Economix: John Mitchell on global trade

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Driving trade with a go-kart



By John Mitchell

On a Horizon Airlines shuttle recently, I was seated next to a young man who works as the parts manager for J and J Amusements of Salem, a company of which I had never heard. During the trip, Dan Hansen filled me in on the business that was started a half-century ago by two brothers, Jim and John.

Their company initially operated miniature golf, go-kart and bumperboat parks, and was based in Southern California. Unable to find satisfactory go-karts, the brothers got into the manufacturing business and a search for lower costs brought them to Salem in 1990. Since then, J and J has grown into the largest commercial go-kart manufacturer in the world: The company exports 10% to 15% of its output to places such as Saudi Arabia, China, Singapore, Japan and Australia, along with providing its customers with parts, service and assistance in establishing parks. In 10 years, the company has grown from 15 to 25 employees (many are small-engine enthusiasts), and they currently are buying the company in an employee stock ownership program.

This small, growing firm is entrepreneurial and globally successful. It's a great example of the possibilities for Oregon business.

The interconnectedness of the world is made obvious by the exports and imports of goods and services; the foreign purchases of U.S. stocks, bonds and real estate; and Americans' purchases of the same. But globalization is not just about goods, services and capital. In 2007, it's a business concept and an emotion, as the flows of labor — legal and illegal — continue to be a hot political issue this summer.

It's also an academic, political and economic issue that is not going away. The president's Trade Promotion Authority expired on June 30 with the latest round of world trade negotiations unresolved. Domestically, uneasy beneficiaries and vocal losers pose a conundrum for politicians as elections draw near. And the nation has not done a particularly good job in helping people to adjust to new global forces, technological change or simply outdated skills.

The United States uses more than it produces. Our output in the first quarter of 2007 was \$13.6 trillion annualized and what we used (output less exports but including imports) was \$14.34 trillion. Over time, exports of goods and services (things we do not use) are the price that we pay for imports of goods and services (things we do use). Differences between the value of imports and exports of goods and services are offset by flows of investment into such things as stocks, bonds and real estate. U.S. exports have rapidly increased over the past few years amid strong growth overseas and weakness in the dollar. Changes in trade-related activity this year are anticipated to support a continued economic expansion in the face of housing's ongoing weakness.

When you think of trade and Oregon, what first comes to mind are exporters such as Intel, grass-seed growers, wheat farmers, Nike, Columbia Sportswear, and port operations from Coos Bay to Astoria to Portland. Oregon actively sought foreign direct investment under former governors Atiyeh and Goldschmidt, and in a one-day legislative session in 1984, Oregon became the first state to repeal the worldwide unitary method of taxing multinational firms, which signaled that the state was open for foreign direct investment.

Freightliner, Hyundai Semiconductor, Vestas and Oregon Steel are but a few of the foreign-owned firms with operations in the state. These firms are now household words.

But there are other businesses in the state, such as J and J Amusements, that operate below the radar and are competitive and successful on the national and global stage.

In a world where millions of people are experiencing rising incomes, the demands for goods and services that are commonplace here will continue to grow and offer chances for Oregon firms to contribute to the economic health of the country.

Go-karts and bumperboats are not part of the biotech, sustainable or nanotech worlds currently in vogue in economicdevelopment circles, but they illustrate the opportunities that are out there. The notion of exporting cars and boats from Salem to China defies the conventional perception. And it means that for some people in the world, their first driving experience is an Oregon-made vehicle.

John Mitchell is a contributing columnist for Oregon Business and former chief economist for US Bancorp.

Have an opinion? E-mail feedback@oregonbusiness.com



Products nationwide as well as 54 different countries!



When J&J Amusements set out to build the best concession kart in the world, we knew that good was not good enough. We knew it had to be able to withstand heavy daily use in the busiest parks, be the safest on the market and be the easiest to maintain in order to minimize down time. We have done just that. Because of our forward thinking, we now have karts in facilities ranging from small fun centers to large theme parks all over the US and the world, putting smiles on the faces of customers and owners alike.

At J&J, we know what building go-karts is all about. The bottom line is to design and build a go-kart that can stand up to the rigors of everyday concession/rental use and keep your patrons coming back for more. Our main goal is to keep your go-karts "on track" by building them tough and safe, all the while ensuring easy-to-perform routine maintenance.

You are in this business to make money. Let J&J go-karts keep your go-kart tracks profitable.

No gimmicks, just go-karts that perform day after day...

Safest, highest quality, most durable, best performing go-karts in the industry.

The basis of every adult and child-sized* go-kart built by J&J is the rugged monocogue chassis. We start with heavy frame rails, then weld in strong, formed steel pans and formed chassis members. Every component added is carefully picked or designed to stand up to the rigors of every day concession/rental use. Believe us, if you've ever experienced the kind of abuse concession/rental go-karts have to withstand day to day, then you'll understand why we build them so tough!

4-Point seat belts

-Axle cover Standard equipment

Reliable, efficient Honda engines

Heavy duty seat pads

Standard equipment

Heavy duty frame

 Specifications
 Length
 Width

 Single
 82"(208cm)
 45"(114cm)

 Double
 82"(208cm)
 55"(139cm)

* Falcon excluded

Spring steel bumpers (Limited lifetime warranty)

Full Size Go-Karts

SI, AM

P.

THE EAGLE* (Available as two-seater)

Nerf Bar is an option on fiberglass bodied go-karts. Nerf Bar is standard equipment on non-bodied go-karts.



THE CAN-AM (Available as two-seater)

0



* Available in Electric powered



Rookie Go-Karts



Falcon - for the smallest drivers.

Hand controls easily accomodate young drivers-

Keep the entire family at your park longer by keeping the youngest member of the family happy. Just charge the kart overnight and the electricpowered Falcon will keep the littlest guest smiling the entire day through.

> J&J's Falcon go-kart is made especially for the smallest patrons. This little electricpowered go-kart is tough; it runs and runs... and runs!

SpecificationsLengthWidth52"(132cm)27.6"(70cm)

Kiddie Go-Karts



Dimensions 48'x31.5'x8'

Track comes with heavy duty blower. Falcon go-karts not included.

Often imitated, but never duplicated.

The design philosophy we applied to our rough-and-ready go-karts was developed building our renowned bumper boats.

While J&J Amusements is most widely known for its go-karts, we actually started back in the seventies building bumper boats. The original owners of J&J Amusements operated several busy family entertainment centers, and used that experience to develop the world-famous Waterbug and Blaster bumper boats.

The rugged fiberglass hull boasts the largest load capacity (450lbs) in the industry. State-of-the-art, corrosion-resistant materials add safety, a long service life and simplicity of operation and maintenance. These boats offer more "smile to the mile" than any other action ride or event in a park. If you want to take pictures of guests having a great time, go to the bumper boat pond.

The best electric bumperboat ever! With electric power and a "water blaster" squirter, your customers will come back for more.

All-day operation on a single charge!



J&J's Gas-powered bumper boat... The original still going strong!

BF2.3D Engine

Chosen for its reputation for dependable service, and its reduced emissions (less smoke and less oil in the water), this motor quietly performs. Initially designed for use in the corrosive marine environment, this dependable unit has been modified to be controlled from behind, and transformed to operate in bumper boat pond conditions.

Room for 3;

1 adult & 2 children

Standard Tube

J&J equipped Honda BF2D gas engine

This tube is molded of heavy-duty PVC to withstand rough environments.

Fiberglass hull

This seamless, two-piece, fiberglass hull comes in an array of colors to choose from. Pick two colors from our extensive color list, and we'll build it. Match it up with an optional (standard on Blasterboat) Supertube in your choice of two colors and we'll do the rest.

Hand rails

bumper boat hulls to allow safer and

easier access into and out of the bumper

J&J is always concerned with safety, and we design our products with it at the top of the design criteria. With this in mind, we added the safety handrails to the

-----Stainless steel handrails & all stainless hardware Heavy-duty Super Tube

Heavy-duty fiberglass hull

Prop guard

boats.

Our prop guards are designed to allow maximum flow, while meeting the safety requirements of every known standard. Built to last in the most corrosive of enviroments, prop guards are made of stainless steel, then powder-coated to extend life and reduce electrolosis.



Accessories, accessories, accessories!

Did we mention accessories? J&J carries hundreds of them for you park. From coin-operated pond-side squirters to go-kart track remote shutdown systems, and everything in between. Find them all listed in our on line accessoriy catalog.



Gelcoat Selection Guide



For more information, please visit our websites at:

J*JAmusements, Inc.

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www.jjamusements.com www.funpartsxpress.com

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