

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

January 21, 1993HRB, State Capitol 8:30 a.m. Salem, OR

Tapes 1 - 4

Introduction of Committee Staff Adoption of Committee Rules Overview:
Current Outlook for the Oregon Economy Review of 1991 Economic
Development Legislation

MEMBERS PRESENT: SEN. JOYCE COHEN, CHAIR SEN. STAN BUNN SEN.
JEANNETTE HAMBY SEN. BILL KENNEMER SEN. JOHN LIM SEN. CATHERINE WEBBER

MEMBERS EXCUSED: SEN. BILL BRADBURY, PRESIDENT OF THE SENATE SEN.
SHIRLEY GOLD SEN. PEG JOLIN

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER JERI CHASE,
OFFICE MANAGER

NOTE: These minutes contain materials which paraphrases and/or
summarizes statements made during this meeting. Only text enclosed in
quotation marks reports a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes.

TAPE 1, SIDE A

000 CHAIR COHEN: Convenes meeting at 8:35 a.m.

010 CHAIR COHEN: Discusses possible new jurisdictional role of
committee - relating to government reorganization and re-invention.
Possibility of subcommittee. Discussions occurring with Senate
President.

Introduction of Committee Staff

050 CHAIR COHEN: Introduces staff.

Adoption of Committee Rules

CHAIR COHEN: Overviews rules (EXHIBIT A).

MOTION: SEN. HAMBY moves the adoption of the Committee Rules
(EXHIBIT A).

073 SEN. BILL KENNEMER: Question regarding Committee Rules.

MOTION: SEN. KENNEMER moves to amend the rules by deleting the final
sentence of section 15.

VOTE: There being no objection, so ordered.

VOTE: There being no objection, the Committee Rules, as amended

above, are adopted.

Overview: Current Outlook for the Oregon Economy

115 JOE CORTRIGHT: Begins presentation of 1993 Oregon Economic Overview (EXHIBIT B).

153 CORTRIGHT: Presents page 2 - "The Oregon Economy: How Big is it?".

184 CORTRIGHT: Presents page 3 - "Oregon's Key Industries".

208 CORTRIGHT: Presents page 4 - "The Oregon Economy in 1990: \$26 Billion in Wages".

254 SEN. BUNN: Is there a substantial difference in the growth of those three categories?

CORTRIGHT: Yes.

315 SEN. WEBBER: Is the profile of traded vs. non-traded typical of a healthy state?

CORTRIGHT: It is typical. The ratio is not bad. Other indicators are more indicative of the economy's health.

339 CORTRIGHT: Presents page 5 - "Trends in Manufacturing Employment".

376 CORTRIGHT: Presents page 6 - "Most Businesses are Small".

416 CORTRIGHT: Presents page 7 - "Large Businesses Account for Many Jobs".

SEN. COHEN: Asks about the difference in wages between small and large businesses.

TAPE 2, SIDE A

030 CORTRIGHT: Presents page 8 - "Small Business 1980".

053 CORTRIGHT: Presents page 9 - "Oregon Has Had Little Trouble Creating Jobs"

075 CORTRIGHT: Presents page 10 - "Employment Growth Has Been Volatile".

082 CORTRIGHT: Presents page 11 - "Oregon Unemployment Now Below U.S." 097 LIM: In what areas has job growth occurred?

109 SEN. BUNN: How well does job growth keep up with population?

111 CORTRIGHT: Presents page 12 - "Net Immigration to Oregon Has Rebounded".

166 CORTRIGHT: Presents page 13 - "Oregon Income Still \$1500 Below National Average".

198 CORTRIGHT: Presents page 14 - "Oregon Wages Have Declined Since 1978".

213 CORTRIGHT: Presents page 15 - "Historic Wage Growth Trend Ebbed in 198 0s".

238 CORTRIGHT: Presents page 16 - "Oregon Wages Have Fallen 21%, Far More Than 14% National Decline".

Discussion

360 CORTRIGHT: Presents page 21 - "The Poverty Line - 1970 - 1990".

393 CORTRIGHT: Presents page 22 - "Most Growth Has Come in Lower Wage Jobs

Discussion

TAPE 1, SIDE B

030 Continued discussion

109 CORTRIGHT: Presents page 23 - "Poverty Wage Jobs Grew Most in 80s"

150 CORTRIGHT: Presents page 24 - "Oregon Income and Taxes Per Person Low, But Taxes per \$1000/Income are High".

186 CORTRIGHT: Presents page 25 - "Oregon Tax Burden Would Be Below Average if Income Were at the National Average".

207 CORTRIGHT: Presents page 26 - "Only Families Over \$30,000 Pay More in Taxes Than Average GF Spending".

271 CORTRIGHT: Presents page 17 - "Unemployment Highest in Rural Oregon".

297 CORTRIGHT: Presents page 18 - "Unemployment Rates Highest in Rural Oregon".

316 CORTRIGHT: Presents page 19 - "Most New Jobs in Portland Area".

340 CORTRIGHT: Presents page 20 - "Manufacturing Job Growth 1978-1990".

373 CORTRIGHT: Presents page 27 - "U.S. GDP Per Worker Now Below Germany, Japan, France, Italy".

415 CORTRIGHT: Presents page 28 - "Competitiveness".

TAPE 2, SIDE B

030 SEN. COHEN: Wants committee to think about high performance work organizations and if those theories can be applied.

044 CORTRIGHT: Presents page 32 - "How the World Has Changed".

068 SEN. BUNN: Do we do apply research poorly compared to other countries?

CORTRIGHT: Yes. The US has the poorest set of institutional arrangements for translating research into products.

Continued discussion of applied technology.

115 CORTRIGHT: Continues presentation of page 32.

210 CORTRIGHT: Presents page 33 - "What is High Performance?".

254 Discussion on high performance companies.

303 CORTRIGHT: Presents page 34 - "High Performance Model Works Better in Competitive Markets".

340 SEN. BUNN: What is the workers expression of satisfaction?

CORTRIGHT: Discusses tour of plant.

380 CORTRIGHT: Presents page 35 - "High Performance Highlights".

400 SEN COHEN: Relates her discussion with Warn Industries.

450 CORTRIGHT: Continues presentation of page 35.

TAPE 3, SIDE A

030 CORTRIGHT: Continues presentation of page 35.

082 CORTRIGHT: Presents page 29 - "U.S. Spends Less on Labor Force Development".

092 CORTRIGHT: Presents page 30 - "U.S. Manufacturers Have Higher Overheads"

104 CORTRIGHT: Presents page 31 - "Japan Leads U.S. in Quality Practices".

113 SEN. HAMBY: Has the high performance model moved into the public sector of Japan or Germany?

156 SEN. WEBBER: We need to look at the higher practices and how we test job skills.

185 SEN. COHEN: These are the types of questions we need to be asking.

199 1 Major Economic Development Legislation

223 CORTRIGHT: Begins overview of 1991 Legislation (EXHIBIT C).

TAPE 4, SIDE A

035 CORTRIGHT: Continues overview of EXHIBIT C.

210 SEN. BUNN: Is there a comprehensive publication regarding ports in Oregon.

CORTRIGHT: We will contact Oregon Public Ports Association.

225 CORTRIGHT: Continues overview of EXHIBIT C.

251 Conclusion of EXHIBIT C.

261 CHAIR COHEN: Adjourns meeting at 11:13 a.m.

Transcribed by,

Julie Muñiz, Committee Assistant

EXHIBIT SUMMARY

EXHIBIT A - Proposed Rules, submitted by Sen. Joyce Cohen, 2 pages

EXHIBIT B - 1993 Oregon Economy Overview, presented by Joe Cortright, 35 pages

EXHIBIT C - 1991 Major Economic Development Legislation, presented by Joe Cortright, 30 pages