Comparison with California and Washington--Informational Overview. Jim Stembridge, Committee Administrator (25 pages).
