SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT January 12, 1995 Hearing Room 137 1:05 p.m. Tapes 1-2 MEMBERS PRESENT: Sen. John Lim, Chair Sen. Bill Kennemer, Vice-Chair Sen. Bill Bradbury Sen. Gene Derfler Sen. Joan Dukes MEMBERS EXCUSED: none STAFF PRESENT: Joseph Cortright, Executive Officer Jeri Chase, Office Manager Bobby Sullinger, Committee Assistant WITNESSES: none MEASURES HEARD: Topics: Organizational Meeting Introduction of Committee Members Adoption of Committe Rules Informational Meeting Staff Briefing: State of the Economy These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. TAPE 1, SIDE A Introduction of Staff and Members 010 CHAIR LIM: Introduces Committee members and staff. Adoption of Committee Rules JOSEPH CORTRIGHT: Overviews draft committee rules (EXHIBIT A). 065 076 MOTION: SEN. BRADBURY MOVES adoption of Committee Rules. SEN. DUKES: Requests correction on line 3 under item 13 - changed "voted" to "vote". MOTION: SEN. BRADBURY MOVES adoption of Committee Rules, as corrected by SEN. DUKES. VOTE: Passes. All members present; all members vote AYE. Staff Presentation - The Challenge of a New Economy 100 JOSEPH CORTRIGHT: Begins presentation "The Challenge of a New Economy" (EXHIBIT B). CORTRIGHT: Continues presentation of EXHIBIT B (Measuring Oregon's 144

Economy).

160 Committee discussion.

190 CORTRIGHT: Continues presentation of EXHIBIT B (Picturing the Oregon Economy, by Geographic Location, by Business Size, by Industry Sector).

260 CORTRIGHT: Continues presentation of EXHIBIT B (Net Change in Employment Seems Small, Even Over Five Years and Oregon's Economic Creates and Destroys hundreds of thousands of jobs each year).

298 Committee discussion.

361 CORTRIGHT: Continues presentation of EXHIBIT B (Most Oregon Businesses are small, but larger firms provide most jobs).

380 Committee discussion.

450 CORTRIGHT: Continues presentation of EXHIBIT B (Small firms create new jobs).

TAPE 1, SIDE B

000 CORTRIGHT: Continues presentation of EXHIBIT B (Large Manufacturers Lots Jobs While Smaller Firms Grew Rapidly).

052 CORTRIGHT: Continues presentation of EXHIBIT B (Oregon-owned firms create nearly all Oregon Jobs).

070 Committee discussion.

096 CORTRIGHT: Continues presentation of EXHIBIT B (Larger States Have Fewer Small Businesses; Oregon Has a Typical Mix of Firms for its Size).

110 CORTRIGHT: Continues presentation of EXHIBIT B (Oregon Has Had Little Trouble Creating Jobs).

140 CORTRIGHT: Continues presentation of EXHIBIT B (Oregon's Unemployment Rate is Below the National Average).

158 CORTRIGHT: Continues presentation of EXHIBIT B (Per Capita Income is \$1200 Below the US Average and Adjusting for Cost of Living Differences, Oregon's Income Even Further Below National Average).

180 Committee discussion.

280 CORTRIGHT: Continues presentation of EXHIBIT B (Relative Per Capita Income has Rebounded Only Modestly).

290 CORTRIGHT: Continues presentation of EXHIBIT B (Oregon Wages Down \$1000

Since 1980).

324 CORTRIGHT: Continues presentation of EXHIBIT B ('80s Marked Historical Decline in Wage Growth).

380 CORTRIGHT: Continues presentation of EXHIBIT B (The Bottom Has Fallen Out of the Earnings Curve).

430 CORTRIGHT: Continues presentation of EXHIBIT B (Oregon's Productivity Has Declined Relative to U.S.).

470 Committee discussion.

TAPE 2, SIDE A

000 Committee discussion continues.

040 CORTRIGHT: Continues presentation of EXHIBIT B (Low Wages Compound Oregon's Fiscal Problems). 0.5.0 CORTRIGHT: Continues presentation of EXHIBIT B (High Wage Jobs are Critical to Oregon). 126 CORTRIGHT. Continues presentation of EXHIBIT B (U.S. GDP per Worker Now Below other G-7 Nations) CORTRIGHT. Continues presentation of EXHIBIT B (U.S. Domination of 165 Global Markets Has Declined Sharply) 184 CORTRIGHT. Continues presentation of EXHIBIT B (Then vs. Now) 266 CORTRIGHT. Continues presentation of EXHIBIT B (Returning to the Past is Not an Option) CORTRIGHT. Continues presentation of EXHIBIT B (The Revolution in 292 Production) 304 CORTRIGHT. Continues presentation of EXHIBIT B (High Performance Framework) 364 CORTRIGHT. Continues presentation of EXHIBIT B (Does High Performance Work) 406 Committee Discussion TAPE 2, SIDE B $\cap \cap$ CORTIGHT. Continues presentation of EXHIBIT B (Building a high-skill high-wage economy) 027 CORTRIGHT. Continues presentation of EXHIBIT B (Education Pays CORTRIGHT. Continues presentation of EXHIBIT B (Quality Pays) 036 0.5.2 CORTRIGHT. Continues presentation of EXHIBIT B (ISO 9000 Firms pay higher wages) 077 CORTRIGHT. Continues presentation of EXHIBIT B (Critical Mass Pays) 101 CORTRIGHT. Continues presentation of EXHIBIT B (Critical Mass Pays in Oregon's Electronics Industry) 115 CORTRIGHT. Continues presentation of EXHIBIT B (We can grow industries with rising wages) Other Information Items The committee discussed high performance work organizations principals, and CHAIR LIM directed the committee staff to schedule a hearing with Steve Ashton of Ashton Photos to present his views on the subject. 137 CORTRIGHT. Continues presentation of EXHIBIT B (Conclusions) 165 CHAIR LIM: Advises committee that meeting time may change. Discussion. 193 CHAIR LIM: Adjourns meeting at 2:50 p.m. Submitted by

Jeri Chase EXHIBIT LOG

EXHIBIT A -	Draft Committee Rules, pre	esented by Joseph	Cortright, 2 pages
EXHIBIT B -	Staff Presentation "The Ch	nallenge of a New	Economy, 24 pages