

MEMO

TO: Governor
FROM: Gerry *Gerry*
DATE: June 2, 1984

JUN 06 1984
Governor Atiyeh

SUBJECT: UPDATE

JEAN BABSON called Friday, June 1, to express her dismay at the firing of Karen Roach. She wanted you to know of her concerns for the "cruel" way in which the action was handled and how wrong the action was.

CITY OF MEDFORD, MAYOR LOU HANNUM, has written you a letter concerning their air quality problems. You are scheduled to fly to Medford June 7 primarily for the death penalty petition event. However, you will also be meeting with the Mayor and the city council. Fred Hansen of DEQ is putting together all details and will brief you fully on the plane ----UNLESS, you would prefer he brief you in the office at 3:00 a.m. that same morning. SENATOR HANNON also wanted you to meet with him and a group of businessmen about the same subject. There really was little or no time to oblige his request. We suggested he check with the Mayor to see if they could be included in their same meeting.

L B DAY still rides his horse. You and I visited briefly about him Friday. As you know, he has caused this office much concern over several issues: Penk case, Water Resources Board appointments (thank God that Tony Meeker was able to save us), NEC, criticizing the Governor for being gone, WPPS on Wires, Jane Huston in particular, etc, etc, etc. Now --- just after you and I talked Friday, I got a call from Rich Munn asking is I could get LB under control regarding NEC. Seems as though LB had called Rich all concerned that you had "cut a special deal" on the unitary tax for NEC and He demanded something in writing outlining just what had been done. Rich gave him the normal pitch: no special deal, confidentiality etc. Shortly thereafter the Statesman called Rich indicating they were writing a story and it was their understanding that a special deal had been made. Rich thinks he took care of them enough so that they were satisfied there was no special deal. Then Lenn Hannon called Rich with the same request as LB. It was obvious that LB had gotten Lenn all upset. I have called Lenn and settled him downbut LB continues to be a problem. By now you have read Saturday's Statesman where LB is critical of us not bringing the Keidanren to Salem. On and on it goes. I will be meeting with him early this week, at which time I am not going to be too kind. I will remind him that I not only work for his Republican Governor and his former compatriot in the Senate but that I am also his constituent. That I, as his constituent, am not very proud of his actions. That you, as his Governor, fellow Republic

and former fellow Senator, are not pleased^d at all with his actions. I will also remind him in the strongest of terms of the day (late night that is) that he called me at home panicked because he was losing his election and how we quickly drafted a letter, tracked you down on your own campaign trail for a signature and spent personal time in helping him get that letter mailed to his district ----and how it was proven by exit polling that it was that very letter that saved him.

HANK CRAWFORD, sometime ago, brought in what some might call professional lottery promotion people to test the attitude of the Governor on a lottery for Oregon. The representatives were from Scientific Games, Inc., who have been responsible for most of the lottery activities in other states, including Washington. They usually see the project from beginning to end; from promotion through the legislature to the actual set up and management of the games. They, of course, have a convincing argument for the lottery and have many statistics that attempt to dispel all of the arguments against a lottery. There are currently two petition drives we are aware of. One that liquor agents are involved in and; a second, that Hank is involved in. The latter dedicates the revenue raised to economic development in general. The purpose of this visit was to solicit a neutral stance on your part --- and no retaliation should the legislature^{people} actually pass the lottery ^{at the polls} in 1986. I gave them no assurance of a neutral position -- or any position, for that matter. They were very aware of your longtime opposition to a lottery. I did tell them you were not a retaliatory Governor and, usually, if the people speak out in favor of something and take the effort to accomplish the task, you are willing to review the issue with an open mind. They apparently had a Governor campaign against the lottery openly (which they didn't mind) but when the lottery was passed in the election, the Governor retaliated against the firm by excluding them in any ~~future~~ future lottery activities in that state. I left them with the thought that that is not your style unless there is good cause, such as criminal activities, inappropriate actions, etc.