



STATE OF OREGON

INTEROFFICE MEMO

Governor

DATE: October 15, 1984

FROM: Gerry Thompson

SUBJECT: Rajneesh Update

October 11

Governor met with John Mathis, Bob Lamb and Gerry Thompson. The following subjects were discussed.

1. Federal government's proposal for a rumor control and alerting system. They believe that the Oregon State Police rumor control center is not enough and feel strongly that their proposal should be implemented to:

- A. Accommodate the increased need as we move toward election date;
- B. To combine Rajneesh and non-Rajneesh within a central rumor control;
- C. To encompass Antelope, Rajneeshpuram, Madras and The Dalles;
- D. To assure everyone his receiving the same word.

It is the belief of the federal mediator that the OSP are unable to respond appropriately because their staff is not trained to properly handle rumor as well as the appearance of the OSP using their rumor control center for intelligence purposes.

2. Governor discussed the signals that he would like to receive from Rajneesh.
3. K.D. and Sheela asked that the federal mediator describe what they are.
 - A. Rajneeshees are not attempting to pressure the government, but are taking all necessary steps to protect their survival. (They are to negotiate the church-state issue and the land use issues now in the courts.)
 - B. Give Rajneesh "a reservation and leave us alone."

- C. October 12 Sheela will suspend the humanitarian program.
- D. Sheela is asking for agreement in principle by the Governor and the Attorney General to concur with the liquidating of the humanitarian program. Further, if the Governor and Attorney General will concur on any agreement reached on the church-state and land use issues, all street people here in Oregon who want to go back home will be provided transportation and Sheela will publicly announce that Rajneesh will no longer participate in the political system.

Principles which Sheela is asking agreement:

- A. The Bhagwan be adjusted to a resident alien.
- B. Governor instruct LCDC to review the one remaining goal issue for the land use plan.
- C. Resolve the church-state issue between Rajneesh attorneys and state attorneys to make any necessary adjustments.
- D. Governor and others urge Rajneeshees be treated the same as any other residents, i.e., permits, etc.
- E. Support for paving of the 15-mile road from the county road to the ranch.

Mathis indicated Sheela has internal control problems and that 3,000 Hopi Indians from Arizona are asking to join. Lamb indicated he felt rhetoric had been scaled down by Sheela; we indicated otherwise.

Governor asked what would happen if agreement to the principles outlined above were not reached. Mathis felt the 3,000 Hopi Indians would be brought to the ranch and probably an unscheduled festival would occur. The mediator confirmed that the population growth at the ranch is creating financial problems.

The Governor went through each of the issues.

1. Immigration Governor's position: Governor stated he has never involved himself in immigration matters since he has been Governor and will not get involved for the Rajneesh.

2. LCDC Governor's position: Will review. Goal 14 is the area of concern for Rajneeshees and they are asking that LCDC call up their plan to complete acknowledgment.
3. Church-state issue: Governor's position: Will look at it. This issue is currently before the federal courts and the question is separation of powers.
4. 15 miles of paving Governor's position: Not a realistic request, but will examine the problem. This is probably not a feasible request nor is it realistic because of the fiscal impact on the county.
5. Encourage Wasco residents to treat Rajneesh the same Governor's position: This is up to the Rajneeshees to resolve. Only the Rajneeshees can accomplish this request by taking the pressure off citizens of Oregon.
6. Federal rumor control center Governor's position: Will review and get back to the mediators.

October 11, 7 p.m.

Bob Oliver, John Williams and Gerry Thompson were to meet with Lamb, Mathis, K.D. and Sheela. Lamb and Mathis showed for the meeting and announced to us that K.D. and Sheela would not be coming. It was their belief that based on the Governor's responses to the media that afternoon, there was no purpose in meeting. Conversation continued discussing the pros and cons of the involvement of the mediators, the needs of the Rajneeshees and cooling down the situation.

October 11, 10:30 p.m.

Driving home I heard the announcement on the radio that Sheela had cancelled the "peaceful demonstration" scheduled for the next morning at the capitol. Upon arrival at home I called K.D. to commend them on their decision. He informed me that before I commended him, I should know the reasons for the cancellation. K.D. had received information from a credible source of theirs placed high in state government that 800 State Police had been observed conducting maneuvers in Salem. The troopers were well-equipped and armed. Sources indicated the strategy was to incite a confrontation during the peaceful demonstration so that state government could once and for all take care of Sheela and K.D. The source had also informed K.D. the national guard had been placed on alert. I informed K.D. how ridiculous this information was, that OSP had only 863 personnel including the Superintendent, 40 of whom were recruits currently in school. No extra deportation

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had been called into Salem and only about two dozen would be on duty at the capitol for crowd control. This is not an unusual number. It is typical of any other crowd control activity by the OSP for groups of 1,500-2,000. National Guard had not been put on alert and could have only been put on alert by the Governor.

October 12

Several conversations by myself with K.D. as a result of the evening conversation October 11. It was obvious that K.D. had not gotten the full message from the feds. It was his belief the Governor was establishing a task force and the Governor would be studying the issues as outlined. That is the reason they chose not to meet on the 11th.

K. D. and Jay Annanda flew into Salem and met with me and Bob Oliver and brought with them Ed Sullivan who represents them legally for their land use issues. We reviewed the land use issue with Ed. It is his belief that LCDC can legally complete the land use plan regardless of whether or not the city is under question. They refuse to accept the theory that as long as there is not a city, there is no need for a land use plan. Sullivan agreed to provide some additional information at K.D.'s instruction.

We then reviewed the other issues at hand and left them with the firm opinion as rendered by the Governor.

On the land use issue, it is their belief that Wasco County will never be in a position politically to deal with Rajneesh. Rajneeshes need the land use plan in order to make allowable the commercial developments, i.e. bakery, etc. Rajneesh must have urbanization in order to continue. They proceed on the basis of forming their own city at the encouragement of Wasco County and recommendations for LCDC to accept the land use plan and agree to compliance with all of the goals. Wasco County has repealed their former action concerning the ordinance. The case has been heard by LUBA. Wasco County land use plan originally included Rajneesh and now Wasco County is trying to take it out. Hearing will be conducted within 30 days.

We again reviewed the Governor's position on the immigration issue. They are now asking that the Governor inform immigration officials that although his position is neutral, that review of the request should take into consideration that granting the request would significantly contribute to the lessening of tensions.

The church-state issue is being handled by Attorney Durham for the Rajneesh. They feel the current injunction is in their way of making any appropriate adjustments. Bob Oliver told K. D. and Jay Annanda that the Governor will not encourage the Attorney General to modify his opinion of what he, the Attorney General, believes the law to be, but the Attorney General has agreed to make his staff available to meet with Rajneesh attorneys to hear the points of law and how problems can be corrected. Rajneeshes want the Attorney General to express what he feels needs to be done to correct the situation. They want the Attorney General to propose "constructive solutions" to bring about injunctive relief from the courts. The Rajneesh refuse to accept the fact that their request for the 15 miles of paving is unrealistic. They present the road as necessary to serve a city of 5,000 that contains schools, hospitals and high visitor traffic. They asked that the Governor open up lines of communication between Wasco County and Rajneeshes to negotiate improvement to the roads.

October 12

Bill Gary called to inform us that the federal court denied dismissal of the church state issue with the statement that the case poses some very serious issues. The Attorney General's office views this now as an absolute slam dunk case in favor of the state.

Attorney General's office also informed us that Norma Paulus registration and voter plan has some real problems. The federal law provides that you cannot treat persons seeking to vote any more stringently than existing voters. Norma will be informed of the problems.

October 13

K.D. called asking that three rumors be checked out.

1) Is it true OSP are checking out Rajneeshes who do not live on the ranch. They have a source who is a person actually aware of the investigation. They feel this to be infringing on people's rights and the investigation to be unlawful. K.D. refused to give any other details other than the fact that they are fully aware of the situation occurring in the Willamette Valley. 2) A rumor that the Attorney General is preparing to prosecute people at the ranch, particularly Sheela. 3) Rajneesh has four Democrat precinct people and four Republicans. The evening of the 13th a function was planned for all Democrats in The Dalles. One of the precinct people had received an anonymous call saying if they were to show up at the function, their "face would be shot off." K.D. specifically asked that since so many threats are being

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October 14, Sunday

K.D. called to see where we were on the issue. I informed him that Ed Sullivan had not yet delivered the material that K.D. had instructed he deliver to us. He immediately got angry and hung up the phone. He called back shortly and said that he had called Ed and expressed anger with Ed in not having kept his word. We again discussed the situation and I reminded K.D. of a conversation I had with him on Saturday, reminding him the homeless issue is separate and aside from the issue presented to the Governor that we will not continue to hold conversations as long as they try to trade the issues for tickets back home for the street people. He again repeated his message to the Governor, that he had given me Saturday, that "we will certainly respond every step along the way for peace and harmony."

October 16, 1984

Representative Wayne Fawbush called. Had just returned from meeting in The Dalles with group asking to meet with the Governor. Original plan was to march on Salem and Fawbush has changed their minds to a half-dozen meeting in Salem quietly with Governor. Some would be residents of Antelope; Bill Hults, Wasco County Judge; one resident from Wheeler and Margaret Scranton. I advised had already received call from Scranton and told her we would try to work something out on quiet confidential basis.

Colonel Riley called to check status of foundation funds. Ned Look was still out of town. Riley advised that Look had informed him that foundation had no immediate dollars, but as the need develops and worsens, dollars would probably be made available. So far Riley reports 124 have been ticketed hom by the Salvation Army at the cost of \$12,500. Donations to date have been private citizens \$3,000; \$5,000 from their trust in Los Angeles. Before sending street people home Salvation Army asks a series of questions to establish that they are actually from the ranch. Then a statement is signed identifying their destination.

Seven street people were dropped at about 12:15 a.m. last night at Harbor Light Center. Transportation had been provided by a Rajneesh bus. Salvation Army is also checking with United Way for additional emergency funds. Riley wanted the Governor to be assured that his actions are only an attempt to defuse a volatile situation. They feel it is better to move people out than allow them to build up.

Mayor ^{Janstein} called indicating San Francisco was receiving street people transported there from Portland and did not feel this was fair. In checking it was clarified these were street people returning to their original location.

Salvation Army provides all street people with a bus ticket through Trailways plus \$5 for thier pocket plus sandwiches.

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Bob Oliver and I met with K.D. and Jayannanda. We reviewed the issues once more.

1. Immigration. The Governor will remain neutral. No statements can be made by the Governor to federal authorities of any kind. Governor will not involve himself in any way on this issue. This had to be reiterated several times with the final statement neutral is neutral is neutral.

2. Church state. Advised K.D. and Jay that the Attorney General had agreed their attorneys would meet with Rajneesh attoreneys to again clarify ground rules. Would anticipate when meeting occurs K.D. will push further than original agreement.

October 16 (cont.)

3. Land use. Reviewed again the no city equals no need for land use plan idea. K.D. and Jay continue to throw around the defacto city, plus unresolved Goal 14 issue which requires a cooperative agreement with Wasco County. Pointed out that if LCDC were to review plan and acknowledge without the agreement, it would provoke more litigation.

4. Fifteen miles of paving. Reviewed the fact this is an unrealistic request. Fifteen miles of paving would be very costly to Wasco County and would run \$50-80,000 per mile.

5. Voting. Requested that K.D. and Jay not overload the voting system and encourage the people at Rajneesh to go through the established process. Again reviewed that the street people situation has absolutely no bearing on any one of the above issues.

October 17

Marla Rae, AG's office, called to let us know U.S. civil rights agency had found no indication of violation in Norma Paulus' elections process. Criminal Division of U. S. Attorney's Office will monitor from this point forward.

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Riley notified us through State Police that Portland had just received two persons from Rajneesh for a total of 47 street people all without tickets.

John Mathis met with Bob Oliver and me to discuss their proposal for a rumor control center. Mathis emphasized his agency has deviated 180 degrees from their normal mode of operation with out of respect to the Governor. They still feel the rumor control center is essential. He asked we try to influence the Governor to proceed with the center.

Marla Rae received letter from Isham requesting state funds be made available to assist street people. Encourage AG office to respond consistent with Governor's statement that the responsibility rests squarely with the Rajneesh.

Commissioner Caroline Miller from Portland called to request informational meeting with the Governor to include Don Clark from Burnside Consortium and Jean deMasters who is active in Burnside community.

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October 18

Met with K.D., Jayannanda, Ed Sullivan and Bob Oliver regarding the land use issue. They continued to push for acknowledgment plan for city of Rajneeshpuram. LCDC staff has advised the Rajneesh that the plan is acceptable except for the cooperation agreement with Wasco County. Ed Sullivan emphasized there is no legal reason to not finish the plan. K.D. emphasized the powers of the city have not been taken away, only a temporary injunction exists. Points they emphasize for review are consistency, status of city and rule formation. Ed Sullivan left a paper covering all points to be reviewed by state officials.

Met with K.D., Jay, Bob Muir, AG's office, Bob Oliver, Marla Rae Bill Gary, Skip Durham representing Ma Prem Sangut, attorney for Rajneesh. Purpose was to discuss church state issue. Sangut asked what changes are needed re establishment clause. Durham asked for AG impression of what facts must change. Gary advised it was not the state's position to tell a church how not to be a city. The problem is black and white and centers on control. For example, church controls the city and the governing of the city. Two issues at stake are land ownership and residences controlled by the church. Gary indicated the only real solution would be actual and real control. I left this meeting early to attend a function in Woodburn. It is my understanding the meeting took on no different flavor and continued for another half hour. All parties agreed to meet again.

October 19

Riley called to advise of another bus arriving in Portland and with reports of possible buses from Rajneeshpuram headed for Eugene and Medford. None of the above were ever confirmed.