

ALERT

CALIFORNIA CHAMBER OF COMMERCE



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Governor's Action on Bills Caps Good Year for Chamber

The completion of the Governor's action on bills passed by the Legislature in 1995 marked the end of another successful legislative year for the California Chamber.

No legislation that would be harmful to the business community became law. Chamber lobbyists succeeded in stopping nearly all onerous proposals in the Legislature.

Defeated or neutralized through compromises were several health care bills that boosted employer costs by mandating specific procedures or benefits. Also defeated were bills seeking to boost the minimum wage, unemployment insurance and disability insurance costs, as well as broaden employer liability for discrimination or harassment in the workplace.

The few bills reaching the Governor's desk that would have increased costs or regulations on business were vetoed. Among those vetoed bills were SB 990 (Polanco) and AB 1101 (Speier), both proposing costly health care mandates.

Among the Chamber-supported bills signed by the Governor were proposals to:

- reform property tax laws by clarifying definitions of taxable property and providing for a fairer appeals process, SB 657 (Maddy);
- provide regulatory and fee relief,

SB 297 (Campbell) and SB 338 (Campbell);

- prevent any public agency from mandating a trip reduction program unless federal law expressly requires it, SB 437 (Lewis);

- authorize a voluntary statewide, privately operated vehicle scrap program to speed the removal of older, higher-polluting vehicles from the road, SB 501 (Calderon);

- streamline environmental requirements for military base or reservation reuse plans, SB 1180 (Calderon/Haynes);

- establish a process by which the tourism industry can determine whether it wants to assess itself to fund a statewide tourism marketing program, SB 256 (Johnston);

- eliminate vacancy control

laws that prevent rental property owners from raising rents to market levels when a unit is vacated voluntarily, AB 1164 (Hawkins); and

- place on the March 1996 primary election ballot a \$2 billion bond act to finance the seismic retrofitting of California's highway bridges and toll bridges, SB 146 (Maddy).

A summary of the final status of Chamber priority bills sent to the Governor appears on Pages 9-10 of this *Alert*. A record of legislators' votes on priority legislation begins on Page 3.



Governor Pete Wilson

California Opens Trade/Investment Office in Johannesburg



Julie Meier Wright, secretary of the California Trade and Commerce Agency, speaks at the opening of the California Office of Trade and Investment in Johannesburg, South Africa.

The California Trade and Commerce Agency and the California Chamber led a 20-member trade and investment mission to South Africa during the first week of October, to coincide with the Made in USA Trade Expo in Johannesburg, and with the opening of the new California Office of Trade and Investment in Johannesburg.

The trip was a high-profile opportunity for California to introduce the state, its projects and way of doing business. The Chamber has been involved in the opening of all the state foreign trade and investment offices — Frankfurt, Hong Kong, Jerusalem, London, Mexico City, Taiwan and Tokyo.

See California: Page 12

Inside

California Chamber Vote
Record: Pages 3-7

California Business, Government Delegates Explore Opportunities in South Africa



Members of the California delegation for the recent trade and investment mission to South Africa are: *Front row* (from left): Lloyd Day, senior policy analyst, California Trade and Commerce Agency; Julie Meier Wright, secretary, California Trade and Commerce Agency; Assemblywoman Barbara Lee (D-Oakland); Ashok Patel, associate director, trademark licensing, Sunkist Growers. *Middle row* (from left): Dennis DuBois, Bank of America; California Chamber Chairman Roger J. Baccigaluppi, chairman and chief executive officer, RB International; Iris Baccigaluppi; Assemblyman Sal Cannella (D-Ceres); Assemblyman Brett Granlund (R-Yucaipa); Keith Carson, Alameda County supervisor. *Back row* (from left): Dwayne Gathers, director, California Office of Trade and Investment, Johannesburg; Assemblywoman Marguerite Archie-Hudson (D-Los Angeles); Assemblyman Kevin Murray (D-Los Angeles); Susanne Stirling, vice president for international affairs, California Chamber; Chris Kahn, assistant secretary, legislative affairs, California Trade and Commerce Agency; Sean Randolph, director, Office of Export Development, California Trade and Commerce Agency. *Delegation members not pictured:* Kimberly Rich, trade specialist, California Trade and Commerce Agency; John Millin, managing director, large scale systems, Amdahl Corporation; Johan Westgraaf, VISA South Africa; Frank Coleman, AT&T; Assemblyman Willard Murray (D-Paramount); Keith Quarles, representative of Assemblywoman Juanita McDonald (D-Carson).



The delegation visit to the Made in USA Trade Expo in Johannesburg provides an opportunity for delegation members to discuss California-South Africa ties with Trevor Manuel (left), minister of trade and industry for South Africa. With the minister are (clockwise) California Chamber Chairman Roger J. Baccigaluppi; Assemblywoman Marguerite Archie-Hudson; Assemblywoman Barbara Lee; and California Trade and Commerce Agency Secretary Julie Meier Wright.

California Delegates Explore Opportunities in South Africa



A gathering at the Johannesburg Chamber includes (from left) Collin Wright, director, commerce and industry, City of Johannesburg; Johannesburg Chamber President; Julie Meier Wright, secretary of the California Trade and Commerce Agency; California Chamber Chairman Roger J. Baccigaluppi; and Marius de Jager, chief executive of the Johannesburg Chamber.



At the Greater Soweto Chamber of Commerce and Industries are (from left) Sam Noge, president of the Greater Soweto Chamber; California Chamber Chairman Roger J. Baccigaluppi; Susanne Stirling, California Chamber vice president of international affairs; and Max M. Legodi, chief executive of the Greater Soweto Chamber.



From left are Luanne Grant, executive director of the American Chamber of Commerce in South Africa; Michael Judin, a director of the American Chamber of Commerce in South Africa; California Chamber Chairman Roger J. Baccigaluppi; Susanne Stirling, California Chamber vice president of international affairs; and Roger Crawford, immediate past president of the American Chamber of Commerce in South Africa.

The business delegation's itinerary included a briefing and tour of the Levi Strauss South Africa plant in Cape Town. The plant opened in August. From left are: Assemblywoman Marguerite Archie-Hudson; Susanne Stirling, California Chamber vice president of international affairs; Waddell Blackwell, general manager of the plant; California Trade and Commerce Agency Secretary Julie Meier Wright; Chamber Chairman Roger J. Baccigaluppi; and Assemblywoman Barbara Lee.



A Word from Way Yonder. . . South Africa



Dwayne A. Gathers

As we begin a new chapter in the history of the foreign offices of the California Trade and Commerce Agency, I am pleased to note the opening of the newest office in Johannesburg, South Africa. I have been given a great opportunity by Governor Pete Wilson and Secretary Julie Meier Wright to represent the state of California and the California business community at large.

Over the past month that I have been here in South Africa, many people have asked why I've moved here and why the state of California has opened an office here. Given recent battles with Telkom over on-again, off-again phone service, I am sometimes forced to take a few deep breaths before answering this question.

However, despite the normal growing pains of getting an office started, the reality is that to be engaged in international trade and investment, the continent of Africa must be incorporated into the state's global portfolio. This said, South

Africa, and the region of southern Africa, today represents an increasingly dynamic part of the world. The political transformation which has occurred here is nothing short of remarkable. In turn, this has led to increased hope for the future and increased business potential.

As the South African economy continues to grow in the neighborhood of 3 percent per year (although many realize that it needs to grow faster to create more jobs), many are seeing the fruits of their time and effort spent trying to cultivate business here. The computer industry is particularly active as surcharges decline on electronic goods, and there is a healthy appetite for the latest technologies in both public sector institutions and throughout the private sector. Transportation equipment also is showing healthy activity due in part to upgrades of the commuter rail system throughout the country as well as an increasingly active domestic airline industry. Finally, of note to the California wine industry, sales of South African wines are growing so rapidly in overseas markets (mainly Europe) that they are beginning to import wines for domestic consumption.

As these changes occur internally, note that there are many South African companies, and individuals, with large pools of capital. As such, corporate South Africa is very active in pursuing market opportunities outside their country. This has mainly been focused on neighboring African countries where South Africans are involved in hotel projects, rail projects

and South African farmers are being encouraged to set up in places such as Zambia and Uganda! Therefore, there is no reason not to expect that we will soon see South Africans reaching the shores of California exploring opportunities.

The office (myself plus two South Africans soon to be hired) looks forward to being a valued part of your team as you research the South African marketplace and look to execute profitable business in this region. Though a small operation, we hope to be able to provide you with useful macroeconomic information, targeted sector analysis, and to assist you in performing various due diligence tasks on potential partners. Also, please know that our offices are your offices when in country.

Given the investment one undertakes to travel to South Africa, we will do everything we can to make sure that once you arrive, your mission is as focused as possible and will generate the outcome you desire. Besides, what's 11,000 miles for the international traveler!

I look forward to hearing from as many of you as can get through by phone or fax.

Dwayne A. Gathers is director of the California Office of Trade and Investment, Johannesburg. The office is located at 1st Floor East, 158 Jan Smuts Avenue, Rosebank 2196, Johannesburg, Republic of South Africa, telephone 011-27-11-447-5391, fax 011-27-11-447-5393.

Great Opportunities Await in South Africa

From Page 16

whites and blacks, and again, a desire to build the country with all races working together to make it a world leader.

President Nelson Mandela is held on a pedestal by almost everyone I met — again regardless of color — and there is great hope that under his leadership the country can be united and build the future for all strata of society.

The problems, if there are any, are two-fold. One is that President Mandela is not immortal and will one day step down as President. There is no obvious

successor who can bring everyone together. Secondly, a huge portion of the population is frightfully poor, housed in shanties and totally uneducated. More than 40 percent of the eligible-to-work population is unemployed! It is the intention of the present government to change all that, but it cannot be done overnight. It is going to take 10, perhaps 20 years or more to right the injustices of the past, and this population must continue to suffer — and exert great patience — as gradual improvements are made to make life better.

I came away with a great appreciation for what is being done to make life better for all through the development of business, industry and jobs. I also came away with a desire to somehow participate in the redevelopment of South Africa. There is no question that there are great business opportunities in that part of the world.

Roger J. Baccigaluppi, chairman of the California Chamber, is chairman and chief executive officer of RB International, Sacramento.

Great Opportunities Await in South Africa



I have just returned from a most informative and enjoyable six days in South Africa. We were a part of the

California Business Development Mission to South Africa, led by Trade and Commerce Agency Secretary Julie Meier Wright. Assemblywoman Barbara Lee led the legislative portion of our mission and I was privileged to lead the business delegation.

The purpose of the mission was to celebrate and bring attention to the opening of the California Office of Trade and Investment in Johannesburg and to coordinate that opening with the opening of the "Made in USA" show that featured some 15 California companies in attendance and another 50 represented in a catalog. This show is the largest trade show of U.S.-made goods in Africa and attracts about 26,000 people annually.

The California Chamber has participated in some way with the state's executive branch on the opening of each of the eight offices outside the United

States. I personally participated with Governor George Deukmejian in the opening of the offices in Tokyo, London and Mexico City, but was unable to participate in Frankfurt, Jerusalem, Hong Kong or Taipei.

Our schedule, arranged by the director of the South Africa office, Dwayne Gathers, was grueling but extremely productive in terms of seeing and meeting a cross section of South African

Commentary By Roger J. Baccigaluppi

business people and government leaders. Our activities also seemed to generate a good deal of interest by the press so that the effect of our mission went far beyond those we met personally. It is worth noting that California is the first state to open an office anywhere in Africa, and that it is the intention of the Governor, Secretary Wright and the Legislature that the office serve not only the Republic of South Africa, but the entire Sub-Saharan African continent.

Our meetings included visits with developers, one of the largest electric utilities in the world (Eskom), Reader's Digest, Fluor South Africa, a winery and a tour of a new Levi Strauss facility near

Cape Town, as well as meetings with government representatives and various chambers of commerce, including the National African Federation of Chambers of Commerce and the Soweto Chamber of Commerce.

Space will not permit me to go into any great detail on the country or the region, but suffice it to say there are great opportunities awaiting companies that want to expand in that part of the world. The South African people recognize that they need help and are actively seeking assistance in the form of financial investment, buyers for some of their products and as customers for products and services they don't manufacture or provide. Yes, they and we recognize we must compete very directly in some areas, but they also realize that their country has been "closed" and must now open its doors.

While one is almost immediately struck by the vast gap between the developed parts of the country and the undeveloped — and the vast differences in standard of living between different groups of people — I was personally struck by the desire of virtually everyone I met — black, white or colored (mixed race) — to rebuild the country and to make it great. I sensed less bitterness than I would have expected, from both

See Great: Page 15

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