




## STATE OF OREGON

## INTEROFFICE MEMO

TO: Governor

FROM: Gerry Thompson 

SUBJECT: Outstanding Issues

DATE: November 22, 1985

1. Vets Case. Bill Gary is appearing in court today, November 22, on the vets case. At this point we of course do not know the outcome, but certainly Gary should be commended for his ability to expedite the case over loud protestations from Associated Oregon Veterans. My last conversation with Bill Gary was after he had prepared his brief, and he felt extremely confident for the state.

2. K.D.'s court appearance. If all has gone well, I will have briefed you personally on K.D.'s court appearance today. At this writing we do not know the outcome, but as of late last night a plea agreement had been reached. K.D. will appear at 11 a.m. today in the Wasco County Court before Judge Jelderks. He will plead guilty to two Class A Felony charges of racketeering under state law. These charges will be (A) eavesdropping and (B) wire-tapping. Following that appearance he will be transported back to Portland to appear before Judge Leavy on federal charges involving immigration issues. This, too, should result in a Class A Felony. A statement by you will have been released from this office at the appropriate time today.

For your personal information, K.D. has become a very important witness and appears to be very credible. He is giving valuable information to continue the state's case involving conspiracy charges. In addition, through the information he has been able to provide, he has practically won the church/state case for us, which will be heard December 2 or 3.

3. The resignation of Betty Roberts from the Supreme Court has gained a lot of attention and caught a lot of people by surprise. Intense pressure on your office has focused on (A) will the Governor appoint another woman; (B) does the Governor already have someone in mind; and (C) will the Governor follow the Bar Poll. We have maintained a neutral position and indicated that you will review the entire situation upon your return at which time the process will begin. We have also indicated that appointments by you of women and minorities have always been a priority, but we must also look for qualified candidates.

4. OreAqua. Pat has continued meeting with all parties involved with the purchase of the Oregon Aquaculture facility. Although her meeting with legislative leadership initially seemed positive, there now seems to be some doubts entering the minds of those legislators that would have to make the commitment for expenditure. Your office continues to pursue the state's purchase of the facility intensely.

5. Martin Luther King Holiday. There has been no movement on this controversy. As I told you by phone, Bob Oliver and I met with Black community leaders and legislators involved in the passage of the bill. We are still awaiting the results of their efforts in contacting union leaders. Today Wayne Thompson of the Oregonian told me that the Oregonian will run an editorial with some condemnation of the unions' efforts in being greedy. Please remember that two small unions have agreed to the intent of the bill. Those two unions are practical nurses and the deaf and blind school teachers. Please also remember that AFSCME who is fighting the trade of holidays was being represented by Martin Luther King on the day of his assassination in trying to resolve a sanitary workers' dispute.

6. The two-parent family issue is before the Emergency Board with the list that was previously submitted to you. DHR is in the process of dividing the list into the categories you requested. We will arrange for meetings upon your return.

7. Taiwan Sister State Proclamation. Jim Sellers received a call from the China Council yesterday indicating that the PRC is "somewhat disturbed" by the news of your proclamation. This is reported to us by Jane Larson who just returned from the PRC. I doubt this will be public, but alert you in the event someone mentions it. Larson wanted to contact the Fujien Province officials to describe the meaning of your proclamation. We suggested it be put on hold until you return so that you could communicate with Tian Yu and Governor Hu directly.

8. Please recall the Worth letter that was sent to the Secretary of State that asked questions about your personal involvement in the sales tax campaign. We received a letter earlier this week that advises the Worths that the Secretary of State's office finds no wrongdoing on your part or that of your staff. There has been no media attention except for Ron Blankenbaker who took his usual cynical approach. Blankenbaker criticized the Governor, finding fault because you stated you would be the chair and direct activities.

9. President Reagan's speech, I am sure, is included in your press clippings. Reports have been favorable, although most media was looking for more hard line agreements than has been reported.

General tendency has been to commend the two leaders for sitting down and at least beginning the process and hopefully the exchange of cultural programs is being well received. The President indicated Gorbachev would come to the United States next year and Reagan would return to Russia the following year.

10. Ed Fadeley has announced his intention to run for Governor, as I told you by phone. Much speculation exists, most of which centers on the fact that he has not yet officially filed as a candidate and many predict that this is just fun and games and in the end he will withdraw.

12. Tom Throop has announced he will not be running for re-election and instead will run for Deschutes County Commissioner.