

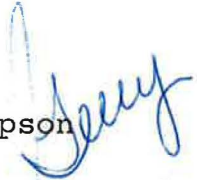


STATE OF OREGON

INTEROFFICE MEMO

TO: Governor

DATE: May 29, 1984

FROM: Gerry Thompson 

SUBJECT: Saturday, May 26, Meeting

The following is a summary of the meeting you had on Saturday, May 26. In attendance were Bob Davis, John Lobdell, Travis Cross, Gary White, Lee Johnson, Jack Zimmerman, Fred Van Natta and Gerry Thompson. Jack Faust was unable to attend because he was out-of-state.

The mission given to those in attendance was: develop new initiatives and strategies of both substance and style to "build a better Oregon, to renew confidence among the state's opinion leaders and to create reasons for pride among Oregonians."

Following are some of the ideas that were thrown on the wall. Let me apologize here for interjecting any editorial comments, as I am sure I will be tempted to do so as I go through my notes.

Zimmerman: Change name to "Victor O for Oregon Atiyeh," start a nationwide search for any other men with middle name of Oregon and do a picture of you hugging a tree. Special session for the repeal of the unitary tax.

Lobdell: Document accomplishments.

Davis: Package nuts and bolts.

Van Natta: Economy fuels negative feedback from survivors. Bring together the division of opinion between business and the general public.

Lobdell: Package accomplishments, plus package the next 2 1/2 years' objectives.

Johnson: Focus on the future.

Lobdell: Put curbs on spending, but link to where we go from here. Make a connection to controls that will make spending curbs last.

Johnson: Package sales tax or tax reform and don't worry about good or bad publicity.

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Davis: Do a complete government reorganization, i.e., Department of Natural Resources.

Johnson: Move OSU to Portland.

White: Present a package that contains simple two-three parts.

Van Natta: Convert WOSC to a computer advance tech school.

Lobdell: Change the unitary tax reform worldwide to water's edge by administrative rule.

Davis: Unitary tax repeal should be done by two steps: (1) administrative change to water's edge; (2) legislative remedy for taxation between states.

Lobdell: Should be a common goal of jobs (not economic development) so that it relates to people.

Johnson: Use education as a magnet for diversification.

Heider: Promote Denny Miles.

Davis: Handle the press more specifically, i.e., leak stories to specific members of the media. Exploit Wachter and Intel recent expansions.

Davis: Governor's "media availability" is too hum to press corps. Miles serves in an adversary role, never listens, Governor is not presented in a colorful style, media corps has a personal dislike of Governor's messenger.

Cross: Press should be viewed as in-house conduit to business community.

Cross: Need a fireside chat format. Ray Watson of KXL would be willing to assist.

Johnson: Play musical chairs with administrators. Bob Smith of Exec is stale and should be moved on.

Lobdell: Stabilize finance of education.

Other Comments:

Change the legislature, ask the legislature for a sales tax/ income tax reduction package. Need recovery theme to reiterate.

Hire Ivancie.

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Develop a 3-point program and then support only those candidates who are willing to commit to the program.

Develop a one-shot ambassador program around the state to revitalize attitude.

Capitalize now on Iran/Iraq bombings, utilizing the alternate energy program to confront the potential next gas shortage.

Use Fridays as the media day.

Blame the democrats in the legislature more often.

Do more of blowing your own whistle.

Promote commodities.

Adopt a state lottery.

Strengthen the one-stop permit, with Florida and California quoted as examples.

Program for prison additions.

Stop or control telephone solution.

Develop programs for abused children, runaways, youth drug and alcohol abuse.

Anti-crime program.

Replace the E Board rejected \$12,000 marijuana program.

Reform high personal income tax.

Limit government spending.

Support the TBE proposal.

Be more aggressive with legislature.

If you will remember, we voted on the proposals. the Winners were: (1) Tax reform/sales tax; (2) anti-crime (3) education (4) the legislature (5) stabilize financing for education.

I never did get the vote for the style voting, but Doug will provide this at a later date.

Number 1 priority was repeal of the unitary tax.

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Obviously, Governor, when you discussed with them your higher education proposal currently being considered, most of the chins dropped on the table and the steam was taken out of everyone's thinking.

Comments since the meeting are as you might guess. Those in attendance are very excited and believe it offers the potential of doing everything the meeting was designed to encourage you to do. I do agree with many of those who encouraged you to take on not too much. In fact, if you agree to proceed with the higher education package, it is my belief it should be considered as your package, you should take the front row at all times to the point of stumping the state, and dealing directly with the legislature throughout the testimony, hearings and political armtwisting. In other words, it should be a package, win or lose, that will be known as the one that the Governor fought the hardest for personally. It should also be viewed as your war on the 1 1/2 percent package. The two could easily go hand in hand. You often stated that once Phillips files his petitions, you will declare war on the ballot measure. Between that and the unitary tax proposal, your personal involvement will be easily consumed.

All of the other initiatives currently being proposed by departments, staff or whomever, will pale by comparison to the bombs you will drop.

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You know my feelings about Bob Smith. The biggest shot in the arm for your agency heads would be the ability to recruit Darrell Ralls for that position this next fall, move Bob Smith to some other substantive role in state government. Maybe Bob could be retained as some kind of consultant for the duration of your term or could be considered for an agency head whenever retirements may occur, i.e., Vets Affairs.

As to the comments made regarding Denny Miles. I developed very mixed emotions. It is correct when you are told that the messenger to the press corps is not liked. However, I then try to analyze those who express their dislike for him. They are individuals such as Don Jepson who ~~is~~ too lazy to search out a story, who is negative in thought most of the time and whose feelings for Denny are often fueled by others outside the media corps and can be viewed as close to the Governor.

Another who is very vociferous about her feelings toward Denny Miles is Stephanie Fowler. In my personal dealings with her she is one who demands special favors all of the time. She is slow to follow up on a story and is quick to blame others for her demise. I have been present when Denny has lectured, but must tell you those lectures have been well-deserved because of her totally inaccurate report. Stephanie also refuses to deal with anyone on staff except you or, in rare instances, Pat Amedeo.

Ron Blankenbaker is cynical about anybody who is connected with the Governor's office.

Sue Hill has often been an outspoken critic to me personally about Denny. However, after the campaign and on Denny's return, she took time to indicate to me she had noticed a real difference. As you know, she has been gone to China and I have not had an opportunity to visit with her since her return.

for advice or with recommendations,
Greg Parker works very closely with Denny and seems to come to him, plus gets satisfaction. From an outsider's perspective, it would seem they have a good relationship and Greg has not stated otherwise to me.

Tom Towslee, the newcomer, shared with me that he had been warned about Denny and Denny's supposed uncooperative style. Tom later told me that he had had no personal problems with Denny.

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It is not unlike your situation. The perception exists that Denny is negative with the media. In Denny's absence I have had occasion to deal with the press. Only because I have been fearful of their reaction to whatever the situation was at the time, I have probably over-communicated with them. But on two separate occasions the statement was made, why can't there be better backgrounding by Denny.

Denny does have the appearance of being standoffish and perhaps leaves the perception that he holds himself above the press corps. That in itself becomes a source of irritation. I guess once again it is style over substance, that Denny is intelligent, understands the issues, but is reluctant to "hobnob."

I have often thought that if we could satisfy Denny's ego, we could leave him at the current salary, leave him in charge of the communications office, but assign to him special projects and then slip in somebody to deal directly with the press, even Jim Sellers. I had Jim critique me for my dealings with the press during the Lorimar issue. I got the distinct impression that Jim felt we should deal more often with the press much in the same manner we did during the Lorimar situation, which was complete openness and complete communication all along the way with the press.

I do still believe Denny is of great value to you and the office in general. He is one of your strongest team players and probably carries more dedication and loyalty than most anyone else on staff.

	<u>Style</u>	<u>Votes</u>	<u>Substance</u>
1. Vic "O for Oregon" Atiyeh			
2. "I love Oregon" poster			
3. Special session for Unitary Tax			
4. Package the nuts and bolts of stove	1		
5. Sell hard	3		
6. Don't talk about past	2		
7. Focus on Future	3		
8. Stop government growth			
9. Package sales tax			
10. Don't worry about Public Relations	1		
11. Complete government reorganization i.e. Natural Resources			1
12. Economic deregulation			2
13. Move Oregon State to Portland			
14. Future program limited to 3 point program	2		
15. Convert West. Ore. St. College to computer advance(?) school			
16. Unitary rule change			2
17. The A team			
18. Talk about "People Jobs", not economic development			
19. 1 1/2% limit	1		1
20. Stress and improve Education as a Economic Development tool	2		2
21. Deleted	3		

	<u>Style</u>	<u>Votes</u>	<u>Substance</u>
22. Give stories direct to key reporters	3		
23. Exploit Wacker Intel stories			
24. An in-house conduit to business community is needed	2		1
25. Fireside chat (KXL) include agency people	3		
26. Move department heads around			
27. Stabilize financing education			5
28. Change the Legislature			2
29. Ask Legislature for a Sales Tax/Income Tax package			7
30. Need recovery theme to reiterate	3		
31. Bring in young President			
32. Hire Frank Ivancie			
33. Support Candidates that support program	2		1
34. Market optimism	2		
35. Give good news to specialty Agricultural publication			
36. AEDC revisited re Arab war			1
37. Set up straw man and attack			
38. Target communicaton (speeches,etc) to special audiences	2		
39. Frank Branch Riley			
40. Blame the Legislature (eg Democrats)	4		
41. Blow the whistle			
42. Promote commodities thru testimonials	2		
43. Lottery			

	<u>Style</u>	<u>Votes</u>	<u>Substance</u>
44. 1 stop permits	1		
45. Prisons for all(?)			
46. Attack telephone solicitation			
47. One State University			
48. Anti child abduction			
49. Anti crime program			3
50. Drug abuse by children			6
	(48etc.?)		
51. Reform high personal Income Tax			2
52. Limit government spending			2
53. Support T.B.E. proposal			2
54. Attack Democrats			

PRIORITY SUBSTANTIVE ISSUES

Unitary Tax

Sales Tax

Tax Reform/Education

Crime

The Legislature

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