

LEGISLATIVE HISTORY CHECKLIST

52:27H-22.a to 52:27H-22.2c

NJSA: 52:27H-22.2a to 52:27H-22.2c

(Trade office--
Asia--establishes)

LAWS OF: 1987

CHAPTER: 303

Bill No: S3178

Sponsor(s): Russo and others

Date Introduced: April 23, 1987

Committee: Assembly: Appropriations; Economic Development and Agriculture

Senate: Revenue, Finance and Appropriations

Amended during passage: Yes Amendments during passage denoted by asterisks.

Date of Passage: Assembly: September 14, 1987

Senate: May 11, 1987

Date of Approval: November 10, 1987

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes 9-10-87 & 5-21-87

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: Yes

Following were printed:

Reports: No

Hearings: No

See newspaper clipping file, N.J.-Foreign trade promotion-1987" in New Jersey Reference Department.

Report, referred to in statements: attached

DO NOT WRITE IN THESE SPACES
SECRETARY

11.10.87

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 3178**STATE OF NEW JERSEY**

INTRODUCED APRIL 23, 1987

By Senators RUSSO, BASSANO, LIPMAN and HURLEY

Referred to Committee on Revenue, Finance and Appropriations

AN ACT establishing a New Jersey State Trade Office in Asia, supplementing P. L. 1981, c. 122 (C. ****[52:27-1]**** **52:27H-1** et seq.) and making an appropriation.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. The Division of International Trade in the Department of
2 Commerce and Economic Development shall establish a New Jer-
3 sey State Trade Office located in Asia.

1 2. The purpose of the New Jersey State Trade Office **in Asia**
2 shall be to assist in creating higher levels of employment in the
3 State by promoting the export of goods and services produced in
4 New Jersey and by encouraging companies to invest in manufac-
5 turing and other employment generating facilities in the State.
6 The office shall publicize the many advantages of investing in New
7 Jersey, including the high quality of the State's work force, trans-
8 portation facilities and government services for productive enter-
9 prises.

1 **3. The Department of Commerce and Economic Development*
2 *shall submit a report to the Senate Revenue, Finance and Appro-*
3 *riations Committee **and the Assembly Appropriations Com-*
4 *mittee** on the projected costs and planned activities of the New*
5 *Jersey State Trade Office established by this act, including an*
6 *enumeration of costs by type, prior to expenditure of any funds*
7 *appropriated by this act.**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted April 27, 1987.

**—Assembly committee amendments adopted September 10, 1987.

- 1 ***[3.]*** *4.* There is appropriated from the General Fund to the
2 Department of Commerce and Economic Development \$500,000.00
3 to effectuate the purposes of this act.
- 1 ***[4.]*** *5.* This act shall take effect immediately.

ECONOMIC DEVELOPMENT

Establishes a New Jersey State Trade Office in Asia, appropriates
\$500,000.

SENATE, No. 3178

STATE OF NEW JERSEY

INTRODUCED APRIL 23, 1987

By Senators RUSSO, BASSANO, LIPMAN and HURLEY

Referred to Committee on Revenue, Finance and Appropriations

AN ACT establishing a New Jersey State Trade Office in Asia, supplementing P. L. 1981, c. 122 (C. 52:27-1 et seq. and making an appropriation.

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2 Commerce and Economic Development shall establish a New Jer-
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5 and other employment generating facilities in the State. The of-
6 fice shall publicize the many advantages of investing in New Jer-
7 sey, including the high quality of the State's work force, trans-
8 portation facilities and government services for productive enter-
9 prises.

1 3. There is appropriated from the General Fund to the Depart-
2 ment of Commerce and Economic Development \$500,000.00 to
3 effectuate the purposes of this act.

1 4. This act shall take effect immediately.

STATEMENT

This bill requires the Division of International Trade in the Department of Commerce and Economic Development to establish a New Jersey State Trade Office in Asia. The purpose of the

office would be to assist in creating higher levels of employment in the State by promoting the export of goods and services produced in New Jersey and by encouraging companies to invest in New Jersey and therefore assist the State in expanding its presence in the global economy.

The bill appropriates \$500,000.00 for the office.

ECONOMIC DEVELOPMENT

Establishes a New Jersey State Trade Office in Asia, appropriates \$500,000.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3178

[OFFICIAL COPY REPRINT]

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 10, 1987

The Assembly Appropriations Committee favorably reports Senate Bill No. 3178 OCR with amendments.

Senate Bill No. 3178 OCR, as amended, appropriates \$500,000.00 to the Department of Commerce and Economic Development for the establishment of a New Jersey State Trade Office in Asia. The purpose of the office is to assist in creating higher levels of employment in the State by promoting the export of goods and services produced in New Jersey and by encouraging companies to invest in the State.

The department is required to submit a report to the Senate Revenue, Finance and Appropriations Committee and the Assembly Appropriations Committee on the projected costs and planned activities, including details of costs by type, prior to any expenditure of funds appropriated by the bill.

COMMITTEE AMENDMENTS:

The committee amendments, as recommended by the Subcommittee on Government Operations, provide for the Assembly Appropriations Committee to receive the Department report, in addition to the Senate Revenue, Finance and Appropriations Committee. The amendments make this bill identical to Assembly Bill No. 3655 OCR.

FISCAL IMPACT:

The bill makes an appropriation from the General Fund in the amount of \$500,000.00 to the Department of Commerce and Economic Development to establish a New Jersey State Trade Office in Asia.

ASSEMBLY ECONOMIC DEVELOPMENT AND
AGRICULTURE COMMITTEE

STATEMENT TO
SENATE, No. 3178

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: MAY 21, 1987

This bill requires the Division of International Trade in the Department of Commerce and Economic Development to establish a New Jersey State Trade Office in Asia. The purpose of the office would be to assist in creating higher levels of employment in the State by promoting the export of goods and services produced in New Jersey and by encouraging companies to invest in New Jersey and therefore assist the State in expanding its presence in the global economy.

The department is required, prior to spending any funds appropriated by the bill, to submit a report of projected costs and activities of the office to the Senate Revenue, Finance and Appropriations Committee.

The bill appropriates \$500,000.00 for the office.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 3178

with Senate committee amendments

STATE OF NEW JERSEY

DATED: APRIL 27, 1987

The Senate Revenue, Finance and Appropriations Committee reported Senate Bill No. 3178 favorably, with committee amendments.

Senate Bill No. 3178, as amended, appropriates \$500,000.00 to the Department of Commerce and Economic Development and directs the department to establish a New Jersey State Trade Office in Asia. The purpose of the office will be to assist in creating higher levels of employment in the State by promoting the export of goods and services produced in New Jersey and by encouraging companies to invest in the State. The department is required to submit a report to the Senate Revenue, Finance and Appropriations Committee on the projected costs and planned activities of the office, including a breakdown of costs by type, prior to expenditure of the funds appropriated by the bill.

COMMITTEE AMENDMENTS:

The committee adopted an amendment requiring the department to submit a report to the committee on the projected costs and planned activities of the trade office, including a breakdown of costs by type, prior to expenditure of the funds appropriated by the bill.

FISCAL IMPACT:

This bill, as amended, appropriates \$500,000.00 from the General Fund to the Department of Commerce and Economic Development to establish a New Jersey State Trade Office in Asia.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001**Contact:** CARL GOLDEN
609-292-8956 OR 292-6000 EXT. 207**TRENTON, N.J. 08625****Release:** TUES., NOV. 10, 1987

Governor Thomas H. Kean today announced the appointment of Edouard Saubolle, a resident of Tokyo, as Managing Director of New Jersey's State Trade Office in Tokyo.

Kean announced the appointment shortly after signing legislation S-3178, establishing the State's first foreign trade office. The bill was sponsored by Senator John Russo, D-Ocean, and Senator Leanna Brown, R-Morris. An identical bill, A-3655, was sponsored in the Assembly by Assemblyman Joseph Azzolina, R-Monmouth.

Saubolle, 66, has been employed by the Delaware River Port Authority, involved with port promotion, reverse investment, and trade promotion.

"Edouard Saubolle brings an extensive background in foreign trade to his Managing Director's post," Kean said. "He has spent nearly all his life working in the area of foreign trade and foreign investment. He is well known and highly respected by officials in Asian nations and I am pleased that he has accepted this new post."

Saubolle, who will receive \$115,000 per year, will head the State's three-person office in Tokyo. He will be responsible for promoting New Jersey exports to Asian nations, including Korea, Taiwan, China, Japan, Hong Kong and Singapore. He will also be responsible for attracting investment from Asia to New Jersey.

Kean, who went on trade missions to the Far East in 1986 and 1987, said New Jersey will be the 37th state to open a trade office in Japan.

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"Clearly, the competition for investment and for improved export business is very keen," Kean said. "With Edouard Saubolle leading our efforts, I am confident New Jersey can attract a fair share of this business."

Saubolle was born and raised in China and has lived in Japan for the past 25 years. He worked for a major Swiss shipping firm for more than 30 years and was instrumental in bringing the first foreign flag vessel, the President Fillmore, to the People's Republic of China in 1952, following the Civil War there.

He was graduated from St. Louis' College in Tientsin, China and speaks five languages --- English, French, Russian, Chinese and Japanese.

In his Managing Director's position, Saubolle will report to Ming Hsu, Director of the State's Division of International Trade and the Governor's special trade representative.

Saubolle is married and the father of four sons.

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14 MAY 1987

STATE OF NEW JERSEY

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INTERNATIONAL TRADE

744 BROAD STREET—17TH FLOOR
NEWARK, NEW JERSEY 07102-3899

BORDEN R. PUTNAM
COMMISSIONER

MING HSU
THE GOVERNOR'S SPECIAL
TRADE REPRESENTATIVE
AND DIRECTOR

(201) 648-3518

May 13, 1987

The Hon. Laurence S. Weiss, Chairman
Senate Revenue Finance & Appropriations
Committee
Room 308
State House Annex
Trenton, New Jersey 08625

Dear Senator Weiss:

The Division of International Trade has been advised by the Department of Commerce and Economic Development that there are particular questions and concerns pertaining to Senate Bill S-3178, introduced by Senate President John F. Russo, which calls for the establishment of a New Jersey Foreign Trade Office in the Far East.

I apologize that I was not personally able to attend your hearing as I believe that any questions you might have had could have been answered at that time. However, the Division of International Trade is pleased to have the opportunity to respond to your questions in order to clarify the purpose and intent of S-3178.

The questions and topics of interest, as they have been relayed to this office, are as follows:

- . What is expected to be accomplished by the creation of such an office?
- . What are the costs?
- . Will the State representative be from New Jersey or a local person, and has that person been designated?
- . Will this office duplicate the efforts of the Port Authority of New York and New Jersey and the Delaware River Port Authority?

- . Since the Division of International Trade's record is so good, what is the need for such an office?
- . In view of President Reagan's recent action imposing sanctions on Japan, is this the proper timing for establishing a foreign office?

We believe that the most expeditious way to promote one's product is through individual and personal contacts. The establishment of an office in the Far East will allow New Jersey companies and officials to meet directly, on a frequent basis, with those officials from corporations throughout Asia who are the key decision makers and formulators of corporate planning. By establishing a presence in the Far East, the New Jersey State representative can quickly respond to inquiries from foreign firms and meet with them to discuss their projects in confidence.

Over thirty states have realized the need for having a representative in the Far East and each of their offices concentrate on attracting business to their state to create jobs and stimulate economic growth. By opening an office in Asia, New Jersey will be able to better compete with other states and maintain a high profile of inter-action with countries such as: Japan, Korea, Taiwan, Hong Kong, and the People's Republic of China. Senator Russo has been quoted as saying "We must take the necessary steps to maintain a competitive edge with our neighboring states".

Further, New Jersey expects to accomplish more by opening a foreign office. While the majority of other states concentrate their efforts on so-called "reverse investment" to attract foreign companies, New Jersey will double its exposure by also promoting the products of New Jersey companies in order to create new export opportunities. With the drop in the value of the dollar and the emphasis of such countries as Korea and Taiwan to "Buy America", the Division of International Trade believes that the timing of Bill S-3178 is most appropriate.

Certainly the cost of opening and maintaining an overseas office is a considerable investment by the state and this subject has received thoughtful attention. In preparing a budget for such a venture, numerous factors must be weighed. Some states, for example, must pay housing costs for their representatives, particularly if they are expatriates from the U.S. New Jersey has attempted to determine a budget which will be cost effective yet not restrict the office's ability to accomplish its goal. A detailed breakdown of the budget is attached for your review.

The success of the foreign trade office will be dependent upon the person who is designated to be the director. At this time, no appointment has been made but the Division of International Trade feels strongly that the director should be someone who lives in the foreign country, is multilingual, has experience in both trade and economic development issues and is familiar with the cultures and customs of all of the associated countries. The New Jersey representative must be a person who is able to function easily in Japan, Korea, China, Taiwan and other countries in the Pacific Rim area.

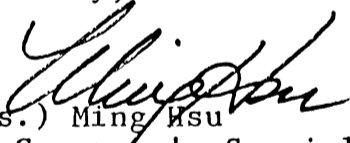
The Port Authority of New York and New Jersey and the Delaware River Port Authority both maintain offices in Tokyo and periodically provide New Jersey with information regarding pertinent issues. However, both organizations are primarily concerned with developing port business and cannot adequately service the needs of the State of New Jersey. Both New York and Pennsylvania maintain state offices in Tokyo, as well as in other cities of the Far East.

The recent sanctions imposed on Japan by President Reagan have definitely cast a certain pall over trade between these two countries; however, we believe that the sanctions are temporary and have already achieved their desired effect. Japan is urging its companies to buy more U.S. products and both Korea and Taiwan, scrambling to avoid the same treatment, have begun aggressive "Buy American" campaigns. These actions, coupled with the cheaper U.S. dollar, will provide New Jersey with an excellent opportunity to increase its exports.

Governor Kean, Senator Russo and other New Jersey government and business leaders recognize the importance of international trade not only to the nation's economy but also to the state's. Senator Russo has said "With the reduction of federal aid and our nation's growing trade deficit, states should take a more aggressive role in developing their economies".

With the passage of Bill S-3178, New Jersey will be in a stronger position to aggressively seek its place as the leading state in international trade.

Sincerely,


(Mrs.) Ming Hsu
The Governor's Special Trade
Representative and Director

MH:jm

Attachment

cc: Kenneth C. LeFevre, Deputy Commissioner
Department of Commerce & Economic Development

Norma LoSavio, Legislative Liaison ✓
Office of Legislative Liaison

STATE OF NEW JERSEY

Tokyo Office

Projected Expenses

Initial Cost

Rental Deposit	\$100,000
Furniture	15,000
Equipment	5,000
	<hr/>
	\$120,000

Annual Expenses

Travel	\$ 50,000
Rent	65,000
Memberships	5,000
Advertising and Promotion	60,000
Other (Supplies, Repairs, Insurance, Utilities, etc.)	35,000
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	\$215,000

Salaries

State Representative	\$ 95,000 *
Assistant	46,500
Secretary	23,500
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	\$165,000

Initial Appropriation \$500,000

* Reflects the low yen/dollar exchange