



## STATE OF OREGON

## INTEROFFICE MEMO

TO: Governor

DATE: April 19, 1983

FROM: Gerry Thompson 

SUBJECT: Governor's Club Meeting April 21, 1983

The real purpose of this meeting is for you to discuss the prison issue but obviously they will want to go beyond this.

Blake Hering wants to brief you on some of the apparent issues that will be raised.

1. Many are still angry at you for not getting behind the sales tax.
  - a. A recent survey showed that about 42 percent generally support a sales tax.
  - b. Two specific Senate race profile surveys show that if a particular candidate supports a sales tax, it becomes two to one against the candidate.
  - c. At last Governor's Club meeting you told them you would neither actively support or actively oppose a sales tax.
2. Republican legislators are openly complaining they are receiving no guidance from you or any leadership.
  - a. Confidentially, Norm Smith is one who has done most of the complaining.
3. The Citizens' Task Force on Spending (Merlo, Moshofsky, et al) are now saying that you have proven what kind of spender you are; can you now prove how willing you are to "shave" spending.
  - a. In the way of spending, they cite your proposal to give state employees an "automatic cost of living increase of 4 to 9 percent."
4. They accuse you of not visibly out selling Oregon and maintain you are too busy managing.
  - a. In fact, they are so low as to accuse you of "Nixon-itis" -- a disease of hiding in the Capitol Building from the real facts.

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5. They accuse you of lack of leadership with the Northwest Regional Power Council.
6. They will jump on you about Doug Carter and his lack of leadership for economic development.
  - a. Once again this has been tracked back to Jason Boe and Phil Bladine stirring up the Portland business community. (In fact, they were two primary sources for the Charles Humble column.)

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Governor, this is a tough memo to write. How wrong they are. But I did do a lot of exploratory work last Friday. I had a long talk with Ike Congleton. He says all of the above are rumbles within the business community.

The pleasant surprise is that Ike is fed up with the rumbles about Carter. Ike was one of the promoters of the rumbles. He now says Phil Bladine has gone too far, as has Jason Boe. Ike now believes differently and is trying to assist with EDD's budget. In fact, Ike says he is tired of Phil's constant complaining and told him so last week in an AOI committee meeting. Ike also now feels strongly about Boe. Says there is an absolute conflict; Jason is only using EDD to further his own international trade efforts (recently, Jason has used AOI offices to entertain and meet with Japanese businessmen visiting Oregon.) Note: No such reports to EDD or us.

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Suggestion for Governor's Club meeting: Put them on the run.

1. Are they helping with economic development budget and efforts? No.
2. Are they recognizing priorities for state government? No.
3. Do they agree with your priorities of (a) education; (b) economic development; (c) corrections; (d) tax reform; and (e) land use reform? If so, how are we to fund them?
4. If Governor is criticized for lack of involvement in Economic Development, where have they been? What Governor has done more? Who is singly promoting the better image? Answer: Governor.

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Who is promoting negative image? Business. Where is their help in keeping economic development funded? Etc. Etc. Etc.

Most of all, they don't want to hear past failures re taxes, etc. Let's talk about future -- where we go from here and the role they play.

Also, the next best thing business can do is work hard to elect the right legislature to help you next session. The current group of legislators is who they elected.

And they need to quit bad-mouthing. Rather, they need to work with you. You are their only backstop to all the "bad" bills -- and there are several moving your way.

Scold them, Governor. They need it. You have never misled them, nor will you.