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BRIEFING

Jobless claims fall to a pandemic low

The number of Americans seeking unemployment aid fell last week to 498,000, the lowest point since the viral pandemic struck 14 months ago and a sign of the job market's growing strength as businesses reopen and consumers step up spending.

Thursday's report from the Labor Department showed that applications declined 92,000 from a revised 590,000 a week earlier. The number of weekly jobless claims — a rough measure of the pace of layoffs — has declined significantly from a peak of 900,000 in January as employers have ramped up hiring.

At the same time, the pace of applications is still well above the roughly 230,000 level that prevailed before the viral outbreak tore through the economy in March of last year.

The turnaround has led many businesses to complain that they can't find enough workers. Some other employers are raising pay to attract applicants.

U.S. withdraws Trump-era rule

The Labor Department is rescinding a rule that made it harder for gig and contract workers to argue they were entitled to minimum wage and overtime protections, part of a push to undo Trump-era decisions that favored businesses and employers.

The withdrawal of the "Independent Contractor" rule, which limited the ability of workers to argue that they were misclassified as contractors when they should have been employees, was expected to become effective on Thursday.

Companies have increased the use of contractors in recent decades in part to lower labor costs. Employees are entitled to a range of benefits not afforded to contractors, including a minimum wage and overtime pay.

Labor advocates say that many of these workers are misclassified, and should be counted as employees. The Labor Department has the power to investigate these cases and rectify violations when they are found.

Productivity at solid 5.4% rate

U.S. productivity posted a sharp rebound between January and March after falling in the previous quarter. Labor costs declined slightly.

Productivity increased at an annual rate of 5.4% in the first quarter, recovering from a 3.8% rate of decline in the fourth quarter of last year, the Labor Department reported Thursday. Labor costs fell at a 0.3% rate in the first quarter following a 5.6% jump in the fourth.

It was the biggest quarterly rise in productivity since an 11.2% surge in the second quarter of last year. That period was skewed because it showed how the tremendous speed at which millions of jobs evaporated during the pandemic outpaced even the output of those workers.

Productivity is the amount of output per hour of work. The first quarter gain had been expected given that the gross domestic product, the country's total output of goods and services, had risen by a robust 6.4% rate in the first quarter.

—Bulletin wire reports

Intel says it will build more Oregon factories

BY MIKE ROGOWAY
The Oregonian

Intel CEO Pat Gelsinger, visiting the company's Hillsboro factories Wednesday, said the company isn't done expanding in Oregon and expects to add to its local manufacturing footprint again within the next few years.

That's the first time Intel has indicated that it plans to continue building in Oregon after it wraps up construction of a \$3 billion expansion to its DIX re-

search factory, which is nearing completion in Hillsboro.

Intel develops each new generation of microprocessor in its Oregon factories, then precisely duplicates its manufacturing process at sites in Arizona, Ireland and Israel.

"In another three or four years, I anticipate we'll have another expansion here that we'll then replicate across the manufacturing network," Gelsinger said in an interview Wednesday with The Oregonian.

Before Gelsinger's hiring in January, Intel had been contemplating outsourcing its advanced manufacturing, which would have permanently diminished Oregon's role as the heart of Intel's research.

Now, with Gelsinger leading a global building boom for the company, Intel is going in the opposite direction — planning new factories around the globe. Gelsinger is also expanding into contract manufacturing, offering up Intel factories to build

chips for other companies.

On Wednesday, Gelsinger said Oregon will get a share of that growth, eventually, and the new jobs and billions of dollars in investment that go along with it. Intel said it still has room to build in Hillsboro; planning documents submitted to the city in past years had shown no factory expansion beyond its current footprint.

"This is the hub of our semiconductor research," Gelsinger said Wednesday. "It'll always

be that."

In the four months since Intel announced Gelsinger's hiring, he has embarked on an unprecedented spending spree to expand the company's factory network after a string of technological failures. And he has campaigned aggressively for government incentives for the chip industry in Europe and the U.S. to reduce reliance on chip factories in Taiwan and South Korea.

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FLOWER GROWERS SCRAMBLE TO MEET HUGE DEMAND

BY SIERRA DAWN MCCLAIN
Capital Press

Western U.S. flower growers say demand this spring has reached "exponentially higher" levels.

A few days before Mother's Day, growers across California and Oregon said they were overwhelmed with orders. With COVID restrictions loosening, many anticipate big sales for events this summer.

"There's definitely an uptick in demand for fresh flowers this year," said Steve Dionne, executive director of the California Association of Flower Growers and Shippers, or CalFlowers.

Industry leaders say the American consum-

er's relationship with flowers has also changed. The past year, more shoppers have bought flowers for "ordinary days" rather than just for special occasions — a trend that's continuing.

But flower farmers continue to wrestle with COVID-related challenges, including labor shortages, transportation disruptions and over-consolidation of the industry that will likely result in a flower shortage this year.

This spring stands in bold contrast to spring of 2020, which Dionne described as "a time of terror through the industry."

During 2020's toughest months, the domestic flower industry underwent major consolidation. Many florists, wholesalers and growers

went out of business. Some farmers switched flower acreage to other crops.

The industry made a U-turn during the summer as Americans bought more flowers to adorn their homes and give to friends.

Flower demand in 2021, growers say, is "exponentially higher."

In the lead-up to Mother's Day, marketers and florists say they're seeing record sales.

Julie Ortiz, a second-generation flower farmer and sales manager at California company Joseph and Sons Inc., said she's "fortunate and blessed" customers have recently shown "nonstop interest" in cut flowers.

See **Flowers** / A8



◀ An employee at Joseph and Sons Inc. carries flowers. Courtesy of California Cut Flower Commission

EU NATIONS

Mealworms on the menu?

European Union OKs beetle larvae on the market as a 'novel food.'

The Associated Press

BRUSSELS — Dried yellow mealworms could soon be hitting supermarket shelves and restaurants across Europe.

The European Union's 27 nations gave the greenlight Tuesday to a proposal to put the *Tenebrio molitor* beetle larvae on the market as a "novel food."

The move came after the EU's food safety agency published a scientific opinion this year that concluded worms were safe to eat. Researchers said the worms, either eaten whole or in powdered form, are a protein-rich snack or an ingredient for other foods.

Allergic reactions may occur for people with pre-existing allergies to crustaceans and dust mites, the Commission said.

Insects as food represent a



Virginia Mayo/AP file

Microbar food truck owner Bart Smit holds a container of yellow mealworms during a food truck festival in Antwerp, Belgium, in 2014.

very small market but EU officials said breeding them for food could have environmental benefits. The U.N. Food and Agriculture Organization calls insects "a healthy and highly nutritious food source with a

high content of fat, protein, vitamins, fibers and minerals."

Following Tuesday's approval by EU states, a EU regulation authorizing dried yellow mealworms as a food will be adopted in the coming weeks.

OREGON LEGISLATURE

State wants to delay paid family, medical leave program 1 year

BY JAMIE GOLDBERG
The Oregonian

Oregon says it won't be ready to start providing paid family and medical leave benefits by a January 2023 deadline and has asked lawmakers to delay the rollout of the state's long-anticipated program.

A bill introduced in the Oregon House on Tuesday on behalf of the Oregon Employment Department would give the state agency until September 2022 to adopt rules to establish the program and would defer the date when employers must begin paying into the program until January 2023 — delaying both deadlines by a full year.

If the bill is adopted, Ore-

gon workers would not start seeing benefits through the new program until September 2023, eight months after the program is currently supposed to go into effect.

Both advocates of the legislation and the employment department said the coronavirus pandemic has laid bare the vital need for paid family and medical leave.

However, Patty Jo Angelini, a spokesperson for the employment department, said the timeline lawmakers set for the rollout of the program was always ambitious and that the agency was forced to shift its focus away from the program due to the pandemic.

See **Paid leave** / A8