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MEMORANDUM

May 16, 1986

TO: Governor

FROM: Gerry Thompson

RE: Scuttlebutt

Paulus/Goldschmidt Campaigns:

The Paulus campaign is reportedly in chaos. I have had many of the staff call me and discuss their problems. They are currently undergoing their third reorganization which unfortunately happened on the front page of the newspaper. She is way behind in fundraising. Her last minute primary advertising had to be pulled because it was amateurish and ineffective. Norma and Karen Whitman apparently had a major falling out. Campaign steering committee admits Paul Newman was 100 percent correct in the advice given Norma in the beginning: she should never include a hired vendor of services as part of her strategy, steering and campaign staff which was exactly what Karen Whitman was fulfilling.

In addition, about two weeks ago, Blake Hering quit the committee because he and Norma had a major falling out. After tendering his resignation, Norma met with him later in the day with tears in her eyes, pleading him to stay on. They have apparently three ~~on a decision~~ MAKERS committee -- Blake Hering, Ray Gribbling and David Rhoten. Another mistake. No one knows who the chief decision maker is.

RNC and RGA was out to meet with campaign last week and expressed their absolute disgust at the advertising campaign. They apparently have committed several thousand dollars to the campaign, but have ordered the campaign to get their act together or they will lose. Consequently, immediately following the primary election, Norma will cover the state on a ten-day blitz. RNC and RGA also giving recommendations on a professional consultant to be hired. Norma is appearing flat at most of her campaign events. She is traveling without any good staff and traveling sans literature. Grass roots volunteers are becoming anxious because no contact is being made with them or county chairmen.

Perception generally from the public is that Norma has developed no identity except as secretary of state and as an administrator she has alienated many communities by making insensitive and erroneous statements. The latest involves the Portland business

community. They did a major blitz to raise dollars with the Portland business community, most of whom are reluctant to contribute because Norma had been badmouthing Portland business community. They had been given assurance it would stop and consequently they were able to raise \$125,000. Within a few days after that, Norma made an appearance in Eastern Oregon and made a statement blasting Portland businessmen for being insensitive, difficult to deal with and not very smart. That was played in the papers and I need not tell you the reaction.

The Goldschmidt campaign is more and more giving the impression of a highly organized and orchestrated effort. His media advertising is superb. There really are no rumbles coming from the campaign except that a good source is reported to have said the consultant to Goldschmidt has indicated it is time to lay off the blast on Atiyeh, particularly in the general election, so that Atiyeh supporters are not alienated.

The latest rumor is that Mike Thorne will be Goldschmidt's EA. We can attach this rumor to Thorne's actions and decisions during the lottery package discussions in the regular session as well as recent decisions in the Emergency Board.

Norma's New York fundraiser is still on schedule and campaigning hard for your attendance. Apparently Gregg Smith who is making all contacts in New York has found out your appearance is creating the most interest and he is sending the recommendation to the campaign that it is essential you be there.

An interest <sup>note</sup> note is that of the \$700,000 reported in the last Goldschmidt C&E, 10 percent of that money raised came from trial lawyers.