

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on March 17, 1998 in Room 423-S of the Capitol.

All members were present except: Barbara Allen (A)
Lisa Benlon (E)
Ethel Peterson (E)

Committee staff present: Lynne Holt, Legislative Research Department
Renaë Jefferies, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: Leonid Samokhval
Interpreter

Leonid Samokhval spoke to the Economic Development committee as part of the Voronezh delegation from Russia. His interpreter was a teacher and not a professional interpreter and she apologized for not understanding many words and terms associated with Economic Development. Following is Leonid speech, in his words.

I will give you the history of Russia from the 40's to the present. It was very difficult to raise a family during the war years and America helped by providing food and clothes. We saw films about the friendship of Russian and American people and the Russians were very interested in Americans.

Then the iron curtain dropped. People lived in fear of bombs and annihilation After Stalin's death the iron curtain opened and we could once again visit. In 1964, due to Khrushchev and U.S. delegation we travelled over 5,000 miles in America. We saw the way farmers lived, city life, Universities and observed a prosperous country because of the following reasons: 1. Highly developed country 2. Country was not destroyed by war 3. Many people came to America bringing talents and skills 4. Americans are smart, brave and proud of their country.

In Russia there was decreasing agriculture, collective farms went out of business, grain production decreased 50%, cattle production decreased 50%, pig production down by 2/3 and the poultry production was decreased significantly or destroyed. All building stopped. These words are unpleasant and surprising to you?

There was no free medicine, no free education, no retirement guarantees. We hope that our country will build from this point, but life is short, and we continue to try to made our country good and prosperous. It is hard times for us, but we need investments now! There is a difference of 50 years of progress between our countries in economic development. We are experiencing and living your depression years.

Voronezh is the same size as Kansas. The difference between America and Russia is our founders. George Washington was a farmer and surveyor. Our country was founded by a lawyer! Gorbachev brought many reforms and destruction.

In these present days our plans are not working. Those working are putting out 15% to 30% capacity. In the regions there are new legislative branches and we try to encourage enterprises with better salaries. We have to live meagerly, (not so rich) for now to make our country work. We need lower taxation, equipment for agriculture, new enterprises and new technologies.

The products coming from the U.S.A. are low quality, but business is business. U.S.A. is sending poultry to Russia as well as chewing gum and candy.

Russian people like to work the land. With the help of your investments and technology we will rebuild our country. We mustn't be afraid of each other and become friends with each other. I apologize for this emotional speech but our hearts are sick over the demise of our country.

Chairman Mason welcomed the guests and asked for questions from the committee .

Representative Tomlinson spoke to Leonid Samokhval and said that he believes Russia has a brighter future than the one he had outlined. He stated that Russia is 1400 years older and has a rich history to build on. He expressed concern regarding the loss or gain of capital investment and questioned the risk involved.

Our head politicians have one opinion. There will be no return to the past! There may be problems but there is no turning back. The people in Russia may argue but the workers do not understand that they have become owners! We consider that there will be no loosing of investments. Voronezh has rich soil. There are 3.5 million acres in the region but 1 million acres were not even planted.

He showed the committee pictures of his wife with many loaves of bread she had baked.

Representative Long said she had heard about the Russian honesty, sincerity and hospitality and what an honor it was to meet them.

We have been honest with you and now want you to trust us!

Representative Vickrey questioned if the commercial codes that are necessary for foreign investments have been interpreted and presented in order for the matter of investments to be considered.

The regional Duma just approved a law concerning investments. Your minister of agriculture provided to our government papers for such. They are still working on the process and not finalized at this time.

Representative Sharp advised the committee that Secretary Glickman would be meeting with the delegation this week. She added that these experiences are essential for programs to grow between the two countries.

Chairman Mason thanked the delegation and the meeting was adjourned at 4:00.

The next meeting is March 18.