

SPEECH BY GOVERNOR VIC ATIYEH
ASSOCIATED GENERAL CONTRACTORS ANNUAL MEETING
CONSTRUCTION CONFERENCE LUNCHEON
JANUARY 21, 1983 Noon

PREPARED TEXT

WHEN ADAM AND EVE WERE EXPELLED FROM THE GARDEN OF EDEN, ADAM IS BELIEVED TO HAVE REMARKED, "MY DEAR, WE LIVE IN AN AGE OF TRANSITION."

SIMILARLY, OREGON -- AND ITS CONSTRUCTION INDUSTRY -- ARE ALSO UNDERGOING A PERIOD OF TRIAL AND CHANGE. TODAY IS A GOOD OPPORTUNITY FOR ME TO SHARE WITH YOU MY OWN VIEWS ON OREGON'S "AGE OF TRANSITION," AND TO FOCUS PARTICULARLY ON THE EFFORTS WE ARE MAKING IN ECONOMIC DEVELOPMENT. THE SUCCESS OF THOSE EFFORTS WILL MAKE CERTAIN THAT THE CHANGES WE ENDURE ARE ULTIMATELY CHANGES FOR THE BETTER.

IN THE MEANTIME, I DO NOT NEED TO REMIND ANY OF YOU IN THE CONSTRUCTION BUSINESS ABOUT THE SCOPE OF THE RECESSION THAT HAS GRIPPED OUR STATE. IN 1982 NONRESIDENTIAL BUILDING JOINED HOMEBUILDING AS ONE OF THE MAJOR DISASTER AREAS OF OUR ECONOMY. YOUR INDUSTRY HAS LOST MORE THAN 26,000 JOBS SINCE LATE IN 1979 -- AN EVEN GREATER LOSS THAN THE TIMBER INDUSTRY. ALMOST HALF THE CONSTRUCTION JOBS THAT EXISTED THREE YEARS AGO EXIST NO LONGER.

BUT I BELIEVE THERE IS A BRIGHTER FUTURE AHEAD. A BRIGHTER FUTURE FOR YOUR INDUSTRY, AND A BRIGHTER FUTURE FOR OREGON.

I KNOW THAT EACH OF YOU IS WATCHING THE CONFUSING SIGNALS FROM THE ECONOMY -- AND FROM WASHINGTON, D.C. -- AS EAGERLY AS WE ARE IN STATE GOVERNMENT. WE CAN NOW SEE THE TRUTH OF THE OBSERVATION THAT, "IF ALL THE ECONOMISTS WERE LAID END TO END, THEY WOULD STILL POINT IN ALL DIRECTIONS." THE SIGNALS TRULY ARE MIXED, BUT I BELIEVE VERY STRONGLY THAT THE LONG TERM OUTLOOK IS GOOD.

INTEREST RATES ARE COMING DOWN. BANKERS AND INDUSTRY LEADERS -- EVEN ECONOMISTS -- PREDICT A RISE IN HOUSING STARTS. TRENDS HAVE BEGUN -- FRAGILE, BUT HOPEFUL TRENDS -- THAT SHOW OUR ECONOMY MAY FINALLY HAVE BOTTOMED OUT.

BUT IT WILL TAKE ACTION -- HERE AND IN WASHINGTON, D.C. -- TO MAKE CERTAIN THOSE TRENDS ARE ENCOURAGED, AND MAKE CERTAIN THAT OREGON IS READY TO TAKE MAXIMUM ADVANTAGE OF AN UPTURN AS OUR BATTERED ECONOMY SLOWLY MOVES FORWARD.

AT THE FEDERAL LEVEL, THE APPALLING SPENDING DEFICITS PROJECTED FOR THE NEXT FEW YEARS MUST BE REDUCED. THE ENCOURAGING SIGNS WE ARE SEEING IN INTEREST RATES AND HOUSING STARTS WILL BE IN TERRIBLE JEOPARDY IF EARLY ACTION IS NOT TAKEN TO CONTROL THOSE DEFICITS.

THAT IS WHY I AM PLEASED TO SEE THE ADMINISTRATION INDICATE SOME WILLINGNESS TO COMPROMISE ON REASONABLE REDUCTIONS IN DEFENSE SPENDING. OUR NATION MUST AND WILL BE SECURE -- BUT IT CAN NEVER BE SECURE WITHOUT A HEALTHY ECONOMY THAT PROVIDES OPPORTUNITY INSTEAD OF AGONY FOR THE CITIZENS OF THIS NATION.

ANOTHER HEALTHY STEP FORWARD AT THE FEDERAL LEVEL, PARTICULARLY FOR YOUR INDUSTRY, IS PASSAGE OF THE 5¢ GASOLINE TAX INCREASE. THE ADDITIONAL REVENUE WILL FUND DESPERATELY-NEEDED ROAD CONSTRUCTION, MAINTENANCE, AND REPAIR; AND WILL HELP REMOVE SOME OF THE PRESSURE FROM HARD-PRESSED STATE AND LOCAL GOVERNMENT ROAD FUNDS, WHILE PROVIDING MANY NEW JOBS HERE WITHIN THE STATE.

IN FACT, OREGON'S FEDERAL-AID HIGHWAY PROGRAM WILL INCREASE AN AVERAGE 60 PERCENT OVER THE 1982 PROGRAM LEVEL. THIS INCREASE COULD BE EVEN GREATER IF WE COMPETE SUCCESSFULLY FOR DISCRETIONARY FUNDS -- AND YOU CAN REST ASSURED THAT BOTH I AND OUR CONGRESSIONAL DELEGATION WILL BE PUSHING VERY HARD IN THIS DIRECTION.

WITH THE NEW FEDERAL FUNDS, PROJECTS ALREADY PLANNED FOR OREGON WILL BE ACCELERATED, AND ELBOW ROOM FOR NEW PROJECTS WILL BE CREATED. OUR STATE DEPARTMENT OF TRANSPORTATION ASSURES ME THAT THE NEWLY ADDED FUNDS ARE ALREADY BECOMING AVAILABLE -- AND THAT MEANS THERE WILL BE AN IMMEDIATE INCREASE IN PROJECTS AND CONSTRUCTION ACTIVITIES IN MOST AREAS. THE INCREASE SHOULD CARRY ON FOR THE NEXT FEW YEARS.

AT THE STATE LEVEL, WE INTEND TO CONTINUE PUSHING FORWARD WITH THE PROGRAMS AND ACTIONS WE HAVE ALREADY BEGUN IN ECONOMIC DEVELOPMENT. WE BEGAN THOSE ACTIONS IN 1979, AND REDOUBLED THEM WITH A MAJOR ECONOMIC RECOVERY PACKAGE I SUBMITTED TO A SPECIAL SESSION OF THE OREGON LEGISLATURE ONE YEAR AGO. THE PROGRAMS WE BEGAN THEN ARE THE BUILDING BLOCKS FOR THE STRONG NEW STRATEGY I HAVE PUT FORWARD THIS YEAR. THAT STRATEGY IS REFLECTED BOTH IN THE BUDGET I HAVE RECOMMENDED TO THE LEGISLATURE -- AND IN SEPARATE LEGISLATION I HAVE SUBMITTED AS PART OF OUR OVERALL PLAN FOR DIRECT ACTION TO GET OUR ECONOMY MOVING ONCE AGAIN.

LAST YEAR, WE WON OVER \$2 MILLION FOR A SPECIAL PACKAGE THAT INCLUDED FUNDS TO SPUR TOURISM, A MAJOR NEW MARKETING PLAN FOR OUR STATE; HIGHER EDUCATION MONEY TO MOVE US FORWARD IN COMPUTER SCIENCES AND HIGH TECHNOLOGY; AN INVENTORY OF LAND AVAILABLE IN OREGON FOR ECONOMIC DEVELOPMENT; A REORGANIZED ECONOMIC DEVELOPMENT DEPARTMENT; AND THE CREATION OF AN ECONOMIC ACTION COUNCIL WITHIN STATE GOVERNMENT TO CREATE A RAPID RESPONSE TO ECONOMIC DEVELOPMENT NEEDS WITHIN THE STATE.

THIS YEAR, WE ARE MOVING FURTHER AND FASTER TO BUILD ON THE EFFORTS ALREADY UNDERWAY:

WE HAVE DEVELOPED AND SUBMITTED A BUDGET PACKAGE THAT PUTS ECONOMIC DEVELOPMENT ON THE FRONT LINES. MY RECOMMENDATIONS TO THE LEGISLATURE EMBODY A COMMITMENT TO ECONOMIC DEVELOPMENT THAT EXTENDS TO EVERY AGENCY OF OREGON STATE GOVERNMENT. IN HIGHER EDUCATION, IN TOURISM, IN NATURAL RESOURCE PLANNING, I INTEND TO SEE OREGON STRIKE A PROPER BLANCE BETWEEN CONSERVATION AND DEVELOPMENT; ENCOURAGE NEW JBOS THROUGH ATTRACTING CAPITAL INVESTMENT; AND ENHANCE OUR QUALITY OF LIFE THROUGH REVITALIZING OUR ECONOMIC BASE.

SPECIFICALLY, I HAVE RECOMMENDED THAT WE:

- BOOST THE BUDGET OF OUR DEPARTMENT OF ECONOMIC DEVELOPMENT FROM \$2.7 MILLION TO \$8.7 MILLION GENERAL FUND DOLLARS, AND INCREASE THE AGENCY'S STAFF FROM 35 TO 55 FULL-TIME POSITIONS;
- TRANSFER THE TOURISM PROMOTION PROGRAM, CURRENTLY HOUSED IN THE DEPARTMENT OF TRANSPORTATION, TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT;
- CONTINUE AND EXPAND ON THE PROGRAMS WE INITIATED IN 1982, INCLUDING A COMPUTERIZED INVENTORY OF AVAILABLE INDUSTRIAL LAND, A MARKETING PROGRAM DESIGNED TO FORGE A PARTNERSHIP BETWEEN LOCAL AND STATEWIDE EFFORTS, AND BUSINESS ASSISTANCE THAT WILL HELP COMPANIES OBTAIN PERMITS, MEET LAND USE REQUIREMENTS, AND RELOCATE OR EXPAND TO CREATE JOBS FOR OREGONIANS;
- PROTECT AND EXPAND THE GAINS WE HAVE ALREADY MADE THROUGH OUR VERY SUCCESSFUL EFFORTS IN DOMESTIC MARKETING AND INTERNATIONAL TRADE;
- ACTIVELY INVOLVE OUR INSTITUTIONS OF HIGHER EDUCATION IN THE STATEWIDE ECONOMIC DEVELOPMENT EFFORT, THROUGH CREATING PROGRAMS DIRECTLY LINKED TO THE NEEDS OF INDUSTRIES WE SEEK TO ATTRACT; AND

● MAKE PERMANENT THE REORGANIZATION OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT WE ACCOMPLISHED LAST YEAR. THOSE CHANGES PUT ME, AS GOVERNOR, IN A POSITION TO UNITE AND COORDINATE ECONOMIC DEVELOPMENT EFFORTS STATEWIDE IN PARTNERSHIP WITH THE WORK OF CITIZENS AND COMMUNITIES ACROSS OREGON.

THE BUDGET I HAVE SUBMITTED TO THE OREGON LEGISLATURE IS ONE OF A SERIES OF STEPS WE ARE TAKING TO GET OUR ECONOMY MOVING ONCE AGAIN. THE BUDGET ITSELF HOLDS MOST STATE AGENCIES TO THEIR CURRENT REDUCED FUNDING LEVELS -- BUT RESTORES OUR MOMENTUM IN A VERY FEW CRITICAL AREAS. AND NOTHING IS MORE CRITICAL THAN DIVERSIFYING OUR ECONOMIC BASE AND CREATING LASTING PERMANENT JOBS THAT WILL PUT OUR PEOPLE BACK TO WORK.

SEPARATE, SPECIAL LEGISLATIVE PACKAGES RECOMMENDED BY ME ARE ALSO BEFORE THE LEGISLATURE IN THE AREAS OF LAND USE AND FOREST PRODUCTS. FOR THE TIMBER INDUSTRY, WE INTEND TO CREATE A MARKETING DIVISION IN THE DEPARTMENT OF FORESTRY, AND A FOREST PRODUCTS COMMODITY COMMISSION TO MARKET OUR TIMBER AROUND THE NATION AND THE WORLD. I AM ALSO RECOMMENDING A STREAMLINED BOARD OF FORESTRY TO BETTER HANDLE THESE CHALLENGES.

IN LAND USE, I AM SUBMITTING RECOMMENDATIONS DESIGNED TO REDUCE THE STRESS ON LOCAL JURISDICTIONS, AND AT THE SAME TIME RESTORE A COMMON SENSE APPROACH TO SPEED UP THE PROCESS. BY MAKING THE SYSTEM WORK BETTER, WE MAKE OUR ECONOMIC DEVELOPMENT EFFORTS WORK BETTER ALL OVER THE STATE -- ALLOWING FOR RAPID INDUSTRIAL SITING WHEREVER POSSIBLE, AND EARLIER TIMELINES FOR BUSINESS EXPANSION AND STARTUP.

IN ALL OF THESE EFFORTS OUR EMPHASIS IS NOT JUST ON PROGRAMS -- BUT ON PEOPLE. PEOPLE -- OREGONIANS IN YOUR INDUSTRY AND ELSEWHERE -- WHO NEED JOBS, WHO NEED SECURITY, AND WHO KNOW THAT ECONOMIC OPPORTUNITY IS ESSENTIAL TO MAINTAIN THE QUALITY OF LIFE WE ENJOY IN OREGON.

OUR STRONG PUSH FORWARD IN ECONOMIC DEVELOPMENT HAS BEEN DEVELOPED -- AND IS CONTINGENT ON -- A WORKING PARTNERSHIP WITH CITIZENS, INDUSTRY, AND LOCAL COMMUNITIES. OUR MARKETING PROGRAM; OUR BUSINESS ASSISTANCE PROGRAM; OUR INTERNATIONAL TRADE, TOURISM, AND COMMUNITY DEVELOPMENT PROGRAMS -- ALL DEPEND ON YOUR INPUT, YOUR PARTICIPATION, AND YOUR EFFORTS.

GOVERNMENT CANNOT DO THE JOB ALONE. BUSINESS AND INDUSTRY CANNOT DO THE JOB ALONE. BUT TOGETHER, WE CAN OVERCOME THE OBSTACLES WE FACE AND ATTRACT THE EXPANSION AND DEVELOPMENT WE MUST HAVE TO GET OUR ECONOMY BACK ON TRACK AND OUR CITIZENS BACK TO WORK.

OUR STATE AND OUR NATION WERE BUILT -- NOT BY GOVERNMENT
-- BUT BY THE EFFORTS OF PEOPLE WORKING TOGETHER IN PARTNERSHIP
TO BUILD A COMMUNITY.

BY REVITALIZING THAT PARTNERSHIP, CHALLENGING EACH
OTHER, AND WORKING TOGETHER, WE WILL BUILD RECOVERY AND STRENGTH
INTO OREGON TODAY THAT WILL LAST FOR MANY TOMORROWS TO COME.

OREGON'S "AGE OF TRANSITION" CAN TRULY LEAD -- NOT TO AN
AGE OF DESPAIR -- BUT TO AN AGE OF PROSPERITY BROUGHT ABOUT
THROUGH THE EFFORTS OF ALL OF US. WITH YOUR HELP, WE CAN NURTURE
THE POSITIVE SIGNS WE SEE AROUND US AND BUILD A BETTER ECONOMY
INTO A BRIGHTER FUTURE FOR OREGON.

THANK YOU VERY MUCH.

#

Gov's genuine AGC speech
Friday 1/21/83

5a for a long time, 'development' was not part of government's vocabulary...

6a ...it was very exciting, when I was in California earlier this month...and I delivered to one of the large electronic plants (firms) a list of 71 pieces of property in Oregon...of 100 acres or more

7a Some of you heard me talk about economic development during the course of my campaign---and I marveled at the fact that all the politicians out there were talking about (it) this last election...most of whom had never thought about economic development...many of them were 'born-againists'...a lot spoke against ed in years past...I point this out so that, now that they've been elected---we shouldn't allow them to forget...

9a I believe...(background cz of) that we should work together as a team...all of us as Oregonians...you at AGC---but I carry that message all over the state... I have to tell you frankly, that those that just reach out and say 'help me'...do not get nearly as much attention as those who say 'help me help myself'... because I believe that we all work together... and government must never be a dominant factor...because if we allow that to happen, we will no longer have our system of government...

9b I truly believe that bright future is not that far away...