



STATE OF OREGON

INTEROFFICE MEMO

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TO: Governor

DATE: October 6, 1982

FROM: Gerry Thompson

Gerry

SUBJECT: Update

Talked with Tom Bessonette, Oregon Mutual. He expressed a concern of Jim Osburn. Apparently Jim feels a little miffed (another ego hurt). He feels he stuck his neck out with AOI by (1) the warm endorsement-type introduction he gave you at AOI; (2) encouraging members to speak out publicly in support of your candidacy; and (3) encouraging the board to financially contribute to your race, which is a first. His problem is, he has received no thanks from you. I discussed this with Denny who was going to ask you to write a friendly, warm thank you note. Just a reminder in case you forgot.

WRITE 1/6

Telephone call from Lloyd Anderson. It is rumored, based on good sources, that Freightliner is discussing moving their operation to North Carolina. Lloyd said the plan is to put together a low-key program, i.e., dinner or lunch, where you could let Freightliner know how much you love them and want them to stay in Oregon. Apparently nothing positive will happen on this until after October 16 at which time their new head guy arrives from Germany.

OK it!!

Finally met with Ralph Robertson who is a pharmacist who supposedly worked very hard for your election in 1978, including fundraising. Ed Hughes insisted that either you or I talk with him because he feels he has been treated badly in the Governor's office. In reviewing the file he is perhaps correct in that we were lax in answering letters and shifted him from staff member to staff member during 1979 and 1980. Upshot of our meeting: he understands you are a busy man, will continue to support you and you do have his vote, but he cannot actively work for you as he has in the past.

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You should know that because of Ted K.'s quote saying that Vets Affairs is in a shambles, Steve Lee of the Veterans' Council is beyond outrage. He will be writing letters to the editors relating the positive record since you took office and Staryl was appointed by you.

Good

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John Williams said to tell you that his brother who has been recovering from open heart surgery polled all his fellow patients in the intensive care unit. If his poll is any indication, the vote for Victor Atiyeh should be large. u

At some time when you have time we need to discuss Paul Phillips and the State Police. Nothing urgent, nothing earthshaking, just need to discuss. u

Talked with Jack Barnes, lobbyist for Oregon State Council for Senior Citizens. He is concerned about your race. He sees Ted coming up on you because of senior issues. His membership is getting restless because they have not heard you say one word about senior citizens. However, they admit neither has Ted. One of the issues he thinks you could jump on is homes with less than five patients and put them under the shelter of Senior Services. I made no commitment, but this is being investigated. Seniors represent approximately 25 percent of the voters and all of our surveys show strong support in that area. I would become concerned if Ted were to jump on a hot seniors issue. Documented?
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There is no question that Jean Smith is actively working with the United Seniors on behalf of Ted. Also, Jack indicated that Ted is off base when he talks about the Bonneville money because the seniors are already working with PGE and PP&L. I will also have this checked out to see what is available there. I have made Denny Miles aware of this.

You asked about the IDRBs. The commission did approve the revenue bonds for Hines Lumber. In addition, they approved the Pratiziger expansion of a high tech firm in Dallas. The important issue is Hines Lumber which appears to be a go. All details will be sent over to us. u

You should also know that I had asked Doug Carter and hindsight tells me I was wrong to share with Phil Bladine and Ken Self the possible closure of Hyster. My thinking was that Phil and Ken knew those folks well and might be able to give us some creative ideas. They were asked to keep completely confidential and not to carry on any conversations with Hyster until Doug, you and I were ready. Doug is very concerned because now the press has it. Knowing that there were only Doug, commission members and myself aware, Doug is concerned about the leak. In any event, Doug has been lying to the press, and we should lay low if we are questioned. u

Bob Davis was in and visited on your position on higher ed as compared to Ted K. By now you are aware of the figures we were able to glean and Denny Miles also has them. Bob also indicated he had a conversation with a Ken Hosteka??, professor at the University of Oregon, also currently running for a legislative spot. Apparently Hosteka has been promised the Executive Assistant job and was expressing a lot of discouragement to Bob Davis. Bob reads this as a sign Ted's campaign folks are down and obviously see some negatives. u

PHILIP TREASURER
OF TED'S
CAMPAIGN

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Bob Davis is also concerned about Roseburg Community Hospital which was recently denied a certificate of need. SHPDA now has this under appeal. It involved a \$10m construction project which has the firm endorsement of the building trades and various other community organizations. It appears Ted is going to jump on this one, particularly when the issue becomes public in the community. Bob Oliver is working on this with SHPDA and will keep you posted.

Keep on top!!

IMPORTANT INFORMATION. Bob Smith and I met on some policy decisions that need to be made which have been advanced by budget analysts and agencies. The first are for your information only; the last few need special attention from you.

1. The transfer of OSHA compliance from Workers' Comp to the federal government. Bob and I denied. ✓
2. Space age industrial park proposed transfer to the Land Board. For the time being, because of the fiscal impact and other impacts, the request will be denied, but with the stipulation that it should be studied further. This does not preclude any changes for submission to the 1983 legislature. ✓
3. The discontinuation of human resource centers. Denied. ✓
4. Develop a special program for drug and alcohol abuse. Because of the expense of the program, fiscal impact and no \$\$\$ available, denied, but continue to study. ✓
5. Should the Department of Revenue speed-up plan be continued as a budget item. Yes. Incidentally, revenues are down from the \$68m projected by about \$30m. Bob Smith says not to worry, it can be handled. ✓

Your special attention is needed for the following.

1. Commerce Corporation Division is currently financed through the General Fund. They would like to move to support from dedicated funds with any excess reverting to the general fund. Both Bob and I support this on the basis it is consistent with the rest of the Commerce Department and would satisfy the private sector dealing with the Corporation Division. Do you agree? *OK - W*
2. Fire Standards and Accreditation Board be transferred to the Fire Marshall. Bob Smith and I agree. Jane Huston agrees. Do you? *LET'S TALK*
3. How should the state library be financed? The recommendation is to finance the library through general fund and move all the federal dollars to grants for local communities. The negative is that at some point this could hurt local communities if the federal government continues to reduce funding. Our recommendation is to review further to ascertain support. This is not a denial nor is it an acceptance, just method of quietly determining reaction. Do you agree? *Run up file & see what says*

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THIS LEO'S TRUCK

4. In 1979 you suggested that there be a transfer of \$1.8m of the gas tax to the Marine Board. It is Bob's feeling that you have been committed to this effort. It appears it is not politically feasible now or in the 83 session. A second recommendation has been advanced to increase title fees plus license non-motorized ten-foot craft. This would raise an additional \$450,000. We see no reason for denying the request and tend to support it. Do you agree?

Good sources tell us that T.K. has asked to meet with Jim Taylor, the culprit in the OLCC investigation. I passed this information on to Dave Frohnmayer just so he would be aware. Told Dave I did not want to ask any questions about the Grand Jury. He said if Ted proceeds and tries to make an issue, he is dumb. The only thing he could tell about the Grand Jury was not to worry -- things do not look all that bad for us.

✓

Had a meeting with Bob Oliver, Smith and Leo regarding some legislative concepts. One that is most troublesome is the relative responsibility law making children and children's parents responsible for the care of relatives. Apparently this is creating a very negative reaction from the seniors. Leo has looked at the negative aspects of the law and his current mood is that ~~it~~ is a lost cause. The 79 session proposed and adopted a tax credit for relatives of parents who would otherwise be in a nursing home. Only 19 have applied and the law is almost unworkable. The law only reimburses for expenses, but ignores any incentive to create the environment we are looking for. Leo's position is that the law as it exists today is a negative approach and is wrong, but we should work with the current law to come up with incentives and an approach from a far more positive side. He wants to write a letter to Walt McEttigan expressing this. The Governor's Commission is meeting this coming Friday and this will be the last opportunity to discuss before the election. After complete discussion it is our feeling the Leo is still working toward the same goal as previously set by you. Leo's direction appears to be ~~self~~-financing and it is our suggestion that he proceed Friday unless you feel differently.

GOOD
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