

# Evans sees mixed prospects in Idaho economic picture

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There's good and bad news on the Idaho economic front, Gov. John V. Evans said Tuesday.

The good news is the fact the Idaho economy is gradually progressing out of the recession but not as fast as previously expected.

The bad news is the interest rates stubbornly are staying high, retarding advances in Idaho's timber and lumbering industry, the second largest in the state next to agriculture.

In a Post-Register interview from his office at Boise, Evans observed that eastern Idaho is an "island of comparative prosperity" because of the many projects at the Idaho National Engineering Laboratory and a sound agriculture base. "I'm pleased about that," he said.

He noted potato prices are strong this year compared with last year.

"If we can see the bank interest rates come down on housing then we can see production of forest products reach the high level of 1978-79," said the governor.

He pointed out the interest rates are near 12 and 13 percent but banks must have a 3 or 4 percent margin above this, placing the loan market at more than 15 percent which is too high for most home owners.

*Jul. act 26, 1983*  
Turning to the upcoming 1984 Legislature, he said he expects it will be better than last year.

"This will be election year," said Evans. "I think the legislators will be sensitive to the need to upgrade education. They have indicated stronger support the coming year for increased education funding."

Evans pointed out that \$40 million more will be needed just to increase teacher salaries where they are near the average in neighboring states.

He also said State School Supt. Jerry Evans' recommendation of \$276 million in state funds for public school education "is probably not far off."

"It might be fair to state it will be close to the amount that will be needed," said the governor.

The governor then pointed out that state department agencies are asking \$572 million but he has narrowed this to \$550 million.

Evans said he likely will deliver his budget message in mid-December to give the legislators ample time to study the figures for consideration when they convene in their legislative session in early January.

The governor said there was good response in the series of statewide budget meeting held last month. However, he said, to get an even bet-

ter response, the meetings may be held in the evenings.

Evans said the recommendations and suggestions submitted at these hearings will be considered in drafting the overall budget.

"In the coming year we also will emphasize economic revitalization and diversion in the business industry," said the governor.

He pointed out the Division of Economic and Community Affairs under Dr. David Porter has made substantially progress in furthering such a theme.

He said there has been interest in the electronic industry to create more jobs.

"I'm looking at prospects for legislation endorsement along this line," said Evans.

The governor said it is too early to tell about his budget recommendation and also what type of important legislation he will endorse for enactment.