

Unemployment rate increases

The number of jobless citizens in Oregon increases 0.1 percent, which means 127,000 workers are without employment

By Jan Montry
Oregon Daily Emerald

Oregon's economy hit a crossroads last week, leaving many to question whether Oregon will recover or dive deeper into economic downturn.

The Oregon Employment Department announced Friday that the unemployment rate increased 0.1 percent from a June rate of 7.2 percent. That 0.1 percent represents 127,000 workers who were unemployed in Oregon in July.

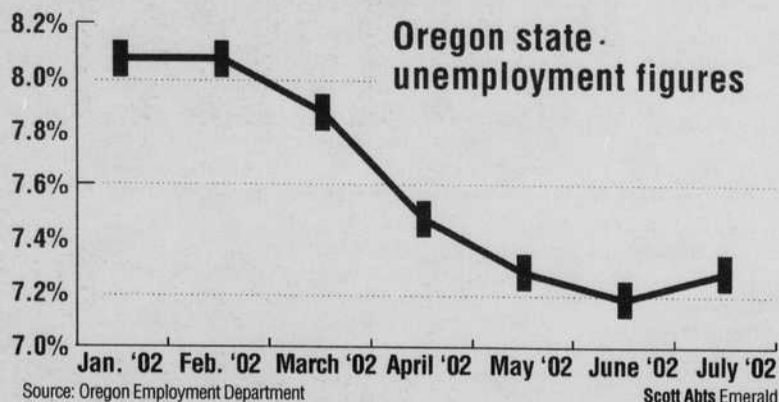
Since January, Oregon's economy has been a series of jumps and dives.

In January and February of this year, the jobless rate peaked at 8.1 percent but started a steady decline, ending at 7.2 percent in June. After three months of improvement, a surprising jump in unemployment prompted the question of whether the Oregon economy is actually improving.

"I think our position is we've seen the worst, and we're waiting our way out of it," state economist Amy Vander Vliet said.

This month, unemployment mainly affected the education sectors while the manufacturing sector saw a continuing gain.

In the private education sector, 3,700 jobs were cut, while the manufacturing sector added 5,900 jobs. Both the amount of jobs cut and added were abnormally high for this time of year.



Source: Oregon Employment Department

Scott Abts Emerald

For manufacturing, the jump in employment came as a surprise because Oregon's economic decline last year mostly affected this industry. In March, the number of employed manufacturing workers had decreased to 219,600, Oregon's lowest level since January 1995.

"I think our position is we've seen the worst, and we're waiting our way out of it."

Amy Vander Vliet
Oregon state economist

Vliet attributed the manufacturing increase to a strong month in food processing and other sectors within manufacturing that added jobs.

The extreme unemployment is prompting Sen. Ron Wyden, D-Oregon, and Rep. Peter DeFazio, D-Oregon, to decry a recent U.S. Labor Department decision to reduce the "duration and effectiveness" of a National Emergency Grant, which uses federal funds to retrain workers.

The department recently reduced retraining time from 24 to nine months for Oregon NEG grantees, potentially hurting Oregon's ability to raise employment.

Wyden spokeswoman Carol Guthrie said the longer workers can retrain, the better employment they may be able to get.

"When the training period is cut to nine months, it limits employment opportunities," Guthrie said.

On Friday, the Oregon Office of Economic Analysis released a preliminary state economic forecast predicting a 0.7 percent decrease in jobs this year and a 1.7 percent increase next year, evidence that Oregon is on the way to recovery with some bumps on the road.

OEOA economist Tom Potiowsky said there will still be some periods of layoffs as well as hiring, even though the downturn is improving.

"We're still calling for a bottoming out of this recession now and an increase for next year," he said.

Contact the reporter at janmontry@dailyemerald.com.

Analysts urge rate cut to fix economy

By Ken Moritsugu
Knight Ridder Newspapers
(KRT)

WASHINGTON — Most analysts don't expect the Federal Reserve to cut interest rates when it meets Tuesday, despite the stock market's recent slide and the growing risk of a return to recession.

However, some on Wall Street are clamoring for a rate cut, including economists at Morgan Stanley, Goldman Sachs and Lehman Bros. investment banks. The fact that such financial powerhouses are even raising that possibility for the first time in months signals how much more uncertain the economic outlook has become in recent weeks.

"The risks have gotten a lot worse," said Bruce Kasman, an economist at J.P. Morgan Chase in New York.

The Fed's interest-rate-setting

committee, led by Chairman Alan Greenspan, is scheduled to release its decision at 11:15 a.m. PDT.

Separately Tuesday, President Bush will try to ease public concern about the economy at a conference on the topic he is convening in Waco, Texas. And on Wednesday, the nation's top corporations must file statements with the Securities and Exchange Commission assuring that their finances are honestly reported, a step analysts hope will calm shaken financial markets.

July's steep stock-market slide tripped up the economy, which had bounced back last winter after a mild recession. Factory production was flat in July and the economy added just 6,000 jobs, far fewer than needed for a healthy recovery.

Even so, most forecasters don't expect a so-called double-dip recession, in which the economy falls

back into a period of shrinkage after a temporary uptick in growth. But the risks of a double dip have risen, and some analysts think the risks are high enough to merit a rate cut.

"It seems to me it makes good sense to be pre-emptive at this point and take out some insurance just to get things going," said Peter Hooper, chief economist in the New York office of Deutsche Bank.

But other analysts are skeptical, noting that mortgage rates are at or near record lows, and housing and auto sales, among the most interest-rate-sensitive areas, remain strong.

"I don't think lower rates at this point are going to make a whole lot of difference getting this economy out of a rut," said Mark Zandi, chief economist at Economy.com, a consulting firm in West Chester, Pa.

© 2002, Knight Ridder/Tribune Information Services.

Autzen

continued from page 1
employee.

"I'm coming forward because ... I'm appalled that this is happening," the source said. "It's simply unethical to do a job this way."

The most severe of the alleged violations involves the joining of sprinkler pipes, Thrapp said. The anonymous letter said that "nearly 80 percent of the piping installed was not reamed" and that joint compounds were incorrectly applied.

If those claims are true, Thrapp said particles could mix with the water, thus hindering the effectiveness of the sprinkler system.

Thrapp said Cosco will be required to make changes in accordance with national standards if any of the allegations are found to be truthful.

The source also said that while

the pipes were supposed to be hung from concrete decking, the contractor didn't pour concrete.

Eugene plan review supervisor Steve McGuire said if it is found that concrete should have been poured, "it isn't hard to remedy. Builders may just need to add support."

The project will be turned over to engineers to design a solution if inspectors find discrepancies with the original plans, McGuire said. Balzhiser & Hubbard Engineers, the primary designers for the project, declined to comment.

Cosco Vice President Dave Kern, who visited the site Friday, said the company believes all work was done properly.

In Eugene to monitor the progress of the installation Friday morning, Kern was on his way back to Seattle when he first became aware of the allegations.

"Possibly, there's something

there that we might have to do some minor corrective work," Kern said. "That's why we have to do a very thorough investigation."

"If there is a problem, they can rest assured it will be corrected."

John Norton, Hunt-Wildish Joint Venture's project administrator for the Autzen Stadium expansion, declined to comment on the allegations.

For the past eight months, construction crews have been frantically working in hopes of reopening Autzen Stadium by the season opener. The \$90 million project will add about 12,000 seats, pushing the stadium's capacity to between 54,000 and 55,000.

Contact the sports editor at bradschmidt@dailyemerald.com and the managing editor at jennischultz@dailyemerald.com. Editor in chief Michael J. Kleckner contributed to this report.

Premier Travel
 • Coast to Coast Sale!!! •
 Chicago - \$198.00*
 Tampa - \$198.00*
 Mexico City - \$445.00*
 London - \$499.00*
*tax not included, restrictions may apply. Subject to change without notice.
 Eurail Passes issued on-site!!!
 E-mail: fares@luv2travel.com
1011 Harlow
747-0909
 Student Travel Experts

Today's crossword solution

W	I	S	P	S	A	D	L	A	R	I	A	T
I	N	T	O	A	P	E	A	T	O	N	C	E
G	L	E	N	L	O	B	C	E	A	S	E	D
H	A	N	D	B	A	G	F	R	O	N	T	
T	W	O	S	O	M	E	L	O	U	S	I	N
							D	I	E	C	A	S
P	A	S	T	Y		H	I	S		A	A	T
O	D	O	R		S	C	O	R	E		S	T
L	I	L	I		P	H	I		W	H	E	R
Y	E	A			N	O	U	R	I	S	H	
P	U	R	L	O	I	N		O	N	E	S	T
					C	A	U	L	K		D	A
S	L	E	D	G	E		F	I	R		A	M
C	O	L	L	A	R		O	N	E		N	E
I	N	L	E	T	S		B	E	D		T	R

AUTHOR EVENT
A Single Square Picture
 Katy Robinson

Katy Robinson was born in Korea, adopted and raised in America and discovered her true self somewhere between those two worlds.

August 16th • 7PM
 Room 243 Knight Law Center
 16th & Agate

UNIVERSITY OF OREGON
BOOKSTORE
 www.uobookstore.com
 (541) 346-4331

Presenting... **STUDIO ONE CAFE**
 7 am - 4 pm daily

Come see what your fellow students are raving about!

★ Best French Toast in Town ★ Great Benedicts ★
 Pastas ★ Vegetarian Entrees ★ Salads
 ★ Burgers ★ Fresh Fish ★ Excellent Mexican Dishes

★ PATIO SEATING ★
 1473 E. 19th (19th & Agate) • 342-8596

Blood Drive
 The nation's blood supply depends on you to donate regularly.

lane Memorial Blood Bank
 will be on campus
Wednesday, August 14th
 from 10:00-3:00

Register in the EMU Building Main Lobby

Call 484-9111 for more information
 Sponsored by the UO Alumni Association