

# **THE GOLDSCHMIDT ADMINISTRATION**

## **Chronology of Selected News Articles & Editorials 1987-1990**

Oregonian  
JAN 8 1987

## Prison plan on target

Gov. elect Neil Goldschmidt's plan for expanding prison facilities to reduce overcrowding is logical, desirable, cost-effective and, most of all, timely.

If implemented on schedule, the plan would add a total of 1,661 medium- and minimum-security beds to the corrections system over the next two years. This could give the state an unharassed opportunity to draft thoughtful, long-range solutions to Oregon's complex criminal justice system problems.

Best of all, the added bed space reflects a wise use of existing prison facilities and calls for building no new edifices from the ground up. Not only is this the most cost-effective way to expand the system, but it also allows for midcourse corrections should it turn out that strategies other than additional beds make more sense.

The Legislative Emergency Board should endorse enthusiastically the first step of Goldschmidt's proposal — adding 761 medium-security beds to the Eastern Oregon Correctional Institute in Pendleton.

The governor-elect is asking the Emergency Board for \$967,577 to start immediately the architectural planning and the preliminary demolition work at the Pendleton prison, preparatory to remodeling the west wing of the main building and converting a dormitory for expanded

prison use. This early start is necessary to add 349 double-occupancy cells and 63 single cells to the system by the end of the 1987-89 biennium.

The Goldschmidt proposal, taken in part from recommendations of a State Corrections Division study urged by Gov. Vic Atiyah, also calls for adding 900 minimum-security beds throughout the state. These new spaces, to be chosen after negotiation with the Legislature and local officials, would house chronic, low-risk offenders now held in maximum-security facilities and often forced out on leave due to jail overcrowding.

The implied urgency in Goldschmidt's jail-space proposal is encouraging. He promised he would be an action-oriented leader and that corrections-system flaws would be a high priority of his administration. Launching a program into action four days before he is sworn to office suggests that aggressive leadership was more than a promise, and the behavior deserves early praise.

Indeed, Oregon cannot waste time. Having the fifth-highest crime rate in the nation, as Goldschmidt notes, is giving the state a reputation as a place where the streets are dangerous. That image crushes another image — the perceived high quality of Oregon life — which is one of the state's greatest tools in promoting economic development.

OREGON  
Clatsop County)  
Astorian-Journal  
(Cir. D. 54,476)  
(Cir. S. 56,002)

JAN 15 1987

Allen's P.C.B. EN 1000

## Goldschmidt will star in TV call-in program

Oregonians who want to give Gov. Neil Goldschmidt a piece of their mind or ask him a question will have to go only as far as the nearest telephone.

Beginning next month Goldschmidt will appear on a monthly call-in talk show on KGW-TV, Channel 8 in Portland.

"Ask the Governor" will debut at 6 p.m. Feb. 8, Linda Coffey, a spokeswoman for the station, said.

Goldschmidt participated in a similar program on the same station while he was mayor of Portland. That show was well received,

so station executives decided to revive the idea, Coffey said.

The station's public affairs department is handling the program, and Goldschmidt's only contribution is to appear as a guest.

Newscasters Pete Schulberg and Tracy Barry will alternate serving as hosts of the hourlong show. It will be a permanent addition to the station's schedule.

Coffey said a toll-free number will allow anyone in Oregon to phone and ask a question. She said the phone number will be announced on the program.

Albany  
Goldschmidt  
Goldschmidt  
(Cir. S. 21,264)

2-G 1/17/87

Allen's P.C.B. EN 1000

## More good appointments

It doesn't take a seer to see that Oregon's new broom — Gov. Neil Goldschmidt — is sweeping through state government. More important than change for itself, however, is the fact that the new governor is replacing departed state personnel with new people of experience and talent.

Out went Insurance Commissioner Jo Driscoll; in comes former state Sen. Ted Kulongoski. Out went Public Utility Commissioner Gene Maudlin; in comes former PUC Charles Davis. Out went almost all of the members of the Oregon Transportation Commission; in come a bunch of impressive newcomers from around the state to mesh the state's transportation policies with Goldschmidt's regional economic development strategies.

The Kulongoski and Davis appointments are interesting for several reasons. First, Driscoll and Maudlin were specific examples used by Goldschmidt during last year's gubernatorial campaign in describing state government's "dry rot." Goldschmidt's terminology may have been harsh, but it was an unmistakable sign that changes were on the way.

Second, with tort reform, liability insurance and problems in the state's workers' compensation system on the Legislature's front burner, Kulongoski's appointment sends a clear signal to the insurance industry that it no longer will dominate regulatory policy of that industry. A labor lawyer, onetime gubernatorial and U.S. Senate candidate and as politically savvy and well liked a legislator as ever roamed the Capitol halls, Kulongoski has the experience and knowledge to develop a reasonable and salable insurance program. Moreover, with Goldschmidt apparently preoccupied with economic development and corrections, Kulongoski is the ideal point man to shepherd through —

and, if necessary, take the heat for — whatever insurance changes the governor wants.

Davis' appointment as acting PUC is equally impressive. Maudlin left the utility regulatory agency with his personal credibility severely damaged and public trust in the PUC at an all-time low. His approval of a \$23 million rate hike for Pacific Power & Light Co. just four days before he resigned only further impaired his and the agency's reputation. Davis, who served as Oregon's PUC for four years in the 1970s, is known and respected as a fair, responsible, able administrator. He should be able to regain the public's trust in a tough, sensitive job.

As for the wholesale turnover on the Transportation Commission, our hunch is that it was less a matter of Goldschmidt's dissatisfaction with the commission members he replaced than a desire by the governor to have a strong hand on transportation policy, particularly as it relates to his economic development program. The changes might be fortuitous for Eugene, since the city's Riverfront Project — which will require state transportation money for renovations of Franklin Boulevard, among other things — is not on the state's six-year transportation plan. Goldschmidt has endorsed the Riverfront Project as part of his regional economic development strategy. If we read this week's events correctly, the Eugene project stands a good chance of landing a spot on the Transportation Department's six-year plan.

We expect other intriguing appointments from Goldschmidt in the near future. The governor has let it be known that change is the order of the day and that he's not afraid to reach into the nooks and crannies of the state to find good people to effect that change.

JAN 17 1987

Allen's P.C.B. EN 1000

## On the right track in school approach

Gov. Neil Goldschmidt's penchant for "short agendas" already is having a good effect on the direction of school-finance reform. The approach being followed by him and leaders of the Legislature makes a great deal of sense.

The approach is this: The first task is to make sure that Oregon schools no longer face the possibility of closure for lack of money. Once that big step is taken, there's plenty of time to worry about a more fundamental reworking of the school-finance system.

Following this course, Goldschmidt has demanded of the Legislature that it pass within the next two months a so-called "safety net" and put it before the voters in a special election to be called in May. "Demanded" may be the wrong word. The governor asked, and the legislative leaders of both parties agreed. This was just one example of the honeymoon spirit prevailing in the Capitol.

The governor pledged he would lead the campaign to pass the safety net measure in the special election. He's in a good position to do so. He has made a very good start in his new job so far. His "get something done quickly" approach is refreshing, and Oregonians may well be inclined to help him in this respect.

What kind of a safety net? This is the crucial question. One approach — the wrong one, already introduced in bill form — would result in new tax bases for all school districts. A majority of voters would reject this, because it would almost guarantee that local school taxes henceforth would rise at a 6 percent annual clip.

The answer is a plan along the lines proposed by Associated Oregon Industries and others. This plan would not affect school districts that already have adequate tax bases. For the others, it would allow levies to be unchanged from year to year until and unless voters approve a higher one. This plan would not cause tax increases while at the same time preventing — in districts without tax bases like Scio — the collapse of school funding from one year to the next.

Campaigning for such a plan, Goldschmidt could tell voters that it would not increase their property taxes. He could tell voters this, and he could expect to be believed because it's true.

As for a more basic reform in school finance — shifting the load from the property tax to something else — this can be discussed and handled later. So far there's absolutely no agreement how this should be done. Voters have consistently said no to a sales tax. Legislative leaders do not yet admit — or have yet to be persuaded — that in order to pay a greater share of school costs the state first has to find a way to cap school expenses. House Speaker Vera Katz and Senate President John Kitzhaber seem headed the other way with their proposals for improving public education, which would involve sharply higher costs.

But that's a topic for another day, perhaps another year.

The "first target," as Goldschmidt put it, is to banish the specter of school closures. With the right kind of plan and Goldschmidt's support, that can be accomplished in May.

## EUGENE R-6 2-1-87 The governor's man

Small news stories announced an event that deserves attention from those concerned with the state's public colleges and universities: Gov. Neil Goldschmidt has made his first appointment to the state Board of Higher Education, choosing Mark Dodson, a 42-year-old Portland lawyer.

Dodson is not just any 42-year-old Portland lawyer. According to a recent Oregonian feature story, he and his wife, Ruth Ann, are "among the new governor's closest associates, personally and politically."

Ruth Ann Dodson is Goldschmidt's official scheduler, a job she has held for nine years, from the time Goldschmidt was mayor through his service in Jimmy Carter's Cabinet and his subsequent career with Nike Inc.

Mark Dodson was the head of the transition team that helped Goldschmidt prepare to assume power. From all reports, the team did an excellent job, giving the new governor a running start when he was inaugurated Jan. 12.

Dodson has worked with Goldschmidt before. When Goldschmidt became U.S. secretary of transportation in 1979, Dodson took a job as a departmental lawyer assigned to the Federal Aviation Administration.

Despite his close association with one of Oregon's best known public figures, Dodson avoids the spotlight. He is modest and quiet and claims no political ambitions.

Dodson told us that the higher education appointment was the governor's idea, not his, but he

was glad to accept because he wants to work on ways to bolster the state's economy so that Oregon can "retain its own kids, not export them." He said he has no personal agenda of proposals that he wants to promote or block, and he discreetly declined to pass judgment on gubernatorial budget recommendations that are far below the higher education system's requests.

The new board member has no direct ties to any of the institutions within the board's jurisdiction. His children are aged 6 and 8, too young for college. And he holds a bachelor's degree in psychology from Harvard and a law degree from Boalt Hall, the University of California's law school at Berkeley. Goldschmidt's law degree is from the same school.

The vacancy Dodson fills was created when Goldschmidt asked former Portland City Commissioner Mildred Schwab to resign from the higher ed board so that he could nominate her for the Port of Portland Commission. The new governor is not being shy about using his authority to reshape important boards and commissions, although he does not have the power to remove members of the higher education board.

It seems fair to say that Dodson will be "the governor's man" on the 11-member higher education board. That could be seen as a threat by those who fear gubernatorial involvement in this arena. But it should instead be viewed as an opportunity. In Mark Dodson, higher education has acquired a potential advocate with the best possible access to the most important office in Salem.

## Taking away the gun

A few school superintendents are telling the Legislature that they don't want a "safety net" to keep their schools from closing. Taking away the threat of closure, one explained, would take away "an incentive for getting a tax base passed."

That's true. It would. But this is a classic case of not being able to have it both ways.

The present system, in effect, puts a gun to the voter's head. If voters don't approve the full amount requested to supplement an inadequate tax base, the school system is left without enough money to run for a full year.

The Senate-passed "safety net" would give every school district the right to levy at least as much property tax as the year before. That presumably would give schools enough to operate for a full year, although at a lower than desirable level.

A district could ask for additional taxes, just as it can now ask for taxes above its traditional tax base. But in the new scenario, voters would know that rejection wouldn't close the schools — at least not at first.

Within a few years, if voters rejected all proposed increases in the originally guaranteed amount, costs would rise so much that the system once again would be unable to run for a full year, even at a minimal level. In the meantime, though, all requests for increased taxes would be free from the threat of school closure.

Removing the risk of closure is the sole pur-

pose of the safety net plan. But removing that risk would necessarily also eliminate the "incentive" — the gun — that in many instances now forces voters to approve tax requests.

In our judgment, the detriment of occasional school closures — there have been 11 in the past decade — is greater than the incentive value of the threat of closure.

Temporary mid-year school closures are bad for education and bad for the state's reputation. Moreover, the choices now presented to voters in districts with truly inadequate tax bases are inherently unfair. To disapprove any portion of a proposed tax increase, voters must reject the whole amount above the base. The new system would reflect more closely what voters logically want: veto power over the amount above what was levied the previous year.

Some of the school people testifying in Salem this week are also saying that they would prefer a statewide measure giving all districts new tax bases containing some form of growth.

It's understandable that school officials want taxing authority containing some built-in annual growth for which voter approval is not required. But they should realize that voters have developed a strong aversion to conventional tax bases because they can grow automatically 6 percent a year. A statewide safety net proposal containing any provision for automatic growth would probably stand no chance at the polls.

## Accomplishments Salem S-J 3/13/87

### 60-day agenda is done

The 1987 Oregon Legislature appears to be ahead of recent sessions in pace, but that perception may result more from good public relations than anything else.

Nevertheless, approval of the school finance safety net legislation for a vote on May 19 is a real accomplishment.

While the safety net poses potential future problems, it does address the immediate concern of school doors being closed next fall. Approved 48-12 by the House, the measure is similar to the original Senate version.

The legislation, among other things, would allow a school district to adopt without voter approval the previous year's property tax levy as the current year's levy.

The safety net legislation officially won't be referred to the voters for the May 19 ballot until the Legislature approves Senate Bill 407, which directs the secretary of state to place the measure on the ballot.

Two months into the session, the Legislature has given Gov. Neil Goldschmidt the eight items he sought in his 60-day agenda. That is good public relations, although all but the safety net issue were pretty much foregone conclusions.

We don't mean to put down this Legislature. Its performance does appear to be a major improvement over the wrangling and partisanship that created much public disgust with recent sessions. The 1987 Legislature has shown more of a general spirit of bipartisanship, and that is a welcome posture.

In fairness to past sessions, however, the really vital work can't be completed until the available money is known. That figure won't be established for several more weeks.

The wrapup of the governor's 60-day agenda helps this Legislature's public image. House approval Wednesday of a resolution directing Goldschmidt to coordinate Oregon's response to federal forest plans being drafted and adoption of the school safety net earlier in the day completed the agenda.

That list included a promise by legislative leaders that they will return to taxpayers any windfall taxes from the state's connection to the new federal income tax code. Another item is the non-binding referendum placed on the May 19 ballot outlining Oregon's opposition to a nuclear waste dump at the Hanford Nuclear Reservation in Southeast Washington.

Efforts of the new governor and the Legislature may be helping Oregon slowly improve its economy. Recession has plagued the state throughout this decade. While Oregon has a way to go, the news is looking up. The state's unemployment rate for February dropped to 6.5 percent from the 7.2 percent of the previous month. That rate put Oregon below the national average of 6.7 percent for the first time in this decade.

The Employment Division figures showed that fewer Oregonians were unemployed last month than in any February since 1978.

That's the kind of news Oregon can use more of as government and the private sector cooperate to create more jobs.

# Youth jobs: Private funds sought for governor's work plan



David Talbot

By Jay Griffiths  
Observer Staff Writer

A business-funded project to put jobless youth to work on conservation projects is getting a push across the state.

The campaign stopped in La Grande this week in the form of David Talbot, state Parks and Recreation Division director.

"I want to know what kind of financial support can be found out here for these projects — or others that can be dreamed up," said Talbot, who was zig-zagging the state talking to private business representatives.

The project, called Youth Conservation Corps, was devised by Gov. Neil Goldschmidt, said Talbot.

Representatives from state agencies met to assess where the need was

greatest across Oregon, which was broken into geographic units.

Talbot said of 13 districts, the need in the local district, comprised of Union, Baker and Wallowa counties was deemed greatest.

The primary focus of the projects is to be on stream repair and enhancement. In the Union, Baker and Wallowa district, work at Wallowa Lake State Park is estimated to employ five youths for eight weeks at a cost of \$8,000.

The project would involve cleaning streams and spawning beds, working on the nature trail and planting shrubs.

Other conservation projects not directly related to stream repair also are planned. They are estimated to cost \$63,000.

This summer's work is considered part of a pilot project Talbot is working

to secure funding from private business.

Portland-area and other Western Oregon businesses are considered the main funding source, but Talbot added that local sources are being investigated.

He said he spoke with one La Grande businessman, who Talbot declined to name, with positive results.

"He is limited in what his corporation allows him to spend on such things, but (he) was supportive enough and interested enough to take the idea to corporate headquarters," Talbot said.

In Baker County, Talbot said he spoke with "five or six" representatives who said they could raise \$20,000.

Goldschmidt instructed several state agencies, including the employment and youth employment divisions,

Department of Fish and Wildlife, Forestry and Parks and Agriculture, to devise summer projects.

Factors used to compute need throughout the state included total number of youths in the affected age category (16-21), how many of those are economically disadvantaged and unemployed and the district's ability to create new jobs.

The number of total businesses and the number of businesses starting and stopping also were used to determine the economic health of the area.

After the Union-Baker-Wallowa district, next in order of need, are: Wasco, Sherman and Hood River counties; Malheur and Harney counties; Klamath and Lake counties; Coos and Curry counties; and Linn and Benton counties.

## Oregon THE BULLETIN

# Business community praises overhaul of workers' comp

By Tom Towles  
UPI Staff Writer

SALEM (UPI) — Business groups gushed with enthusiasm for Gov. Neil Goldschmidt's recommendations to overhaul Oregon's workers' compensation system, while labor leaders were strangely silent about the package of reforms.

"It's a strong foundation for workers' compensation reform and you will see a lot of support from the business community," said Jim Bernau of the Oregon chapter of the National Federation of Independent Businesses.

Bernau, Associated Oregon Industries and an employers group called Jobs for Oregon, hailed the proposals announced Friday as a way to removing the disincentives for injured workers to return to job, end "double dipping" and provide a better definition of a job-related injury.

Irv Fletcher, president of the Oregon AFL-CIO, refused any comment on the package of reforms.

Fletcher indicated Friday morning he would issue a statement, but said later through his secretary that there would be no formal reaction from the union.

The Goldschmidt plan, most of which requires legislative approval, is an attempt to reach the dual objectives of increased benefits for injured workers and reduced insurance premium costs for employers.

"For too long the system has taken too much from the employer and given too little to the injured worker," said Goldschmidt, who made reform of workers' compensation a key element of his campaign last year for governor.

The plan involves an effort to provide safer workplaces, incentives to get injured workers back to work, reductions in bureaucratic red tape and elimination of excess

profits from the system for doctors, insurance companies and other interest groups.

The recommendations go together with Goldschmidt's plan to abolish the state Department of Commerce and create a Department of Insurance and Finance that would make a single state agency responsible for the workers' compensation system.

Rep. Bob Shiprack, D-Beaver Creek, the chairman of the House Labor Committee and a union member, said the proposals are "things we were going to do anyway."

Shiprack said Friday's news conference, which featured Goldschmidt flanked by key legislators and state agency heads, was arranged to show that everyone has reached agreement on the reforms.

Goldschmidt's plan is based on recommendations contained in a report by an advisory group that

he appointed shortly after taking office in January.

The advisory group led by Secretary of State Barbara Roberts was charged with reducing the premiums paid by employers for workers' compensation insurance and increasing the amount of money actually received by injured workers.

"Although Oregon has a reputation of having one of the most expensive workers' compensation systems in the nation, we believe our recommendations will stop the ever-increasing costs of the Oregon worker's compensation system," Roberts said.

Oregon has the sixth highest rate in the country. Employers paid \$465 million in premiums in 1986 and are expected to pay about \$633 million this year, but only about 33 percent of that amount was paid in benefits to injured workers.

## Two named to PUC by governor

SALEM (UPI) — Gov. Neil Goldschmidt named banker Paul Cook and state Sen. Nancy Ryles, R-Portland, to the state's new three-member Public Utility Commission Friday.

Cook and Ryles will join Charles Davis, who was the sole commissioner until Wednesday when he was picked by Goldschmidt to the three-member panel.

"We decided we'd take whatever amount of time we needed to find the right chemistry," Goldschmidt said of the three-day delay in announcing the members of the commission.

Ryles, 43, served two terms in the House before being elected to the Senate in 1982. She was re-elected last year.

Cook, 51, is vice-president and manager of the head office consumer banking center for Key Bank in Portland. In the past he has served on the Portland Planning Commission and the Tri Met Board.

The three-member commission was created by voters last November but will not take effect until two of the three appointees are confirmed by the state Senate.

Davis was named to the one-man post shortly after Goldschmidt took office in January and served in the position until Wednesday, when the job was divided and the three-member commission came into existence.

If confirmed, Ryles will serve a one-year term, Davis a two-year term and Cook a one-year term. The ballot measure passed by voters called for staggered terms so that all the commissioners would leave at once.

The three commissioners will elect a chairman for the panel. He will be paid \$60,000 a year.

The other two commissioners will make \$84,000 a year.

"I'm very pleased and I'm very honored," Ryles said. "In my opinion when the people voted they were expressing the opinion that they wanted an open and a very fair process."

Ryles said she will not join the commission until at least May 15, when she will resign her Senate seat.

Rep. Ted Calvert, D-Beaverton,

announced Friday that he will seek to be appointed to Ryles' Senate seat.

Goldschmidt said he did not think the appointments of Ryles and Cook, who is black, would have much effect on criticism from some legislators and black leaders that he has not appointed enough women and minorities to important jobs.

"I'm delighted about the ap-

pointment...but I'm concerned about the economic development area," said Sen. Jim Hall, D-Salem, who has been one of the harshest critics of Goldschmidt's appointments.

Goldschmidt said the appointments would increase the commission's role as a consumer advocate. "We wouldn't need a utility commission unless we needed an advocate," Goldschmidt said.

## Good to see Goldschmidt take role in whole state

Oregon's economy is improving, but we're glad to see Gov. Goldschmidt is taking an interest in helping the state's rural economy.

An economist with the United States National Bank of Oregon has just reported that employment in the state has topped pre-recession levels of the mid-1970s. Oregon's unemployment rate declined seven straight months to 6.3 percent in March, which was below the national average.

The economist reported that most of the business and jobs growth came in such fields as finance, insurance, real estate, trade and services. He said forest products, high technology and some other manufacturing sectors provided lifts in jobs. The picture he gave in agriculture was mixed.

Such a report is encouraging in a state which was as hard hit as any other by economic sluggishness in the country. But rural Oregon depends heavily on agriculture and forest products, and those industries have been going through lots of jolts and adjustments. So we were happy to see Gov. Goldschmidt say this month he was concerned about the shrinking of Oregon's natural-resource economy, which he said included timber, wheat and fishing.

Goldschmidt said a recent swing through Jackson and Josephine counties showed him "too many people are picking up and moving to Portland." He said he wanted the "Oregon Comeback" to extend to all 36 counties and not just the Portland metropolitan area.

That is heartening because Gov. Atiyeh apparently failed to recognize the problems of rural Oregon. Or, if he did recognize them, he chose to focus on other things instead. Even though a governor spends most of his time in Salem and Portland, he has an obligation to work for all the state.

Goldschmidt also said he was setting as a high priority efforts to attract research projects to Oregon. He added that "five major opportunities" for research projects had come through Oregon since he took office.

We assume that is why the governor is pushing for Oregon to compete for the superconducting super collider atom-smasher project. Chances of this state capturing that federal project in competition with Illinois, Texas and California are slim, but Goldschmidt apparently wants to show Oregon is interested enough in high-tech jobs to go after them. That makes sense.

# Goldschmidt's economic plan in place

## Jury out on governor's reorganization for 'Oregon Comeback'

By ALAN R. HAYAKAWA  
of the Oregonian staff

SALEM — A sweeping reorganization and centralization of the state's economic development machinery was on Gov. Neil Goldschmidt's wish list for his first legislative session — and he got nearly everything he wanted.

He got \$7.5 million with an equal amount to come for the Oregon Convention Center in Portland.

He got \$20 million to spend pretty much at his discretion.

And as part of the restructured Economic Development Department, Goldschmidt got a regional development program that has been likened to Portland's Office of Neighborhood Associations as a potentially vital political structure.

Building on his campaign proposal for "The Oregon Comeback," Goldschmidt told legislators that he wanted to refocus development efforts on projects of regional and statewide importance, rather than finance what he said had often been a disjointed series of public-works projects.

Equally important, the reorganization shifts political and administrative control to the governor's office via the Economic Development Department, away from an array of state agencies and the Legislature.

"It's much cleaner," said Roger W. Smith, Goldschmidt's chairman of the Economic Development Commission and acting department director until mid-June. "It makes pretty clear some accountability."

"The Legislature said, 'OK, here it is, and we're going to expect some results.' We like that challenge."

### Department reorganized

The Legislature approved Goldschmidt's reorganization of the department, collapsing 10 divisions down to six but creating three new upper-management positions. Several programs from other agencies, including federal community development grants, a small-business development program and a mammoth federal job training program, were moved into Economic Development.

The three high-level offices include five "deal makers" or senior business development officers, charged with pursuing and securing new companies and expansions around the state; an economic policy and strategy unit that Smith said would have responsibility for understanding economic conditions around the state; and a labor officer, former AFL-CIO official Bob Baugh,

responsible for analyzing work force needs, improving productivity and forestalling labor-management problems.

The department's general fund budget grows from \$9.5 million to \$13.1 million. The increase includes \$950,000 for 10 new positions and pay increases for about 30 existing jobs.

The biggest single increase comes in \$1.5 million for new funds for contracts with private businesses. Of that, \$1.3 million goes for private business recruitment and trade development activities. Ten state welcome centers will be privately operated for \$200,000, and \$100,000 is appropriated for private assistance to the regional development effort.

Small business development centers got \$950,000 to replace lottery funds used in the program last year.

### Budget grows greatly

With the transfer of several big, federally funded programs into the department, notably community development grants and job training, the all-funds budget shoots up from \$22.9 million to \$140 million.

The Legislature also relinquished some of its control over Oregon State Lottery funds, giving Goldschmidt \$17.5 million for his regional strategies plan subject to broad legislative guidelines.

The governor has \$2.5 million more in a "strategic reserve" fund within the \$61 million lottery appropriation.

Smith called that fund "a blank checkbook" the governor could use for development needs that didn't fit other programs.

After one of the House's most bruising partisan battles of the session, the Legislature gave Goldschmidt the authority to name the president of the Port of Portland commission.

Goldschmidt insisted on the control, saying the Port was one of the most important economic development agencies in the state and should be responsive to the governor.

One measure of the political acceptance of Goldschmidt's plan was the way "The Oregon Comeback" became an instant part of Salem's political lingo. Proposals of every kind, from liability insurance reform to fighting the Hanford nuclear waste dump to a new state subsidy for rural hospitals were discussed not only on their merits but for the ways they would contribute to "The Oregon Comeback."

Nearly eight years of hard times in Oregon, coupled with the promise of development issues on both

sides of last year's governor's race, probably helped influence legislators to give Goldschmidt as much room as possible in which to work some economic magic.

### Guidelines established

For much of the session, legislators focused on how the administration would define its regional strategies and on how legislators could set policies that would guide the department, while still allowing the kind of flexibility and autonomy the governor was seeking.

That dispute was largely settled with the adoption of the guidelines, which stated how a region was to be defined — an area no smaller than one county — and that no region was to receive a second development project before all regions had received one.

Regions are largely responsible for getting themselves together and deciding what one project, with state aid, could help create the most new jobs.

Three projects were presented as prototypes of regional cooperation: the Oregon Convention Center in Portland with its tri-county electoral support, the widening of U.S. 97 between Bend and Redmond, and the In-Herfront Industrial Park near the University of Oregon in Eugene.

When a region agrees on an approach, or strategy, it will bring it to the Economic Development Department and to the governor.

That's the politically tick part of the equation. Under the old system, the state not only financed projects rather than strategies, as Smith put it, but it came to the Legislature and depended on the largesse of the Joint Trade and Economic Development Committee and the Joint Ways and Means Committee for money.

### Governor gets reins

Sometimes the results looked a little like pork-barrel politics; now the governor not only holds the barrel but has a mandate to organize in areas of the state where Republican Norma Paulus outpolled him in November.

The plan also gave Goldschmidt a chance to behave like governor of all of Oregon, rather than "governor of Portland," as Paulus charged after he referred to Bend as "the middle of nowhere."

Goldschmidt's stance toward Portland-area projects, at least at first, was studiously neutral, insisting that the convention center clear all the hurdles for regional projects, even though its planning was much more complete than many other

strategies.

After the regional approach was resolved, legislative criticism of the economic development reorganization was somewhat diffuse.

With the directorship of the department vacant — Smith was acting director through June 15 — and many of the key positions unfilled, Sen. Joyce Cohen, D-Portland, sniped at the agency, saying late in May the agency was in "chaos."

Rep. Ron Eachus, D-Eugene, worried at one point that the department's five "senior development officers," given territories but no permanent offices, would be "a little like MX missiles," roaming the vast spaces of the West while no one knew exactly where to find them.

Rep. Margaret Carter, D-Portland, protested in early hearings that the department had no clear plans to help minorities, women and other economically disadvantaged groups.

### Carter get reassurances

Carter said later that she had been reassured by conversations with officials, including Deputy Director David Lohman — now the acting director — that the agency was concerned about minorities.

"I see where the sensitivities to these issues... are in place," Carter said.

But she said she would "wait and see" whether that sensitivity translated itself into real benefits for the disadvantaged.

Eachus, who serves on the Joint Trade and Economic Development Committee, was furious that Goldschmidt had brought in a request for funds for an international trade center in Portland during the final weeks of the session, without consulting legislative leaders or the trade panel.

"In three days they undermined the way the entire lottery package was put together," Eachus said. "It violates the procedures established for regional strategies and violates the no-second rule" because the project, like the Oregon Convention Center, would be in Portland.

"You have to wonder if it was purposely withheld" from earlier deliberations, he said.

Smith said the opportunity arose late in May when Portland General Corp. offered the project space in its headquarters building, and was brought to the Joint Ways and Means Committee immediately after that.

The budget panel found the \$1.5 million needed by changing the allocations the trade committee had made of the lottery funds.

## Editorials

### Legislative accomplishments

## State's future looks bright

One disillusioned observer once opined that Oregon would be better served with two legislators meeting every 90 years rather than 90 legislators meeting every two years.

We don't agree with that observation, but we sometimes do become upset with our citizen Legislature.

How should a legislative session be rated? Often what the lawmakers don't do is as important as what they do.

This session, which ended early Sunday, gets a mixed review, and evaluation of much of what the lawmakers did awaits the test of time. On balance, however, the 90 men and women performed well in this session.

One factor in their favor, of course, is that they had money to work with. Unlike the past three sessions, the 1987 Legislature did not have to chop and discard important — often vital — projects and programs because of a limping economy.

Although the state still has not fully recovered from the devastating recession that plagued it throughout much of this decade, the corner has been turned, and tax collections reflect that revival.

The Legislature followed the strong direction of Gov. Neil Goldschmidt for much of this session, which generally has been a plus for both. We happen to agree with much of what the new governor wanted, so his reach for more authority has not been too upsetting. If a doctrinaire governor were to be elected, however, some of the precedents that Goldschmidt has set could cause problems.

What are this Legislature's important accomplishments? These measures seem to qualify:

- Goldschmidt's \$32 million prison-expansion program is a start in easing that critical need and is especially welcome by Salem and Marion County, which have suffered disproportionately in the past.

- Much of state government, including the Forestry Board and the departments of Commerce, Corrections and Economic Development, was reorganized.

- The school finance safety net is a start toward keeping schools open in troubled districts in Oregon. Of course, the safety net is but a start, and the Legislature must find a

permanent solution.

- Workers' compensation insurance was revised to reduce costs to business.
- Oregon's income tax legislation was connected to the new federal tax code.
- Liability insurance legislation was revised to make such coverage more available and more affordable.

- The \$66 million capital construction fund for state colleges and universities, the first such funding in nearly 10 years, is sorely needed.

- A bill mandating seat-belt use was enacted, and the speed limit was raised to 65 mph on rural interstates.

- A \$63 million state worker salary package includes \$10 million to give extra cash to the lowest paid employees, most of them women.

- The gasoline tax will be increased by 6 cents a gallon during the next three years, generating money for much-needed road repairs.

- Nearly \$25 million in lottery money was earmarked for Goldschmidt's "Oregon Comeback" economic development plan.

Other important legislation also was sent to the governor's desk. Supporters and critics alike will spend the next several months analyzing the session's work.

A view of the future can be somber when we consider the continuing federal budget deficit, although some success is evident in reducing it. The huge deficit in our foreign trade balance also is disturbing, but that too is dropping. Furthermore, rising interest rates may pose a threat to Oregon because of our continuing dependence on the wood products industry.

Nevertheless, the future is much brighter than it was a few years ago. Oregon has begun to diversify its economy, more people are at work than ever before in the state, and the jobless rate is well below the national average.

We do have considerable cause for cautious optimism. This recently adjourned session of the Legislature seemed to reflect that optimism.

Much remains to be done, of course, but that will always be true in a vibrant and growing democracy.

STATESMAN-J 6/29/87

# New Youth Conservation Corps re-blazes trails in Oregon woods

By JIM HILL  
of The Oregonian staff

**FOREST GROVE** -- From along the after-fringed banks of Gales Creek comes an intermittent "clunk, clunk, clunk" sound.

But this is not the noise made by a predator threatening a nearby wood duck or western grey squirrel. It is teen-agers at work with hand saws, chopping away at buttressed roots as they refurbish Rippling Waters Nature Trail just off Oregon 8 four miles west of Forest Grove.

Four crew members and a 21-year-old crew leader are working on the project, disrupting the natural setting temporarily in order to make it more accessible to others. The trail job is one of 17

## "The youths are the real winners."

projects being carried out around the state by the new Oregon Youth Conservation Corps.

Jeff Weaver, 17, of Deaveron said the trail job was his first experience working in the woods, and that it was "pretty exciting." He also described the work as "fun," "hard" and "good experience."

Weaver also acknowledged that he was "finding muscles I never knew about."

Workmate Chris Cushing, 16, of Forest Grove said there had been little rain but plenty of hot weather, making the 8 a.m. to 4 p.m. work shift seem like a long day.

"There's a lot of weird tools," Cushing said.

Crew chief Roy Hale, 21, is a student at Pacific University in Forest Grove, where he is studying to be a high school physical education teacher. He said, "I like working with the kids the best. ... Everybody gets along fine."

More than 60 Oregon youths are expected to take part this summer in the Youth Conservation Corps program, which was a high priority of Gov. Neil Goldschmidt and is modeled somewhat on the Civilian Conservation Corps of the 1930s and 1940s.

According to program director Allison Spencer, private and corporate donors have contributed about \$140,000. In addition, nearly \$21,000 in public funds, mostly from the federal Job Training and Partnership Administration, was contributed as a match for private money on certain projects, she said.

The money is being used to pay minimum wages to crew members 16 through 19 years old, and to provide slightly higher pay for crew leaders in the 19- to 24-year-old range.

Ten of the youth conservation crew projects involve rehabilitation of streams and stream banks or improvement of fish habitats. The other seven include trail building, improvement of viewpoints, completion of projects at wildlife management areas and work with an Oregon Department of Forestry fire crew.

The projects will be within the jurisdiction of nine state, regional and local agencies that are providing professional supervision for the youth crews and crew leaders.

"The Youth Conservation Corps shows how public agencies and the private sector can work together," Goldschmidt said in a press state-



Matt Yaskovic, 17, of Dayton dumps wood shavings on a portion of the Rippling Waters Nature Trail west of Forest Grove. Silmsen Lumber Co. of Gaston donated the shavings for the project. Below: Jeff Weaver, 17, of Deaveron (left) and Chris Cushing, 16, of Forest Grove work at improving a trail.

ment. "The youths are the real winners. They gain good job experience, earn a salary and accomplish something meaningful."

Spencer said the summer projects constituted the first statewide youth conservation corps program in Oregon. The program is administered through the governor's office.

"We are setting up our planning and fund-raising process to make it continuous summer after summer," she said.

Fund-raising efforts and coordination among agencies for this year's initial program were directed by David Talbot, administrator of the Parks and Recreation Division. Recruitment was carried out by the Oregon Employment Division.

Supervisor for the Rippling Waters project is Gene Herb, district wildlife biologist with the Oregon Department of Fish and Wildlife.

He said the crew members worked 32 hours per week and the crew chief 40 hours. The conservation program began June 15 and will run until Aug. 28, he said, with his crew moving on to other projects after they finish refurbishing the half-mile-long nature trail.

Nine of the 13 counties with youth conservation projects rate high in youth unemployment. They are Baker, Union, Wallowa, Hood River, Sherman, Wasco, Klamath, Coos and Curry counties. The other counties are Grant, Marion, Umatilla and Washington.



## Fujitsu says yes to plant in Gresham

By RICK BELLA  
of The Oregonian staff

**GRESHAM** -- Gov. Neil Goldschmidt and top officials from Fujitsu Microelectronics Inc. announced plans Tuesday to break ground next month on a \$70 million semiconductor manufacturing plant in Gresham.

The first phase of the plant is expected to employ 350 people when it is completed next year.

The announcement, at a news conference outside City Hall, put an end to on-again, off-again speculation since Fujitsu bought a 220-acre site in northwest Gresham in December 1984. The Japanese computer giant said it had weathered a slump in the semiconductor market well enough to renew its construction plans.

"We never gave up on Fujitsu," Goldschmidt said. "And today all of us in Oregon -- and we think the Fujitsu family -- are all winners."

"Fujitsu has shown incredible perseverance and courage in making this commitment. After all, this is the first major semiconductor investment in the United States in the last three years."

When the Gresham plant is built, it will be Fujitsu's only semiconductor plant in the United States and the first major electronics company to locate in East Multnomah County.

Fujitsu Ltd., parent company for Fujitsu Microelectronics Inc., is Japan's largest computer maker. The company, which has 49,000 employees worldwide, reported sales of \$12.2 billion in the 12 months ending March 31, 1987.

According to site-review plans Fujitsu filed with the city of Gresham, the first phase of development will consist of a 233,000-square-foot, steel-frame plant with a smaller utility building. It will be built on 38 acres on the north side of Southeast Stark Street between Northeast 222nd and 223rd avenues.

Ken Katashiba, senior vice president at Fujitsu's Santa Clara, Calif., offices, said the company revived its construction plans based on "good" economic indicators.

"This is a happy occasion not only because of the economic benefits that we all expect from this venture, but also because our decision to build signals a reversal of the economic slump that hit the electronics industry in 1985," Katashiba said. "This was a worldwide issue."

... As you all know, the slump has had a significant impact on the state of Oregon as well. But from here on, we see a definite upturn in the U.S. semiconductor market -- and that's very good news for all of us."

However, Katashiba hedged on earlier statements that promised six additional phases of construction at the site by 2003. Fujitsu officials initially said the completed plant would employ up to 1,000 people, an estimate later cut to 7,000.

Katashiba said that Fujitsu would weigh the market and economic climate before committing to additional construction.

"We initially have to run very fast to get construction done in the first year," he said. "Other construction will be by the economic indicators we get. As economic activity continues to show good signs, we will go into the second phase."

Additional details on Page D10.

## A New Era For Forestry In Oregon

The Oregon Legislature approved a sweeping and fundamental change in the state's public policy toward private forest land in 1987. Governor Neil Goldschmidt, whose office was instrumental in helping steer the bill through the Legislature, called it the most important natural resources legislation passed in Oregon since the state's land use planning system was adopted in 1973. As the new policy gradually replaces the old, it will provide a golden opportunity, not just for forest landowners, but for the state as a whole.

### No longer will the Board be crippled by an unfair "special interest" tag...

For the first time, clear and complete responsibility for the regulation of forest operations lies with a single agency—the state Board of Forestry. And, in one of its most important provisions, the law creates a totally new Board of Forestry. No longer will the Board be crippled by an unfair "special interest" tag, which hampered its effectiveness and its ability to instill public confidence, and prevented it from attaining its rightful place of prominence in the formulation of state policy. The establishment of a new Board, combined with the important new enforcement tools provided in the bill for the Department of Forestry, should bury, once and for

all, the myth of an "industry dominated" Board overseeing an "unenforced and unenforceable" Forest Practices Act. This change in the public perception of how the system works will be, in and of itself, worth its weight in gold.

In addition to establishing a framework for consistent, statewide forest management practices, the new law includes a much less ambiguous public policy statement. The statutorily-defined goal of private forest land management in Oregon is now to "...encourage economically efficient forest practices that assure the continuous growing and harvesting of forest tree species and the maintenance of forest land for such purposes as the leading use on privately owned land, consistent with sound management of soil, air, water and fish and wildlife resources that assures the continuous benefits of those resources for future generations of Oregonians."

Almost as important as the bill itself is the manner in which it was created. Forest landowners, environmental groups and key state agencies—veterans of past wars in the land use and forest practices arena—spent literally hundreds of hours together hammering out the final package. In many respects, the process as well as the result was truly remarkable. First, major changes in several state statutes were made. This meant that the process, going in, was politically difficult—since key legislative leaders (and eventually the entire legislature) had to be comfortable with the result. Second, the objective of forest landowners in the negotiations was to get out from under the strictures of Oregon's unique land use planning system—a problem not faced by forest landowners in other states—and that objective was totally realized. And, finally, since the

## Tomorrow's Forest Aug. '87

agreement was written into law, all parties will have a strong incentive to make sure it works and pressure to reopen any of the key issues will be held at bay for the foreseeable future.

A portion of this issue of Tomorrow's Forest is devoted to the role of the courts in natural resource management. While state and private forest land decisions have been relatively free of costly legal disputes, Oregon forest landowners had become increasingly apprehensive about potential legal challenges, based on failure to comply with Goal 5 of the state's land use planning process. With the Forest Practices Act now exempt from Oregon's land use law, that fear has now disappeared. And the positive attitude and cooperative spirit that now exists between previously warring factions—a byproduct of the successful effort to draft a new forest practices law—should be equally helpful in keeping legal hassles to a minimum as the new program swings into place.

The new era for forestry in Oregon should be good news for all. For forest landowners, it will provide a regulatory certainty that will create a renewed incentive to invest in sound forest management, in turn leading to solid long term growth in this most critical sector of Oregon's economy. And for the state as a whole, it provides an opportunity for all Oregonians to continue to work together to make sure Oregon's #1 industry remains healthy and prosperous for generations to come, while ensuring that all of our forests' resources are managed in a responsible and reasonable fashion.



# Governor's student retention program helps kids

By R.J. FLANNERY

Gov. Neil Goldschmidt is behind it. So are Multnomah County Juvenile Services Commission, the Private Industry Council, Children Services Division, the juvenile courts, the Mental Health Division, 12 county school districts, the Chamber of Commerce, Portland Community College and the Tri-City Youth Services Consortium.

They are all getting together for the Multnomah County Student Retention Initiative, a plan aimed at youth who are at risk of dropping out of school. The fact is that 25 percent of ninth graders do not graduate from high school.

In the Mid-county area, David Douglas School District is involved: Robert A. Chudek, director of special education for the district, represented David Douglas on the coordinating council. Dr. Richard Cole, director of curriculum and federal

programming for the district, is targeting eighth grade youth who are having problems in school in an effort to get them into one of the programs funded by the initiative's grant.

"We have one program that has been approved," Cole says. "It's the PIC/STEP, which stands for Private Industry Council/Summer Training and Education Program. We're going to work with identifying some at-risk children. During the summer they will be given some work experience and some school experience."

"The governor's initiative funding pays for the identification process, contacts with the students, contacts with the parents, meetings and so forth. We want to keep the children in school and to give them a good attitude. There will be 16 children from each of the four participating districts."

In addition to David Douglas, the participating

districts in the East Multnomah County area are Centennial, Reynolds and Gresham. The STEP program is based on one in the Portland School District which showed much promise.

Paul Franklin, who since July 1 has been

director of research and development for youth programs for the Private Industry Council, has been working on the STEP program as a consultant for some time.

"I wrote the STEP program," Franklin says. "It took two or three weeks. The important point is the partnership between PIC and the four school districts."

The program was awarded \$186,000 from the youth coordinating council to be used over a 20-month period.

"Our focus is on helping low-income kids one to four grades behind in school," Franklin says. "We want to reach students in the last semester of eighth grade and help them to stay through ninth grade."

Cole emphasizes the importance of reaching children in the transition from middle school to high school.

"It's the biggest drop off," Cole says. "It's the toughest time for them. They may not come back after summer and enter ninth grade or if they do they get lost in the program and wash away and get lost."

"We will serve 60 children in the first year," Franklin says, "and 120 in the second. That'll be the normal load. They'll be in summer school half the day and work half the day and be paid for both."

Franklin points out that these are 14-year-olds who might ordinarily have a hard time finding a job at all due to their age, never mind educational shortcomings. There will be three teachers and three teachers' aides in the summer school and during the school year two staff members will work for PIC as advocates. Children will earn points for good grades and attendance and can exchange the points for McDonald's coupons and other rewards.

"Disadvantaged kids suffer a significant loss during summer," Franklin says. "This is the reason they might not be bothered to return when it's time to take up the cudgels high school. There is little educational feel at home and perhaps no connection for them between education and work."

"We reinforce school with work and work school," Franklin says. "The East Multnomah County STEP program is based on the Port STEP, which has been going for three years; schools are key to this. We focus on prevention."

Franklin's interest in the program comes having been involved in minority and disadvantaged education for years. He has a college degree in history and has done post-graduate work in curriculum instruction. He feels his role in the STEP program has been relatively minor one and says, "The real work will be done by the schools and by PIC."

Another component of the Multnomah County plan is called Student Services, which is de-

MID-COUNTY  
MEMO

9/87

## A good choice for DHR

Gov. Neil Goldschmidt has been slow to fill a variety of vacancies in the upper echelons of state government. One of the most important of those posts — the directorship of the giant Department of Human Resources — has been vacant since Goldschmidt took office last January.

Happily, however, the governor has finally chosen a permanent DHR director and, from all indications, it was worth the wait.

Goldschmidt's choice is Kevin Concannon, 46, who came to Oregon from Maine last April as a consultant to help the state regain federal certification and funding for the Fairview Training Center. That achieved, Concannon was then appointed director of the Mental Health Division, one of seven divisions in the 11,332-employee, \$1.4 billion Department of Human Resources.

The department was created during the governorship of Tom McCall in an effort to improve efficiency and service delivery by bringing together all of the state's sprawling human resource programs under one umbrella agency. These included adult and family services (welfare), children's services, employment, health, mental health, senior services, vocational rehabilitation and, until this year, corrections. (At Goldschmidt's request, the 1987 Legislature made DHR's corrections division into a separate department.)

DHR's sheer size has often worked against it. The goal of cohesive delivery of human services has been difficult to achieve because the various divisions often act independently of each other — much as they did before the department was created. Legislators often complain that the department is too big to be accountable to anyone. Norma

Paulus, the Republican candidate for governor opposing Goldschmidt last fall, pledged if elected to dismantle the department "and start over from scratch." Recently, there have been morale problems in the department because no single individual, with direct access to the governor, had been put permanently in charge.

Thus, Concannon's task will not be easy and he, too, may ultimately conclude that DHR is simply too big and too cumbersome to work. But his background, management style and personality suggest that Concannon is qualified to make sense out of the bureaucratic monster.

Before coming to Oregon, he ran Maine's mental health department. Before that, he was director of that state's bureau of mental retardation, coordinator of a project for children and youth centers, superintendent of a center for persons with developmental disabilities and a psychiatric social worker. In other words, in terms of human resource programs, Concannon has been in the trenches.

We are told that he played a critical role in gaining federal certification for the Fairview center. "It simply wouldn't have happened without him," says a state government insider. In his short stay in Oregon, he has gained a reputation for an open, honest and direct style of management. He is viewed as an administrator who cares more about the needs of the recipients of state human services than about the bureaucratic structure that provides those services.

Maybe no individual can pull all of DHR's various parts into a cohesive whole. But Kevin Concannon appears well qualified to try.

Register-Guard 9/12/87

## Goldschmidt appoints two to Tri-Met's board

Gov. Neil Goldschmidt appointed two new members to the Tri-Met board Friday and said it was urgent to begin preliminary engineering on a potential westside light-rail line to decide "if it's worth it."

By STAN FEDERMAN  
of the Oregonian staff

Gov. Neil Goldschmidt appointed two new members to the Tri-Met board Friday and said it was urgent to begin preliminary engineering on a potential westside light-rail line to decide "if it's worth it."

Attorney Elizabeth Welch, 45, of Milwaukie and Gary Conkling, 40, of Beaverton, a public affairs director for Tektronix Inc., were named to the seven-member body.

The board has been operating with only five members for more than a year after Dan Mercer and Joseph Barclay resigned because they had moved their residences from the Tri-Met districts they represented.

Conkling will replace Mercer in District 1 (Washington County), while Welch will succeed Barclay in District 7 (Clackamas County).

Welch, who said she intended to devote "a great deal of time" to future board work, appeared with Goldschmidt at a news conference at Tri-Met headquarters. Conkling was out of town attending an Associated Oregon Industries conference in Bend.

Board Chairman Loren Wyss said he had intended to invite both new appointees — who still must be confirmed by the Oregon Senate next month — to board meetings and briefings "so they can get quickly acquainted with the agency."

Goldschmidt said Welch and Conkling would bring the board "talent, energy and judgment." He added that both were "practical people" used to dealing with the public.

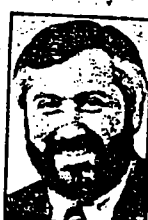
Goldschmidt said he had wanted to help build an overall regional transportation partnership similar to the type that existed in the mid-1970s, when he was Portland mayor.

Tri-Met's role, the governor said, will be to continue providing sound transportation for those dependent on mass transit, relieving traffic problems and improving regional air quality.

Welch has been in private practice since 1979. Before that she was a Multnomah County circuit judge, senior deputy district attorney for the county and director of justice programs for the city. From 1971 to 1973, she



WELCH



CONKLING

served as an administrative assistant for Goldschmidt, then a city commissioner.

Conkling has been with Tektronix since 1982. Before that he served stints as staff director with U.S. Reps. Ron Wyden and Les AuCoin, both Oregon Democrats. Conkling also has been a newspaper reporter and was president of the Beaverton Area Chamber of Commerce in 1983.

In recent years, Conkling has questioned the need for westside light rail. But Goldschmidt said his new appointee's main concern was that light rail "may not be the total answer" in resolving Washington County's major traffic problems.

He said Conkling was someone who fully understood the planning process and would make his light-rail decision when "we get some answers from a preliminary engineering study."

The governor noted that federal financing of the \$3 million study had been held up for some time by Elizabeth Dole, who recently resigned as transportation secretary. But he added that he believed AuCoin was close to resolving that holdup.

The Urban Mass Transportation Administration has been insisting that Tri-Met show how it intends to pay for any westside system before allowing the preliminary study to begin. Tri-Met has said all along, however, that such a financial plan would be premature until after the study was completed.

Goldschmidt said the region needed to resolve its westside traffic problems soon — especially in Washington County — where he said some 20 percent of Oregon's economic growth had taken place in the past five years.

"If this region can't afford light rail," he added, "then we can't solve that traffic problem."

He said the region's funding problem was not in building the system but in operating it. "I believe the Tri-Met board will have to go to the public for such funding," he added.

## Siltec to add 100-150 jobs in expansion

□ The \$30 million addition to the Salem plant will be used to produce a new generation of silicon wafers

By ALAN K. OTA  
of the Oregonian staff

SALEM — Gov. Neil Goldschmidt joined corporate leaders of Siltec Silicon Inc. Thursday in announcing a \$30 million expansion of the company's silicon wafer factory, which soon will begin using advanced technology from its Japanese parent company, Mitsubishi Metals Corp.

Stanley T. Myers, chief executive officer of the company based in Menlo Park, Calif., said the expansion could increase the number of employees by 100 to 150. The Salem plant, the only one operated by the company, employs about 200.

Myers said the new jobs would depend on the company's ability to sell more products. He said the company would complete its expansion by next June and that more growth could follow. Company officials said the expansion would entail adding about 20,000 square feet of factory space — a one-third expansion of existing space.

Myers said the company would begin using two new types of technology provided by its Japanese parent as part of the expansion.

He said it would start producing epitaxial silicon wafers, which are specially coated to prevent leakage of electric current on CMOS semiconductors. In addition, he said it would begin to use a process known as wax polishing to produce flatter wafers.

Both techniques are used by Mitsubishi Metals, which owns a subsidiary called Japan Silicon, which is Japan's second largest wafer manufacturer.

Myers said the company also was considering using one other Mitsubishi technique known as magnetic crystalline growth in the production of silicon crystals, which are cut into wafers.

Siltec was bought by a group of companies in the Mitsubishi group in December, 1986.

According to company officials, 60 percent of Siltec's stock is held by Mitsubishi Metals. Of the rest, 30 percent belongs to Mitsubishi Mining and Cement, and 10 percent to Mitsubishi Corp.

Larry Hydrusko, Siltec's director of marketing, said the company was now America's fourth largest wafer producer, accounting for about 12 percent of the chip market.

Myers said the announcement was proof of Siltec's "commitment" to Oregon. He praised the help provided by the state and by Chemeketa College, which helps train the plant's employees.

Goldschmidt urged workers in a ceremony at the factory to keep "scrubbing and fighting" to produce superior flawless products. He said the factory expansion announcement was a "celebration of human beings" and what they could accomplish.

9/16/87

# Eachus is a good choice

In a way, we have mixed feelings about Gov. Neil Goldschmidt's appointment of State Rep. Ron Eachus, D-Eugene, to the state's three-member Public Utility Commission.

On the one hand, Eachus will contribute a thoughtful, progressive, consumer-conscious voice to the commission's deliberations. It is also nice that this end of the valley, where public power is dominant, can be represented on the PUC. The other two commission members, Paul Cook and Nancy Ryles, are from the Portland area.

On the other hand, Eachus has been a very good legislator and the Legislature is diminished any time one of its better members leaves. During his two terms in the Oregon House, Eachus has earned a reputation for hard work, intelligence, coolness under fire, fairness, political savvy and philosophical consistency.

On balance, however, Eachus' background and experience suggest that the PUC is where his considerable talents can best be utilized. As a long-time aide to then-Congressman Jim Weaver, Eachus was heavily involved in Northwest power issues. And as a legislator, he has had a strong interest and involvement in telecommunications and electrical utility legislation.

The PUC's mission is to regulate, on behalf of the public, the state's investor-owned electric and natural gas utilities, telephone companies, larger water companies and the motor carrier (buses, trucking) industry. (The PUC has no regulatory

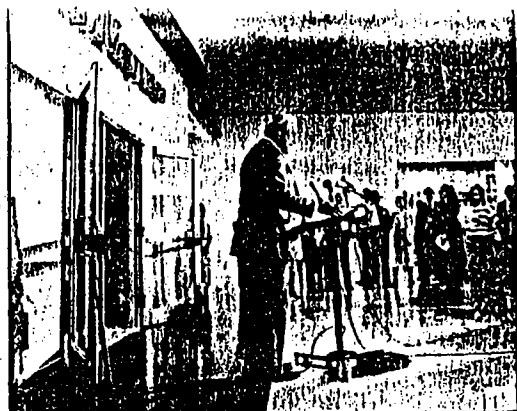
authority over the Eugene Water & Electric Board, the Springfield Utility Board or other publicly owned utilities.) The basic role of the PUC is to ensure adequate service and reasonable rates for the consumers, while allowing the regulated utilities a reasonable return on their investments.

Until this year, Oregon was the only state in the nation with a single-member utility regulating authority. Last fall, the voters approved a legislatively referred proposal calling for a three-member commission appointed by the governor. The measure passed better than 2 to 1.

The Lane County Board of Commissioners will choose Eachus' replacement in House District 39, which encompasses the River Road, Santa Clara and Bethel-Danebo areas of Eugene, from a list of three to five nominees presented by the Democratic precinct workers in the district. The one chosen will complete the last 18 months of Eachus' House term. A full, two-year term will be filled in next year's elections.

As occasionally happens in these instances, a potential domino effect could develop. One of several people expected to seek the appointment to Eachus' legislative seat is Eugene City Councilman Jeff Miller. If he's appointed, a replacement for him on the City Council would have to be found.

For the moment, however, the news is Ron Eachus' appointment to the PUC. And from our perspective, it's good news.



Gov. Neil Goldschmidt speaks Monday at the opening of the Department of Motor Vehicles' new express office in Portland's Mall 205.

## Mall 205 in Portland site of 1st DMV express office

By ERIC GORANSON  
of The Oregonian staff

The Oregon Division of Motor Vehicles launched its first express office Monday, promising that two more would be opened before the end of October and that others would follow in the Willamette Valley.

Gov. Neil Goldschmidt was on hand to cut the ribbon for the new office in Mall 205, an East Portland shopping center just east of Interstate 205 and south of Southeast Washington Street.

The state opened its first shopping center office in Clackamas Town Center in 1981 on a trial basis.

The office has been "very successful" and will be redesignated as an express office, said Brenda Trump, a DMV public affairs management assistant.

Goldschmidt said the express offices will shorten lines at existing full-service DMV stations and that it is urgent for the express office staff to provide speedy service.

The new offices will not conduct driver tests, but will handle vehicle and driver renewals, trip permits, snow parking permits, title transactions, vision testing and accident reports.

The offices also will not take phone calls or do vehicle identification inspections.

Goldschmidt was the first customer to use the office, changing his driver's license address to his new Salem residency.

Goldschmidt said it is "critical that the new offices provide good service" because they are the first state agency "to greet new Oregon residents. They are a window to state government."

"They are a break with tradition," Goldschmidt said. "They will operate Tuesdays through Fridays from 10 a.m. to 7 p.m. and stay open Saturdays until 6:30."

"They will specialize in quick transactions and I underline the word 'quick.'"

Goldschmidt said additional express offices would open in the Beaverton Mall and Lloyd Center and that others are planned for Eugene, Medford and Salem.

In addition, he said, telephone service to the Salem DMV office has improved and that the agency is looking at making other innovative ways to improve service.

The Mall 205 office will have a three-person staff and is expected to handle 3,000 transactions a month.

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Allen's P.C. Est. 1888

## Oregon products to hit Neiman-Marcus stores

By DAVE BERNIS

A variety of Oregon products will be featured next spring at all 22 Neiman-Marcus stores throughout the country.

Representatives of the upbeat retailer joined Gov. Neil Goldschmidt and other state officials Tuesday in a gathering organized to announce the event.

The show will allow Oregon products to reach "new heights," said state Department of Agriculture Director Bob Buchanan.

The promotion will feature visual presentations of the state through graphics and photography, sales and promotional

events, in-store samplings, and sales of Oregon food and wine.

The state's participation in the show will be coordinated by the state agriculture department.

A crew of Neiman-Marcus representatives is traveling the state this week with agriculture officials to search for food and specialty items to display during the 16-day show.

Carl Youngberg, a Neiman-Marcus marketing representative, said Oregon will be the first state to have its products showcased throughout the Dallas, Texas-based retailer's outlets.

Oregon was chosen because

(Continued on back page)

## Neiman-Marcus to feature Oregon product displays

(Continued from Page 1)

it is not "overexposed," Youngberg said. Rather, he said, the store's shoppers will have a chance to see "new things."

Goldschmidt said he will lead a state trade delegation to participate in the show's opening in Dallas.

The promotion, which is scheduled for April, follows a similar promotion hosted earlier this year by Bloomingdale's Department Stores, a New York City-based retailer.

Bloomingdale's, the state agriculture department, and seven Oregon companies and business associations organized the show, which featured about 200 products from 45 Oregon firms.

The promotion's centerpiece was a 10,000-square-foot display at the store's New York City location.

Although Youngberg said he was unsure how much money the Neiman-Marcus event could mean for Oregon firms, state officials conservatively estimate that participants earned \$100,000 from the Bloomingdale's show.

The Neiman-Marcus event could have a "bigger impact" because products will be featured at a larger number of stores, Buchanan said.

Dalton Hobbs, an agriculture department spokesman, said 145 Oregon companies are currently under consideration for participation in the show.

"The idea is to (search) the whole state for products Hobbs said.

State officials were criticized during the Bloomingdale's promotion because most of the products were from companies based in the Willamette Valley, Hobbs noted.

In addition to food products, Hobbs said, the state Tourism Division will have displays at the promotion featuring five Oregon vacation spots.

Destinations in the eastern, southern, central and coastal portions of the state will be featured along with those in the Portland area.

State officials estimate the Tourism Division received between 20 and 30 calls daily from people who picked up Oregon brochures at display featured during the Bloomingdale's show.

Neiman-Marcus stores that plan to participate in the promotion include six in Texas; five in California; three in Illinois; two in Florida; and one each in Missouri, Washington, D.C., Georgia, New York, Nevada and Massachusetts.

## Salt Caves gets official frown

Goldschmidt:  
Dam unneeded

KLAMATH FALLS (AP) — Gov. Neil Goldschmidt announced Thursday that he opposes the city of Klamath Falls' plans to build a hydroelectric dam on the Klamath River to generate revenue for economic development.

"While Salt Caves may be a cost-effective renewable energy resource, looking at all aspects of the proposal and our current lack of compelling energy requirement, I conclude that it has serious, perhaps permanent and irreversible environmental trade-offs," Goldschmidt said.

He said the destruction of world-class whitewater runs and wild trout habitat on the Klamath River was too great a loss for the state as a whole to justify a project that would benefit primarily Klamath County.

However, he said future generations may well decide that the potential energy is worth more than the environment.

"A decision not to build reserves to our children all of the options," he said.

Goldschmidt said his position

didn't decide the issue, and Klamath Falls was free to continue seeking state and federal permission for the dam.

Michael Hartfield, spokesman for the dam project, said that Goldschmidt's opposition would make it more difficult to get a permit from the Federal Energy Regulatory Commission, but that the city wouldn't drop the project.

He said the one thing that would cause the city to give up would be a court ruling against granting a water quality permit. The state Department of Environmental Quality has turned down the permit, but the city is appealing.

Klamath County Commissioner Roger Hamilton, who opposed the dam, praised Goldschmidt's decision.

"The development potential for that river as a fishery and for recreation is tremendous," he said.

"I have said it's irresponsible for them to continue. There are clear indications that the state is going to oppose it on a range of issues."

John G. Ward, a business technologies professor at the Oregon Institute of Technology who had opposed the dam, said Goldschmidt's announcement would

allow the county to get on with the business of economic development.

Ward, who had projected that the dam wouldn't make a profit for at least 20 years, said the county has been bogged down by the controversy and needs to put it in the past.

Jon Putman, a spokesman for the dam support group Save Our Klamath Jobs, said that Goldschmidt's decision did nothing to shake his support for the governor, but that he hoped that a compromise could be worked out.

The city of Klamath Falls hopes to build the \$131 million dam 27 miles southwest of town on the last free-flowing stretch of the Klamath River in Oregon.

City officials contend that the 360,000 megawatt hours of electricity produced by the dam would bring \$3 million to \$10 million a year to the city to finance economic development and provide tax relief.

The environmental quality agency ruled last August that the dam failed to meet demands of the federal Clean Water Act because it would increase the water temperature on the Klamath River, endangering the native rainbow trout.

## Forestry's new board

It was something of a roll of the dice when the 1987 Legislature, at the request of Gov. Neil Goldschmidt, undertook sweeping changes in the Oregon Board of Forestry's makeup and mission.

The gamble is still there, but the early signs are encouraging.

The new Board of Forestry consists of only seven members, compared to the old board's nine voting and three ex-officio members. Another change did away with so-called designated seats on the board for special interests, primarily the timber industry. Under the new law, no more than three of the seven board members can receive more than half of their income from forest products. That, coupled with the governor's appointments to the made-over board, has resulted in a forestry panel that appears representative of the state as a whole.

Tom Walsh, a Portland contractor, former chairman of the State Transportation Commission and an ex-member of the Land Conservation

and Development Commission, is Goldschmidt's choice to chair the new Board of Forestry. Also represented are two large independent timber companies, a family-run forest products company, a small woodlot owner (Pat Straub, wife of former Gov. Bob Straub), the Oregon Environmental Council and the land-use watchdog group, 1000 Friends of Oregon.

It looks to be a balanced group, one geared for making decisions based on the facts presented rather than on tradition or one-industry cynicism. Given that the new board has also been given broad new powers to

regulate forestry policy and operations in Oregon, that balance is essential.

As the Coos Bay World noted, the new board seems to be a group equipped to fight the issues out at the board level — instead of in court.

If so, it will mark an important and needed step toward unifying Oregon's timber policies into a cohesive and well-understood whole as those policies relate to proposed forestry operations, to the federal government, to local governments, to the needs of the wood products industry, and to environmental concerns. And, as Goldschmidt hopes, it should put the Board of Forestry in a better position to be a major player in the governor's "Oregon Comeback."

Not all of the new board's decisions will find universal acceptance. But given the reformed makeup of the board and its new mission, even those who disagree with a particular outcome should feel that all sides were heard.

11/13/87 Stateman

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# Governor explains regional economic strategies

908 12-14-87 Roseburg  
Don't diversify too much, he says

By PETER WONG

of The News-Review

Gov. Neil Goldschmidt says Oregon's regions shouldn't abandon all efforts to diversify their economies, but they should concentrate their efforts to bring about growth in selected fields.

He said his program for regional economic strategies is meant to draw people together, let the regions make their own choices, and guide state agencies in helping the regions.

"In the marketplace, if we scatter ourselves very, very thin, we don't have very much of an effect," he told business leaders and government officials on his weekend visit to Roseburg.

"But that doesn't mean when you choose a strategy for purposes of seeking money under regional strategies, you don't stop doing other things."

The program was part of Goldschmidt's economic package known as the "Oregon Comeback." Earlier this year, the Legislature approved the strategy-setting process and \$25 million in state lottery proceeds to help regions get started.

Much of what Goldschmidt said Friday at a meeting in the Douglas County Courthouse was not new.

But business leaders and government of-

ficials were able to hear an explanation from him, instead of from staff members of the state Department of Economic Development. He also made his comments at a public meeting in Roseburg, instead of in private conversations in Salem.

He said one of the program's goals was to build cooperation among communities within a county, between counties in a region, and among the state's regions.

"We can't take on the seventh largest economy in the world (California) by having Douglas County, Lane County, Jackson, Coos and all the rest of us argue with each other," he said.

He said another goal was to inform state agencies about regional priorities and how the agencies can channel a variety of state and federal grants and private investment into the regions.

"We're prepared to juggle everything we can to help you get that impact when you finally pick a strategy," he said.

An advisory committee has recommended a two-track strategy for Douglas County, aimed at luring tourists and providing unspecified help for businesses.

County commissioners, backed by state economic development officials, have said a two-track strategy may be too broad to win state approval.

But some advisory committee members, backed by local economic development officials, say a narrow strategy could exclude help for the wood products industry or alternative uses for the former Hanna Nickel smelter west of Riddle.

"Why can't we have a multi-faceted approach?" Tony Kuhn, executive director of the Coos-Curry-Douglas (CCD) Business Development Corp., asked. "Or can we have a multi-faceted approach, because we're a unique environment?"

"No, you're not," Goldschmidt replied. "I get this speech in 36 counties."

The county sought to incorporate in its regional strategy a study of alternative uses for the Hanna Nickel smelter. Then it decided to proceed separately with the study, but the state Economic Development Commission rejected a request for state aid for the study.

Goldschmidt said the regional strategies program did not exclude state aid for other economic purposes, such as aid to communities with large businesses that have closed or are in danger of closing. The Legislature set aside \$300,000 for what is known as the state stabilization and conversion fund.

"But I would rather not screw up the regional strategies program to fix a problem that, in policy terms, the Legislature already has agreed exists out there," he said.

In an interview later, Goldschmidt said the program was "maturing slowly and carefully, and I think that's a good thing."

"It isn't going to change Oregon overnight," he said. "That isn't what it promised to do. What it said was if we work together, we'll get more for our money."

He conceded that it may raise expectations too high, "but I'd rather have them too high than too low."

To the business leaders and government officials, Goldschmidt said one county has accounted for 20 percent of the income growth within Oregon in the past five years. He did not identify it by name, but it was Washington County in the Portland metropolitan area, which has services and high technology.

"Our mission with the regional strategies program is to try to help change that," he said. "Without any apologies, it is intended to try to get resources as fast as we can in a partnership to the communities that have been losing population and disposable income because their economies have been hurt by natural resources declines."

According to a 1986 report of the U.S. Department of Commerce, Washington County ranked first in the state in per capita personal income at \$13,838 in 1984. Timber-dependent Douglas County ranked 21st at \$10,360.

The same report put Oregon's per capita personal income at \$11,613, less than the na-

tional average of \$12,772.

Later, in a speech to more than 200 people at the first Al Flegel Banquet at St. Joseph School, Goldschmidt said his administration was committed to increasing that figure "and we intend to fix it."

He said as a whole, Oregon high school students rank second in the nation on the Scholastic Aptitude Tests for college, and first on tests for the armed forces. But he said because of a lack of jobs, Oregon's best and brightest end up leaving the state.

"If we're committed to stop being a farm team for some other state, we'll tax ourselves to pay for high-quality education," he said.

"Then if we don't work together and be courageous enough in our public lives to invest in a future that will create jobs for these youngsters, I think we don't deserve to feel about Oregon the way we do. It's the best place on earth."

The Democratic governor said that task isn't partisan, but the Legislature is organized according to party. Democrats had slim majorities over Republicans in both houses this session, 31-29 in the House and 17-13 in the Senate.

"They were tremendously courageous under fire," he said. "If we are going to continue to battle our way through this situation, we have to have more of them."

## Governor upsets pot initiative backers

By Paul Fattig  
of the News-Review

Backers of an initiative to allow limited marijuana possession by adults are upset over Gov. Neil Goldschmidt's recent statements against the campaign.

Laird Funk of Williams, one of the chief petitioners of the controversial initiative, said Goldschmidt's statements were politically motivated.

"It's far easier to make a meaningless public statement than to be committed to a real war on drugs," Funk said. "The choices are do we wish to keep up a war which has failed, or do we want to find a practical solution?"

The initiative, Funk argued, would provide a solution by allowing only people 21 or older to possess up to four ounces of dried marijuana and three plants. However, they would have to purchase a \$50 county certificate, raising money to combat "hard" drug use such as heroin and cocaine, Funk said.

Last week, while visiting teenagers in a drug treatment program in Roseburg, Goldschmidt spoke out against the initiative.

"Do not sign that bloody marijuana initiative when it is passed in front of your face in a shopping center," Goldschmidt said, later adding, "We are in a war for the hearts and minds of our kids."

Funk said he plans to send a response to the governor to express the concern of the petitioners.

"I don't relish an adversarial relationship with the governor," Funk stressed. "I'm surprised that a man of his intelligence, concern and perception would say that, when in fact the war on drugs is failing. It would behoove the governor not to shoot so quick."

The governor's support for waging a war against marijuana use is not the answer, Funk said.

"What the governor has to offer is nothing new," Funk said. "There is no more money available. The drug abuse problems are going to have to be dealt with from a different direction. The current direction is not working."

Since President Reagan announced the war on drugs last year, an election year, the program has "fallen off the front page," Funk said.

With half of the drug arrests now involving marijuana, the price for the illegal drug has increased to nearly that of hard drugs, Funk said.

"The price of marijuana has risen to the point where people have become willing to carry a machine gun to protect it, and third and fourth grade schoolchildren are now able to buy cocaine," Funk said. "No reasonable person can say we are winning the war on drugs."

And he points to the state prison in Salem as evidence.

"If you look at the drug abuse records for the Oregon State Penitentiary, you'll find they can't keep drugs out of a maximum-security prison," he said. "If the police can't do that, then how can they expect to keep it out of a free society?"

"The war on drugs is based on public relations, hype and lies," he concluded.

He noted that an editorial in the Aug. 31, 1987, issue of the New York Times recommends further decriminalization of marijuana while increasing efforts to crack down on the use of heroin and cocaine.

Statesman-Journal, Salem, Oregon

Tuesday, January 12, 1988

## Editorials

### Oregon prevails

## State wins funding war

Gov. Neil Goldschmidt and knowledgeable members of Oregon's congressional delegation are to be commended for refusing to knuckle under to the Federal Emergency Management Agency's demand that the state include nuclear war in its emergency planning before it could share in federal funding.

Oregon officials have held tough for two years running against the agency's unreasonable position. The governor last year refused to allow Oregon to participate in the exercises because they included a nuclear war scenario.

Republican Sen. Mark Hatfield and Democratic Reps. Les AuCoin and Ron Wyden have added their valuable bipartisan opposition to the agency plan to help secure

Oregon's victory in this important confrontation.

Under the contract with the federal agency this year, Oregon will receive emergency planning and civil defense funds. Opponents in Oregon correctly have objected to wasting time and other resources planning for nuclear war. This could only help perpetuate the myth that such a war is survivable.

Civil defense planning certainly is a necessary part of Oregon's emergency planning, but nuclear war is a different matter. Any federal implication that our nation as we know it today could survive a full-fledged nuclear war possibly could encourage military and political leaders to choose that as an option.

Such a choice not only would be totally unacceptable, it would be madness.

## The governor's speech

Gov. Neil Goldschmidt's State of the State address, delivered last Friday to the City Club of Portland, offers a striking vision. By devoting his entire speech to the human needs and the environmental values of the state, Goldschmidt demonstrated that he has broadened his vision of Oregon. In the months to come, this speech will become one of those measuring sticks by which people gauge Goldschmidt's follow-through.

We have read and listened to many of Goldschmidt's speeches over the years, and we think this is one of his best. We have reprinted a substantial amount of the text elsewhere on this page.

To win a statewide election in Oregon, a politician must command the middle of the political spectrum. For instance, Sen. Mark Hatfield and Bob Packwood have won elections by being more liberal than most Republicans. Goldschmidt took the center away from his Republican opponent, Norma Paulus, by appealing to Republican business leaders.

Goldschmidt has been so convincing in his move to the right that he has on occasion sounded more like a Republican than a Democrat. But in this State of the State address, Goldschmidt sounds traditional Democratic liberal. "Pay attention to domestic needs. Aid the family. Above all, rescue the children."

If traditional Democrats have been waiting for Goldschmidt to sound the trumpet, so have environmentalists, who say that he has no environmental policy. Goldschmidt invoked the words of the late Gov. Tom McCall, Oregon's saint of environmentalism. The governor also spoke of his own discovery of Oregon during 1967. He noted that "my conviction that Oregon is a unique place on earth, a place to be treasured and protected, has deepened."

The basic message of Goldschmidt's speech was that if the state does not take adequate measures to protect, nurture and raise its children, it will pay in the long run. He pointed to the correlation between children who have been abused and their subsequent delinquency. "Last year, there were almost

14,000 reported victims of child abuse in Oregon," he said.

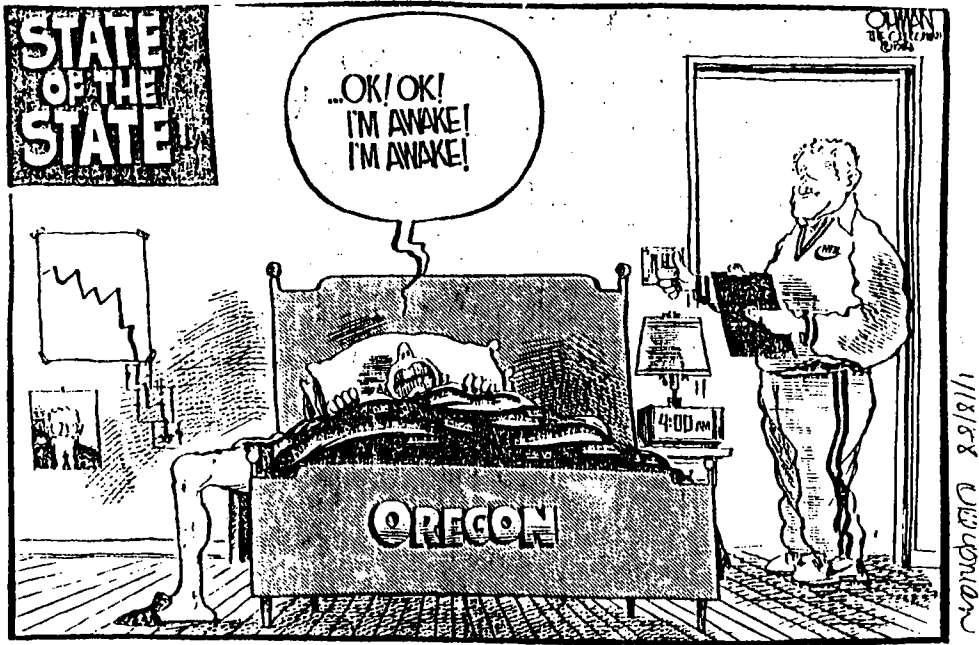
"We will build more prison cells because they are needed," said Goldschmidt. "But if this is all we do, they will always be full."

The message was that in fighting crime we must not focus narrowly on law enforcement and penology. Republicans like Rep. Denny Smith of Salem are making their political livelihood these days by pumping for more prison space. Goldschmidt's argument was a clear challenge to Smith and others who offer a one-issue campaign for dealing with crime.

Beyond fighting crime in Oregon, the logic of Goldschmidt's argument applies nationally. In fact, the eminent Washington political columnist, David Broder, wrote about this theme in his Sunday column. Broder said that as he interviewed people on doorsteps around the country he discovered growing conviction that spending money on the military machine is not enough. Broder also referred to a new book titled "The Rise and Fall of the Great Powers." This book points out that countries that have invested heavily in armaments and armies have throughout history suffered economically in the long run. With such a large share of a country's resources going into an arms machine, there was an erosion of economic investment and innovation.

What Broder finds in this book and across the country is a theme that Sen. Mark Hatfield has sounded consistently over the years. Hatfield has argued that national security is more than a matter of building a war machine. National security, says Hatfield, is a strong economy, an employed work force, innovation and investment in long-term growth.

Similarly, Goldschmidt argues that we must not focus narrowly in our war on crime. The governor is on the right track. Children are our most precious resource. If we do not raise them right and if we do not rescue children in peril, we will pay in the long run. As Goldschmidt noted, we will build more prison cells. But if that's all we do they will always be full.



# Women, minorities increase in state government

By JEFF MAPES 1/29/88  
of The Oregonian staff

Women and minorities are making up a slightly larger percentage of the state government work force, but they tend to be in lower-paying jobs than their white male counterparts, according to information released Thursday by Gov. Neil Goldschmidt's office.

In Goldschmidt's first year in office, women employment increased from 50.3 percent to 51.1 percent of the government work force. Meanwhile, minority employment increased from 6.8 percent to 7.3 percent.

Other statistics showed that men hold 66 percent and women only 34 percent of the state government jobs paying more than \$25,368 a year. Minorities hold 6.2 percent of the total. Kathleen Saadat, the governor's affirmative action director, said she did not yet have a comparison telling her the percentage of women and minorities holding higher-paid jobs in previous years.

Ruth Ann Dodson, Goldschmidt's appointments secretary, said Goldschmidt has appointed 406 people to boards and commissions, with 30 percent of them being women and 10 percent minorities. She also did not have comparisons with appointments from previous years, although she said she thought there were now more women and minorities on boards and commissions.

The information was released as aides to the governor touted his first-year record in affirmative action. While Goldschmidt has been criticized at times for his commitment to affirmative action, Saadat said she has been encouraged by the governor's support.

# Employment record

**H**ere are 1987 statistics for state hires and appointments. Figures for 1986 are available only for total state employment.

	No. employed	Percent
<b>Governor's office</b>		
Total staff	44	NA
Men	8	18.2%
Women	36	81.8%
Minorities	4	9.1%
<b>Boards and commissions</b>		
Total appointments	406	NA
Men	285	70.2%
Women	121	29.8%
Minorities	40	9.9%

**A** total of 1,332 employees earn more than \$25,368. Here is how those employees break down.

Men	876	65.8%
Women	456	34.2%
Minorities	82	6.2%

	1986	Percent	1987	Percent
Total	28,075	NA	29,342	NA
Men	13,982	49.7%	14,361	48.9%
Women	14,113	50.3%	14,981	51.1%
Handicapped	379	1.3%	414	1.4%
Total minorities	1,908	6.8%	2,149	7.3%
Black	513	1.8%	587	2.0%
Hispanic	520	1.9%	606	2.1%
Asian	552	1.9%	583	1.9%
Indian	323	1.2%	373	1.3%

NA means not applicable

Sources Oregon Executive Department

The Oregonian

"I think he is very serious" about affirmative action, said Saadat, adding that "when I go out to agency heads, they've already heard" a pitch for affirmative action from Goldschmidt.

Still, there have been continued complaints about some commissions. For example, the governor

recently appointed two white males to the Fish and Wildlife Commission over the objections of two women who had applied for the job. One of the commission's seven members is a woman.

Elizabeth Furse, a Helvetia farmer whose husband is president of the Oregon Wildlife Federation, said she did not think the governor made an effort to recruit women for that commission.

"I am concerned when the affirmative action guidelines seem to be ignored," she said. Furse did say it also was possible that ideological considerations played a role in the appointments. She said one member of the governor's staff told her that she "wished I was a female hunter."

Dodson said the competition has been keen for many board appointments and that a number of qualified individuals have not been appointed to positions they have sought.

Dodson also said the administration has attempted to provide a geographical balance to board and commission appointments. Her statistics showed that 44 percent of the appointees have come from the Portland metropolitan area, which has 40 percent of the state's population.

Some 30 percent of the appointments have come from the Willamette Valley, 15 percent have come from Eastern Oregon and 10 percent from Southern Oregon and the coast. Dodson said Goldschmidt, who once served as mayor of Portland, has worked hard to find qualified board and commission members outside the metropolitan area.

# Tourism slogan pushes 'different' look

By PAT KIGHT 2-4-88  
Correspondent, The Oregonian

CORVALLIS — The state will mount a major spring tourism campaign around a new slogan: "Oregon. Things Look Different Here."

The new slogan and marketing strategy were unveiled Wednesday before some 200 tourist industry representatives at Oregon State University.

The campaign will promote Oregon "the same way you would market a quality brand," said Deborah Kennedy, director of the state's Tourism Division.

The new slogan and accompanying advertisements will be the centerpiece of a spring and summer push to attract "upscale" tourists ages 24 to 59 from the San Francisco area, Kennedy said.

The slogan is designed to be used by everyone who promotes Oregon products, industry, tourism and economic development, she said.

In a preview last week, Kennedy added, Gov.

Neil Goldschmidt and other state officials expressed enthusiasm about the marketing approach. "The entire state government effort at promoting Oregon is tied together," she said.

The slogan advertisements and market strategy were developed by Wieden and Kennedy, a Portland advertising agency, under a \$600,000 budget that also will pay for the spring print advertising campaign and billboards in the San Francisco Bay area.

A third component — television advertisements in San Francisco — will require private financing, Kennedy said. The state is trying to persuade major airlines to put up the \$200,000 needed to produce them.

The new slogan replaces one developed during the Attyeh administration, "In Oregon, You're More Than Welcome." That phrase was intended to counter the state's image as a place where people were invited to visit but not to stay — an image based on an off-hand remark by the late Gov. Tom McCall.

"We think this campaign will clear away some of the cobwebs and misconceptions of the

past," said Warren Klug, head of the state Tourism Council.

Added Kennedy: "You can say things are different here visually, economically, more confidently than they used to be."

The Bay area campaign will include 12-page, full-color inserts in West Coast editions of Time and Better Homes and Gardens magazines. They will feature sections on Oregon's scenic environment, tourist getaways, cities, ethnic diversity and culture.

Wednesday's audience laughed and applauded the culture section bearing the heading, "Bring Your American Express. We No Longer Accept Beaver Pelts."

Those on hand for the unveiling gave high marks to the slogan and campaign.

"I think there's room for it (the slogan) in our new campaign promoting the Oregon (Convention) Center," said Charles Ahlers, director of the Greater Convention and Visitors Association. "I like the concept. It's a wonderful way to tie everything together."

traveled from Salem with three other state officials to announce in a press conference in Redmond Friday that the strategy had been approved.

Just how much money will flow depends on how much is available from the lottery at a given time, "but basically we'll be able to (send) it as each county says 'hey, we're ready for funding,'" Lohman said.

"The Welcome Center has been slated to receive the first allotment, whereas the renovation of the Pine Theater has been scheduled to receive the last \$30,000 in lottery funds so First Stage Inc. has time to purchase the theater or make other arrangements for a community theater.

First Stage President Jim Van Voorhees said what the group will do with the money, which probably won't be available for almost two years, is unknown at

this time. It's still possible the grant will be handed over to the school district and applied to construction costs of an auditorium, he said. And "there may be some reason the theater is still under consideration, too, but I don't want to get into that."

First Stage Inc. and Dr. Bruce Williams have been negotiating with the San Francisco firm that owns the theater while

simultaneously and unsuccessfully trying to strike a deal with Bud Shrum for permission to use a small parking strip behind the theater as part of an emergency exit area.

In the meantime, the seven-member committee that prepared the regional strategy will be looking ahead and wondering if they are going to develop another strategy for the next biennium.

"It's premature to say we're going to start working on new programs" when so much hasn't been decided, such as who will prepare the next regional strategy, said Steve Uffelman, a Prineville city councilman who served on the seven member committee comprised of city and county officials from Bend, Redmond, Madras and Prineville.

The Crook County Court reluctantly approved the strategy, but made it clear the Central Oregon Intergovernmental Council should handle the next one, if there is a next one.

3-8-88  
Central Oregonian  
Prineville

## It is time to fight back

Normally states don't go to war. But these are not normal times in Oregon.

Last week Gov. Neil Goldschmidt announced plans for a three-front campaign against crime. The announcement amounted to a declaration of war.

"Today, Oregonians are under attack,"

Goldschmidt said. "Not by an enemy from beyond our borders, but by criminals so bold, so brazen, they virtually thumb their noses at us all."

Goldschmidt said he will ask the Legislative Emergency Board on March 17 to support an \$11 million package of measures to restore sanctions to Oregon's criminal justice system. Funding will come from federal grants, E-Board appropriations and the reallocation of funds within the state budget.

The governor has three goals: To increase available prison space; to provide for tighter supervision of parolees and probationers — and to punish those who stray; and to make drugs the No. 1 priority for law enforcement efforts.

The E-Board, those lawmakers who make financial decisions for the Legislature between sessions, will be asked for \$8.3 million on top of \$1.7 in emergency funds already set aside for corrections. Goldschmidt says he will use the money to speed up and expand upon the 1987 Legislature's commitment to add 1,700 new prison beds starting in 1989.

Specifically, the governor will spend \$300,000 more than planned at the Eastern Oregon Correctional Institution in Pendleton to add 760 beds by February 1989 instead of waiting until July 1989 as scheduled. He will use \$7.9 million to add another 695 beds by altering existing facilities, using recently vacated jail cells in Coos County and renting space in temporary structures on a short-term basis.

Structured Supervision Project pilot programs in Multnomah and Josephine counties will target convicted burglars and thieves for intensive follow-up work after they are paroled or placed on leave. A related Parole Violators Project will feature 110 beds in the old Coos County Jail to house those who commit new crimes.

In the area of drugs and drug dealers, Goldschmidt will push for longer prison sentences for drug-related crimes. He plans to obtain more money for the State Police Crime Lab. He also will work to further restrict access to chemicals that are used to make methamphetamines by seeking action in neighboring states and from the federal government.

The governor's war on crime will drain the emergency fund for the biennium, leaving about \$3 million to \$4 million to cover problems until the Legislature meets in January 1989. That's a gamble, but it is one Oregonians must take.

This emergency is like no other we've faced. This is war ... and we're fighting for survival. — R.A.S.

# Bay Area gets taste of Oregon

By Jolayne Houtz  
Of the Statesman-Journal

3/15/88

Oregon officials will spend more than \$107,000 launching an Oregon food and wine promotion and kicking off a Northern California tourism campaign this weekend.

A group of 50 state officials and tourism industry leaders will spend today and Saturday in the San Francisco Bay area, bringing area residents a taste of Oregon's gourmet food products, tourist attractions and business opportunities.

The state will spend \$70,000 on a 17-day promotion of Oregon foods and wines at 13 Neiman-Marcus department stores nationwide.

Store officials are expected to at least match that figure, Dalton Hobbs, spokesman for the state Department of Agriculture, said.

Gov. Neil Goldschmidt and a group of about 10 state officials attended a reception at Neiman-Marcus' Northpark store in Dallas, Texas, Thursday, marking the opening of the chains' campaign.

They also attended a dinner with Dallas business leaders, sponsored by Burlington Northern Inc.

The group will join the rest of the delegation tonight at a similar reception at Neiman-Marcus' Union Square store in San Francisco.

Other state officials taking the trip include Dick Reiten, director of the state Economic Development Department; Bob Buchanan, director of the state Department of Agriculture; and Delby Kennedy, Oregon Tourism director.

Neiman-Marcus officials spent four days in Oregon last fall sampling more than 200 foods and wines for the promotion. The products they chose include Kettle Chips; Jake's clam chowder; truffles; salmon jerky; and hazelnut honey butter.

Eight Oregon companies, including Salem's N.S. Khalsa Co., will demonstrate their products during the weekend at the San Francisco Neiman-Marcus store, while 40 more Oregon firms will be based in other participating stores.

Chiefs George Tate and Greg Higgins of Portland's Turn to Trip, Page 3C.

Tourism officials  
woo Oregon visitors  
Page 3C

## Trip

Continued from Page 1C. Heathman Hotel will demonstrate ways to prepare Oregon foods today in Dallas, Texas, and Saturday and Sunday in San Francisco.

Area firms participating in the promotion are: Cherry Knoll Creations, Dallas; Dundee Orchards, Dundee; N.S. Khalsa Co., Salem; Oregon Apiaries, Newberg; Oregon Elephant Garlic, Corvallis; Orpac-Lox Corp., Lincoln City; Par-Pect Orchards, Albany; Scimitar Smoked Meats, Canby; and Tall Talk Dairy, Canby.

Many of the companies participated in a similar promotion last spring at Bloomingdale's stores in New York.

Salem-area business owners participating in the Neiman-Marcus promotion said they do

not expect stellar sales for their efforts but instead look forward to the publicity.

"It's the recognition that ... Neiman-Marcus wouldn't bring in just any old potato chip for its promotion," Chet Thomas, a spokesman for N.S. Khalsa Co., said. The firm makes Kettle Chips and other food items.

Although the company's participation in the Bloomingdale's promotion did not produce much in sales, Thomas said, "We could never have bought or paid for the publicity it generated."

Cecil Horn, co-owner of Scimitar Meats in Canby, said the Bloomingdale's promotion gave her company a chance to reach a very upscale clientele, and she hopes for more of the same from the Neiman-Marcus promotion.

## Dear Friend: Please visit. Love, Neil

□ The state, with an assist from PP&L and a letter from the governor, is about to open a tourism campaign

Will Aunt Minnie in Peoria and Suzie from high school in Queens be more willing to visit Oregon if Gov. Neil Goldschmidt asks them to come?

Here's the chance to find out. Pacific Power & Light Co.'s 340,000 customers in Oregon will soon be asked to send in the name of a friend or relative whom they would like to have visit.

The utility will pass those names on to the state Tourism Division, which in turn will whip off a semipersonalized letter from the governor and an Oregon travel guide urging a vacation trip to the Beaver State.

Deborah Kennedy, the state's tourism director, said the letter from Goldschmidt will say something along the lines of, "Dear So-and-so, your cousin hasn't seen you in a long time and is anxious for you to visit."

Kennedy said PP&L tried the same program in Wyoming and got a good response. The utility will include the Oregon promotion in bills that go out starting May 2. Oregonians who don't do business with PP&L can get in on the program by mailing the names of would-be visitors to the state to Goldschmidt at 595 Cottage St. N.E., Salem, Ore., 97310.

Kennedy said she thinks the program should be successful because as many as 35 percent of Oregon's tourists are in the state to visit someone.

"I can think of several friends and relatives I haven't seen for a while who really deserve a visit to Oregon," Kennedy said in a news release. "This is an excellent way to get them out here."

Kennedy said she isn't sure how many out-of-state names the Tourism Division will get. It will cost the state about \$2 to mail out each gubernatorial letter and guide.

The only other question at this point is how non-Oregonians will respond to a personal-looking missive from Goldschmidt.

"I think I would feel that my (Oregon) friend really wants to see me," said Kennedy.

## Goldschmidt sets Malheur County 'whistle stop' visit

CHRIS MOORE 4/14/88  
Argus Observer

ONTARIO — Gov. Neil Goldschmidt will be in Malheur County May 10 seeking input for his Children's Agenda.

Gubernatorial executive assistant Jill Thorne met with a local group of about 20 Tuesday morning to plan the governor's three-hour visit.

Planners discussed what the region does well in the area of youth and how to present the assets along with some problems to the governor.

Thorne described Goldschmidt as a "traveling governor," adding he "wants to know what is happening in Eastern Oregon with youth."

She said he is visiting to "learn what is going on here"

and to "raise the awareness in the community for his Children's Agenda." She said he wants to interest the business community in investing money, time and jobs in youth to broaden the base of support.

Thorne advised, "Don't ask him for more dollars," as she emphasized that Goldschmidt is coming to Malheur County to learn, not to give speeches.

Sam Banner, regional career education coordinator with the Malheur Education Service District, explained local efforts with the Student Retention Initiative, a statewide effort to keep students in school through high school graduation, noting there is considerable support in the area.

Thorne told the group Goldschmidt "would rather have dialog — learn where the

problems are and share what is being done. He knows there isn't much money available and he wants to gather in the best ideas.

Thorne asked about the local drop-out rate receiving an estimate that it runs from 10 to 27 percent.

"Everywhere I go, kids are saying they aren't listening," Thorne said, expressing concern that whatever is done should be done to impact youth's problems.

Tentative plans for the visit include stops at the Vale Elementary School to view a foreign language class, the Restitution, Treatment and Training Center and Treasure Valley Community College to explore problems and possible solutions.

## The REGISTER-GUARD EUGENE 05-21-88 Governor wants 'partnership'

LA GRANDE — Gov. Neil Goldschmidt, who made news with his shake-up of the Oregon higher education establishment, is suggesting a "public/private partnership" to boost graduate education in high-technology fields.

Goldschmidt suggested "expanding" the relationship between the privately financed Oregon Graduate Center and the publicly financed Oregon Center for Advanced Technology Education (OCATE).

The suggestion came in a letter the governor wrote to Richard Hensley, vice president of the State Board of Higher Education. Hensley read the letter to fellow board members at a meeting Friday.

"As you know, there is a clear need for additional graduate education in high technology in the Portland metro-

politan area to support the needs of existing industry and to enhance the prospects for further economic development," Goldschmidt wrote.

He said his office had discussed the potential of a merged effort with OCATE and with the Oregon Graduate Center, or OGC. "It is our belief that there is a great potential for a public/private partnership," he said.

If the higher education board agrees such a strategy is desirable, "I would be willing to make funds available ... to support the instructional activities of OGC faculty in specific areas, provided that OGC would reduce its tuition fees in these areas for state system (of higher education) students," Goldschmidt said.

The state would, in turn, gain representation on the Oregon Graduate Center board, the governor said, add-

ing that he would propose adding "continuing funding" for the arrangement to the state Department of Higher Education budget.

Efforts like the new Institute for Advanced Computing, recently formed in cooperation with the OGC, "represent an efficient use of scarce financial resources, avoiding duplication of costly but necessary education programs," he said.

Board members agreed, without elaboration, to have their OCATE subcommittee look into the proposal and report back.

Goldschmidt shook up higher education recently by asking for and obtaining the resignations of Chancellor William "Bud" Davis and Educational Coordinating Commission executive T.K. Olsen, and by appointing his own education adviser.

# Governor promotes 'children's agenda'

By TOM DETZEL

The Register-Guard

4/20/88

Gov. Neil Goldschmidt urged broad community involvement Tuesday in helping construct his proposed "children's agenda," and he pledged to ask lawmakers next year for money to finance locally based efforts to aid children.

Speaking to about 400 people at a luncheon at the Eugene Community Conference Center, the governor said that if the agenda, which he proposed in January as a top priority this year, "is only a state commitment, we will not succeed."

"On the other hand, there is a role for government, and it's going to be partly your responsibility to define what you want state government to do," he said, adding that he expects participation from a wide range of local groups.

## Local support needed, Eugene gathering told

The luncheon, sponsored jointly by the Eugene Chamber of Commerce, the Junior League and Eugene Rotary clubs, highlighted a second day of travel in Lane County during which Goldschmidt has focused on the children's agenda.

He also taped a town hall forum on children's issues at KEZI-TV studios that will air Sunday at 8 p.m. on cable Channel 18, and he later attended a similar meeting in Brownsville organized by community leaders and youth groups.

The governor last month visited schools in Eugene and

Brownsville to examine drug education programs and grants to keep "at-risk" students from dropping out of school as part of an extended statewide tour focusing on children.

He has visited 18 of the state's 36 counties in an effort to flesh out the agenda, which he has sketched in general terms as a plan to combat drug and abuse and to improve educational opportunities for young people. The tour ends at the conclusion of the school year in June.

In his speech and in comments afterward, Goldschmidt seemed to add some clarity to his plans for financial aid to communities that have developed a child

Turn to AGENDA, Page 2B

## AGENDA Continued from Page 1B

strategy.

He said he was uncertain of how much state money might be available in grants, but compared it with the roughly \$4 million budgeted by lawmakers in 1987 for his Student Retention Initiative aimed at curbing dropout rates. About \$1.5 million of that was state money and the rest was federal matching funds.

Goldschmidt said it would be up to local communities to open a dialogue on children's issues, to formulate a strategy for aiding children and to present it to the state for funding as a "recognized community plan."

"I don't think we can write a check big enough for every list that is built," he said. "But you should assume this governor intends to go to the Legislature and do something besides trickle money down through state agencies."

"We need to have community dialogue, and we need you to talk about

how you would spend it as if it were your money," he said.

Goldschmidt also warned that he expected full participation in creating local strategies from the full range of civic organizations, including business groups, churches, non-profit children's agencies, schools and others.

"In looking at these plans, if somebody manages to leave groups out, if you want to leave the Boy Scouts out because you say they already have money from United Way, you're in trouble with the governor already," he said.

Goldschmidt described the community grants as only one part of the entire children's agenda program, saying other thrusts would be in reviewing existing state programs, in setting new priorities and in shifting funds into children's programs that could be beneficial in communities statewide.

He said the agenda is not exclusive-

ly aimed at "at-risk" children who are victims of drugs or abuse. "It's a children's program for all children in which you go through and look at their needs and set priorities."

During a question and answer period at the luncheon, Goldschmidt said he expected the agenda to address the problems of teen suicide and the lack of adequate prenatal care for mothers who work but can't afford health insurance.

He also said that the 1989 Legislature "needs to pass" a law aimed at combatting the sale of drug paraphernalia in the state. A similar bill passed the Senate but failed in the House during the 1987 legislative session.

The governor's aides have said plans are to complete the children's agenda sometime before the legislative session begins in early 1989 and that specific programs won't be drawn up until after the governor completes his tour.

## Forest planning State building leadership role

WHAT VALUES is the state of Oregon applying as it reviews the federal timber plans that are certain to affect our economic future?

According to Gov. Neil Goldschmidt, it's that same balance that we've seen from his administration so far — balancing resource protection with resource production in a way that is in the best interest of Oregonians.

The state is taking an aggressive attitude toward the management plans being drafted right now by the U.S. national forests with lands in Oregon. No other state is doing that, according to the governor. In fact, outside of the timber industry and environmental interests, we hear precious little interest in this very important process.

But with more than half of Oregon lands under federal ownership and with one-third of all manufacturing jobs in the state tied to resources harvested from those federal lands, the state's economic hopes are tied to those forest plans. "The stakes are huge," says the governor, "forest products, fish and wildlife, minerals, livestock grazing, clean water and air, recreation, wild and scenic values, and fragile ecosystems."

WE HAVE PRAISED the state's involvement before, including the first comments and questions about the Siskiyou National Forest plan that affects Southwestern Oregon.

Those initial questions were aimed at creating more dialogue between state and federal officials, and will eventually lead to a state alternative to formal Forest Service recommendations.

The criteria for those Oregon Alternatives, in the order listed by Goldschmidt, are:

- The environmental protection needed to pass on forests, unimpaired, to future generations;
- State agency goals for the forests;
- The Oregon Comeback, and;
- The desires expressed by the public.

It's a list that typifies Goldschmidt's view of balance.

By speaking with one voice instead of through several agencies, and being actively involved in all the timber plans across Oregon instead of picking of choosing battles, the state has put itself in a credible leadership position — both with the Forest Service and all the public interests involved.

## Goldschmidt touts children's agenda

By JOHN FORTMEYER  
Of The Daily Astorian

Gov. Neil Goldschmidt says his new campaign for an "Oregon Children's Agenda" will bring only limited benefits to his administration, but he envisions longer-range benefits to the state.

"My goal is to work on something that I won't be in office to see the results of," Goldschmidt said Wednesday in Astoria about his broad campaign.

Announced in January, Goldschmidt's program seeks to make the state government a catalyst and partner in community-based efforts to combat the many problems children in the state face.

The governor brought his campaign to Astoria Wednesday as part of a four-day, five-county tour. He addressed the Clatsop County Juvenile Services Commission and the county's new Student Retention Initiative group during an afternoon session at Clatsop Community College. He also spoke to more than 100 people during an evening "town meeting" at the Astoria Red Lion Inn.

Goldschmidt was scheduled to close out his Clatsop County visit this morning with an hour at Warrenton Grade School before heading on to meetings in St. Helens.

Before the end of the school year, Goldschmidt will have visited every region of the state to talk with youths, public officials, youth workers and business and other community leaders about getting involved in community-based "Children's Task Forces" that will be created. The task forces will inventory existing services for children and recommend local and state actions to meet unmet needs.

Helping with the effort are planning groups established as part of the Student Retention Initiative, a separate Goldschmidt program to help stem the state's high rate of school dropouts.

During his talk at the college, Goldschmidt sought to clarify the efforts for children. He said the program, in order to be a "vital part of Oregon," would reach as wide a segment of the population as possible.

"This program is not about 'at risk' children,"



An audience member listens intently to a question asked of Goldschmidt concerning children.

he said, referring to those youths normally targeted by intervention efforts. "This is about children."

Goldschmidt said the program was designed to foster local activism on children's behalf and not simply as a way to dole out state funds. "This is not a program about state money," he said.

But he said he hoped the state's existing funds for human resource programs could be better directed to meet the needs of children.

In the afternoon and evening events, Goldschmidt cited the example of an isolated Eastern Oregon community, Lakeview. There, 18 adults have committed themselves to conduct an alcohol-free dance and party for the town's youths every Friday night. The program has proven immensely popular with teenagers throughout Lake County.

Clatsop County residents can benefit their children's lives in the same way if only they will "stand up and say, 'We're going to save these kids,'" Goldschmidt said.

See Goldschmidt, Page 4

## Goldschmidt

Continued from Page 1

In a question and answer session at the evening session, Goldschmidt heard from local Children's Service Division employees who were concerned about what they called inadequate staffing. He also agreed that the problem of child abuse may be more extensive than anyone imagined and indicated that he would favor mandatory school curriculum on the dangers of sexual abuse.

He defended the service division workers for striving "to keep families together" while they grapple with the controversial question of state authority in family abuse cases.

"The toughest debate in the United States is not what we're going to do with the Soviet Union. It's

parental rights," he said.

The state alone can't solve all the problems facing children, but a cooperative effort with local governments is a start, Goldschmidt summarized.

"You will create a net into which a child who falls can be helped," he said.

Paula Brownhill, chairman of the Juvenile Services Commission, ended the evening session by inviting county residents to help develop a 10-year local plan for addressing issues of the young.

Goldschmidt's efforts drew public praise at the evening session from Becky Connolly of Astoria, a former schoolteacher.

"I think this is just what's needed, and I think you'll get a wonderful response," she said.

# Four counties OK programs designed to boost tourism

By DON CULLMORE  
Correspondent, The Oregonian

ASTORIA — Nearly \$4.3 million in tourism development programs designed to boost the economy were approved Wednesday by officials of four Northwest Oregon counties.

Final approval of the programs must be made by the Oregon Economic Development Department and Gov. Neil Goldschmidt as part of his regional strategies program for economic development.

Following public hearings Wednesday, commissioners in Columbia, Clatsop, Tillamook and Yamhill counties approved their respective Oregon Tourism Alliance programs, which included local and regional projects.

If approved by the governor, the projects would be funded through Oregon State Lottery grants and other state and local sources.

Commissioners for Lincoln County adopted their Oregon Tourism Alliance program April 6.

All five counties also endorsed a cooperative effort to promote an eight-county "tourism enhancement

project" to draw visitors to Northwest Oregon. The others involved are Washington, Clackamas and Multnomah counties.

The Oregon Tourism Alliance program for the region is also tied in with the development of the Oregon Convention Center in Portland and the Newport Aquarium, both multimillion-dollar projects to be partly funded through lottery funds.

Tentative approval of the counties' tourism strategy has already been granted by the Economic Development Department, which reviewed each project. The Oregon Tourism Alliance Board will review each proposal again May 2 in St. Helens, before submitting them to the state for final approval.

"In a nutshell, we got everything we wanted, plus a little bit extra," Clatsop County Commissioner Deborah A. Boone said Wednesday regarding the state's preliminary approval of the county's project list.

Boone said the county had submitted five projects for funding consideration. They were:

- \$1.3 million for an Astoria pier project to develop commercial and recreational dockage, net racks and

marina repair facilities.

- \$45,919 to develop a master plan for the Lewis and Clark Trail. It would include identification of historical sites.

- \$25,600 to renovate a Port of Astoria building as an Astoria mariners' center. It would provide accommodations, translator services and tourism information to foreign seamen while in port.

- \$27,500 for building a Cannon Beach arts center.

- And, \$65,000 for a regional tourism enhancement program.

Boone said two other projects may be considered for funding next year. Those were a feasibility study for a performing arts center at Seaside and landscaping at the Hammond Marina.

Projects proposed for Columbia County were:

- \$60,000 for improvements to the Coon Island Moorage on the Columbia River near Scappoose.

- \$125,000 for a visitors' information center at Rainier.

- \$20,000 for a study to locate and develop a state park in the county.

- \$190,000 to develop boat ramps, parking and recreational vehicle facilities at the Multnomah Channel Access.

- \$50,000 for study to build a marina at Dalton Lake.

- \$65,000 for regional tourism enhancement program.

Projects proposed for Yamhill County were:

- \$1.1 million for a regional tourism enhancement program.

- \$175,000 for a computer networking program listing tourist attractions in Northwest Oregon.

- \$300,000 for a equestrian center at the Yamhill County Fairgrounds.

- \$80,000 to restore the Cotzine House in McMinnville as a visitors' center.

Projects proposed for Tillamook County were:

- \$380,000 for expansion of the Garibaldi boat basin.

- \$70,215 for building an arena at the Tillamook County Fairgrounds.

- \$142,000 for regional tourism enhancement program.

## NEC expansion to add 200 jobs in Hillsboro

By DAVE RODEWALD

HILLSBORO — NEC America Inc. used Japanese traditions to break ground for its latest American plant — the 200,000-square-foot expansion of its telecommunications products facility here.

The \$25 million expansion, first announced in September 1987, will begin construction immediately and is expected to be completed by March 1989, the company said Friday. Additional employment will total 200 people, bringing NEC employment in the area to 600.

To celebrate the groundbreaking, Gov. Neil Goldschmidt, Hillsboro Mayor Shirley Huffman and NEC officials used gold shovels to dig in a pile of white sand.

The sand is part of an ancient Japanese tradition. It symbolizes purification and asks for successful operations, safe construction and, further, propriety of business.

The new facility will expand local production of facsimile machines and cellular telephones, but also will include a hardware research division that could employ up to 100 engineers.

"What makes this expansion even more substantial for NEC is the establishment of a hardware development center for developing new products," said Tadashi Suzuki, NEC America president.

Suzuki said the company already has

started hiring engineers and has about 15 working on transferring to U.S. standards some of the company's long-distance fiber-optics products developed for Japan.

Eventually, the hardware research center will begin to develop its own products and product enhancements and will be responsible for generating new products for manufacture at the Hillsboro plant, he said.

Suzuki said NEC has a leadership position in the telecommunications market with about 15 percent of market share for cellular telephones and up to 10 percent of the share for facsimile machines.

The company said the expansion was only the second phase of its 10-year development plan for the 212-acre site it owns in Hillsboro. NEC's first phase was a 162,000-square-foot plant that opened in October 1985.

When the second phase is completed, the company said it will occupy less than one-third of its Hillsboro acreage.

Suzuki said the next expansion would be a component manufacturing plant, but the timing of that facility has not been determined.

In addition to telecommunications devices, NEC also makes computers. The company's strategy is to "integrate the power of the computer with the reach of communication," said Hisashi Kaneko, vice president of NEC Corp., the Japanese parent company.



Friday's groundbreaking ceremony for NEC America Inc.'s expansion of its telecommunications products manufacturing facility in Hillsboro had a light moment when Tadashi Suzuki, NEC America president, had difficulty finding former Gov. Vic Atiyeh in the crowd of dignitaries. Current Gov. Neil Goldschmidt finally pointed out Atiyeh — in the front row. Suzuki was thanking the former governor for helping NEC locate in Oregon. The existing Hillsboro facility began operations in 1985, and the current expansion will add 200 jobs to the company's payroll in Oregon.

## State agency plans day care for workers

By ROBERT E. SHOTWELL  
Correspondent, The Oregonian

BEND — The State Transportation Commission on Tuesday revealed a Department of Transportation plan to provide day-care centers for agency and other state employees in facilities being developed near the Capitol Mall.

Mike Hollen of Bend, chairman of the Transportation Commission, said the commission members were very excited about the concept "coming from an agency like ours which would not normally be considered a leader in child care, the children's agenda and human resources issues."

Hollen said the department's staff was responding to Gov. Neil Goldschmidt's request that state agencies be responsive to his Children's Agenda.

"We're working with Chemeketa Community College to develop the day care centers, we have a lot of consulting programs and parenting programs," he said. "It's a fun thing to see an agency like ours get involved. It's going to be productive. It's going to be a good thing for the citizens of this state."

The program will focus on Salem, according to Hollen, because of the number of state employees there.

A building behind the Transportation Building on the Capitol Mall that houses the agency's environmental services section will be used for one of the day-care centers, Hollen said. Another center could be located in the house where former Gov. Vic Atiyeh lived, he said.

In other business Tuesday, the commission also reviewed its plans for the 1989-91 biennium, suggesting a program that would place an emphasis on contracting for heavy work where it would be considered more effective.

Hollen said based on that approach, the agency could reduce staff by as much as 5 percent, which would mean 175 fewer people over the biennium.

"It would mean being more efficient and more productive, and getting more of the tax dollars into pavement, construction and maintenance and less into overhead management, and that sort of thing," Hollen said.

The commission reaffirmed its stand that the "Access Oregon" highways designated two months ago will not change.

## Goldschmidt OKs \$24 million plan for development

By Cathy Backham  
Of the Statesman-Journal

Gov. Neil Goldschmidt announced Thursday that he had approved a \$24 million economic development strategy plan that earmarks money for a Newport aquarium, and a wine and tourism office in McMinnville.

The plan is part of his regional strategies program and calls for spending state money on 24 projects in Lincoln, Yamhill, Clackamas, Clatsop, Columbia, Multnomah, Tillamook and Washington counties.

The Oregon Coast Aquarium, which will receive \$1 million in strategy money, is expected to open in early 1991. Marcia Garlinghouse, an administrative secretary for the project, said. The \$10 million aquarium will be located on a 17-acre parcel in South Beach, adjacent to the Hatfield Marine Science Center.

Bruce Henderson, the executive director of the aquarium, said he so far had received \$8.2 million in commitments for the project. That does not include the \$1 million released Thursday or another \$1 million from the state's special public works fund.

Alberta Bryant, a Lincoln County commissioner, said: "This is more than a favorable approach to the economic problems we are having. The county has been a disaster for awhile because of the drop in the timber and fishing industries. But we are getting back on the track."

A \$80,000 grant from the strategy fund will be used to help renovate the Cotzine House on 3rd Street in McMinnville. Total cost of the renovation is \$295,000, Ginny Long, the manager of marketing services for the Oregon Economic Development Department, said.

The First Federal Savings and Loan Association of McMinnville owns the house but will turn it over to the city after restoration is completed, Vince Muekers, the bank president, said.

Tourism and wine promotion offices will occupy the historic house.

## Comparable worth: Paying the price

The Goldschmidt administration is taking a responsible approach to the problem of how to bring about greater fairness in what state employees get paid.

At issue is "comparable worth," the notion that different kinds of jobs can be reasonably compared according to some objective criteria to determine their value. The notion is false, and it is also foreign to the American system of government and the free-enterprise system. Still, public sector unions, many Democrats, and some Republicans, too, have become enchanted with the idea in order to boost the wages of jobs held mainly by women.

Because the Legislature ordered it, Oregon has done an elaborate study of all 38,000 or so state jobs. The jobs were compared and given points in three or four categories — "know-how," "problem-solving ability," "accountability" and in some cases working conditions. Now comes the hard part: Assigning to all jobs a value that then is supposed to be reflected in what each job gets paid.

According to the state Executive Department, the study is turning up some jobs that are underpaid and some that are overpaid, and presumably others that are paid about right. To bring things into line with the evaluation eventually, the governor's executives are planning to freeze the wages of those employees who are judged to be getting too much. The pay of some jobs may have to stay level for years in order for others to catch up.

The Oregon Public Employees Union thinks this is terrible. The union says that, first, the evaluation system used by the state is no good for setting individual wages. Second, instead of freezing some wages while raising others, raises should go to everybody and bigger raises should go to those who are underpaid.

All of this will be subject to labor negotiations. The governor's people may yet give in, but so far they're not. And so far they're right.

The notion of comparable worth demands that value be compared. If the comparison turns up jobs that are overpaid, by rights their pay should be cut. But this would be grossly unfair to the people involved, and the Executive Department does not want it.

If people want their pay determined by reasonable standards — such as supply and demand in the market, and other factors, such as difficulty of the job, educational prerequisites and experience, not to mention talent — then they should have opposed comparable worth. But the unions were for it, and now some of their members may have to pay the price.



Larger economic role seen

# 908 Ramsey assumes state post

By Gene Barton  
Bulletin Staff Writer

It's been a whirlwind two weeks of on the job training for Key Ramsey with trips covering the breadth of greater Central Oregon, an area more than 4 1/2 times the size of his native New Jersey.

Ramsey, 27, the state Economic Development Department's new Central Oregon business development officer, who doesn't mince words and believes strongly in getting to the point, probably wouldn't have it any other way.

"I have to be (visible) as much as I can," said Ramsey, whose one-man office is in Bend and has visited The Dalles, Hood River, Klamath Falls, Prineville and Redmond since taking over from Allan Crisler in mid-June. Ramsey already has established an unstaffed satellite office in The Dalles and is looking to locate one in Klamath Falls.

"I don't want to spend all my time on the road, but I want to be able to work with the companies, see what they've got and where I can help," he said.

I want to learn what the major companies are, who the active individuals are. The projects are coming in and you just have to get into it.

Ramsey, who earned a bachelor's degree in political science from Rutgers and a law degree from the University of Virginia, comes to the Central Oregon post from the Economic Development Department's Ports Division. He served there as liaison to federal and state agencies and provided technical help involving permits, land-use issues and governmental relations affecting the ports.

Before joining the state, Ramsey was a corporate counsel for Stoel Rives Boley Jones & Grey of Portland, the state's largest law firm, which recruited him out of Virginia.

Ramsey was introduced to Oregon and the West in the summer of 1984 while working as a law clerk in Portland.

"I loved it and decided to stay," said Ramsey, who joined Stoel Rives after receiving his law degree in 1985.

Although Ramsey called his stint with the law firm "a great learning experience," he missed the one-on-one contact with people that was lacking. Moving to the public sector was "really an easy choice for me to make," he said.

"I've always been interested in public service and when the opportunity presented itself to work in



profile

the administration under Neil Goldschmidt. I couldn't resist," said Ramsey, who's always followed politics closely, including Goldschmidt's career.

"Anyone who's a mayor of a big city at such a young age, it just caught my attention. When I heard rumblings that he was going to run for governor, I got excited about that."

After eight months in the Ports Division, Ramsey was approached about the Central Oregon post.

"I thought about it and I was intrigued by the challenge," said Ramsey, who likes what he's seen so far.

"I spoke to a number of people about what the job would entail and what the goals of the administration were and the kind of support I would receive," he said.

"What I got was a commitment from my department and the governor's office that they were concerned about the area and committed to this part of the state. I wouldn't have taken the job if I wasn't convinced."

He, at least, is undaunted about moving to an area he knows little about.

"Moving 160 miles was not a big deal," Ramsey said, considering his move from New Jersey.

"I become intrigued with challenges and I stick with it. I'm not afraid of a challenge. ... I am personally excited about the job. I consider it a great responsibility as well as a tremendous honor that the director would give me this responsibility."

Ramsey said he'll be playing a larger economic development role than his predecessor, although he knows little about how the office was run before.

"I'm told it's more of an expanding role because of the decentralization from Salem with more hands-on work and decision making at the local level," said Ramsey.

"The department is very aggressive and I think that's becoming recognized."

Ramsey said his primary role is to provide direct assistance to companies interested in expanding their operations, companies that are having financial problems and to recruit "when possible and when available companies that have shown an interest in coming to Oregon and Central Oregon in particular."



Ramsey is looking forward to challenge in pos

**'I become intrigued with challenges and stick with it.'**

For example, the department can help with job training, provide financing through its lottery-funded Special Public Works and Business Development Fund programs, help with siting and locating a business and provide assistance in the land-use and environmental processes.

Ramsey also said he plans to work closely with other organizations in Central Oregon with the same goals, such as the Central Oregon Economic Development Council and the Redmond Economic Development Assistance Program.

"The key word is communication," Ramsey said. "I hope to be a partner with

them. We've got a niche as they've got a niche. It's a matter seeing how we can best fit together. ... I hope to develop personal relationships with most of the individuals and have already met with them. We appear to be on a good road. ... It's really like a team. There are times when we'll play lead role and there will be times when we will be in the background. If we bring jobs and do what we're supposed to do, everybody's going to get a lot of the credit.

"The infrastructure is in place and the willingness is there. It just a question of getting the job done. I don't see any reason we can't do well."

## Panel backs new jail plan

Parole violators would go to North Bend

By Dan Postrel  
Of the Statesman-Journal

State corrections officials moved a step closer Thursday to opening a new jail for some of Oregon's most persistent parole violators.

A subcommittee of the legislature's Emergency Board recommended spending about \$1 million on the North Bend prison, where convicts would spend six-month sentences.

The prison would be for parole violators who have drug problems and who, on the average, have a dozen convictions on their records, state officials said. About 40 from Marion County are on a target list of 500 who could be sent if they violate their parole.

Also Thursday, Emergency Board subcommittee:

■ Recommended allowing Oregon's labor commissioner to hire four more investigators to check problems at camps for migrant farm workers.

■ Learned that the state Board of Higher Education plans to conduct hearings on how

### Committee wants study of labor camps

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to carry out its controversial decision to switch universities from a quarter to a semester calendar.

The full Emergency Board, which handles the state's budget matters between legislative sessions, is scheduled to act on its subcommittee's spending recommendations today.

The 110-bed North Bend jail, a feature of a corrections program that Gov. Neil Goldschmidt unveiled last spring, is intended for criminals with long histories of such crimes as burglaries and thefts.

Michael Francke, director of the Oregon Department of Corrections, said some of these criminals may be committing hundreds of felonies a year.

But he said those who commit crimes go free sooner because the crowded prison system emphasizes stiffer sentences for those

Continued from Page 1A. convicted of murder, rape or other violent crimes. The property criminals often spend only a few weeks behind bars when they're returned to prison for parole violations.

He said the new program "tries to restore some of the sanity that this system lost when it became overcrowded."

Elyse Clawson, director of the department's community services division, said the convicts on the list will know who they are:

"These are people who are going to be told, and their (parole) officers are going to be told, that they're targeted."

Currently, she said, about 67 percent of these criminals violate parole during the first 18 months after their release, about double the general parole violation rate.

Any parole violation, including failure to report to a parole officer or drug use — as evidenced by mandatory urine testing — would result in a six-month sentence in the North Bend jail, she said.

She acknowledged that six more months of jail time may not reform lifelong criminals. If nothing

else, she said, the sentences would at least keep the convicts off the streets longer.

The state has leased the jail from Coos County, which recently built a new county jail.

Corrections officials are seeking Emergency Board permission to spend about \$773,700 in state money and \$300,000 from a federal drug-abuse grant to operate the jail for the rest of the current budget period, which ends next June.

If the full Emergency Board approves the spending plan today, corrections officials said, the jail will open in September.

The board rejected the project in March, when members argued that the plan was too vague. The plan was turned down again in May because of a deficit in the Corrections Department's budget.

On Thursday, Francke outlined a plan for cutting the deficit.

Under the spending recommendation drafted by board members Thursday, money for the jail wouldn't be released if budget reports for July indicate that the department has not controlled its deficit. Those reports are expected in about a month.



## Editorials

### Drug dealers in Oregon

## More prison time needed

Locking up drug dealers and manufacturers for longer terms is a brilliant move, even if it means Oregon has to let other inmates out early.

At the urging of Gov. Neil Goldschmidt, the state parole board voted to impose stricter sentences on those who make or sell drugs, regardless of the amount of drugs seized during an arrest.

Drugs makers and dealers are the bad seeds of Oregon crime. Thousands of crimes are committed by men and women who have been hooked on drugs and now must write bad checks, burglarize homes, rob convenience stores and assault citizens to get the money to support their habit.

Find the person who manufactured the drugs or who is supplying them; lock them up, and throw away the key.

Though we must release some inmates early to do this, in the long run we will have reduced the number of crimes and convicts by reducing the causes of crime.

Salem, of course, objects to any early releases because of the increased risk of new crime in our neighborhoods. But until we build more prisons or treatment centers in other parts of the state, we have no choice. Better to have early-release burglars in our midst than someone who will cause even more trouble.

Our enthusiasm for long terms for dealers and manufacturers does not extend to a lock 'em up and forget 'em attitude toward drug victims, even those who commit crimes. People on drugs are not themselves. They

must go further and provide treatment programs to help them break their addiction. Otherwise we have lost those human beings, and their crimes go on and on.

Tough handling of dealers and sympathetic and energetic treatment of addicts are the keys to the most hopeful approach to the nation's drug problem: curtailing demand. The emphasis on cutting off supply is not enough.

Congress is working on a package to fight drugs and hopes to send it to President Reagan by September. Some of the drug package's provisions are expected to give states more money to treat drug users and to increase law enforcement.

Senate Democrats have suggested that federal drug policy be aimed at the demand, rather than supply. Their draft legislation would spend 60 percent of the federal resources on reducing demand and 40 percent on reducing supply. Their program would increase drug-related programs by about \$3 billion, twice what the federal government spends now.

The Democrats' plan also would set up a drug czar in the president's office to direct the nation's war on drugs; create 20 new judgeships to help courts with drug-case backlogs; give federal agencies more drug-enforcement powers; and give more money to drug-abuse and treatment centers in areas where the use of needles creates a high risk of AIDS.

Oregon's efforts appear headed in the right direction. All we need is backing from the federal government to help us fight crime by

## Governor mulls special session on crime, gangs

Legislators may be asked to convene in August and consider funding options for programs aimed at drugs, gangs and prison overcrowding

By ASHBEL S. GREEN  
Of The Oregonian staff

Gov. Neil Goldschmidt is expected to meet with House and Senate Democratic leaders Tuesday to discuss calling a special session of the Legislature to deal with prison crowding, drugs and gangs.

If the governor calls the session, it probably would be held the week of Aug. 15 because a possible outcome would be placing a measure to pay for an anti-crime package on the November ballot, said Floyd McKay, a spokesman for Goldschmidt.

The governor met with House Speaker Vera Katz, D-Portland, and Senate President John Kitzhaber, D-Roseburg, on Friday to discuss the special session and the meeting with Democratic leaders, Katz said.

A meeting between Goldschmidt and some Democratic leaders would be at noon Tuesday in Salem, she said, and Goldschmidt will be asked to explain the necessity of calling a special session.

"I think he can make a very strong argument as to why now," Katz said by phone Saturday.

"We think that (the crime problem) is critical enough that you don't

wait around," said McKay, referring to the fact that the Legislature will not meet regularly until January.

The special session would consider either putting a measure on the ballot that would raise money for a package of anti-crime programs or putting more money into the legislative Emergency Fund to be used to fight crime. But Goldschmidt will not call the special session unless there is sufficient bipartisan support, McKay said.

"It's not a certainty at this point by any means," he said.

The special session is only one option, he said. Goldschmidt also could wait until January or try to get money from the Emergency Board, which is a limited option because its money is running out. The board controls state spending between legislative sessions.

The special session would deal exclusively with battling "the drug problem, the gang problem in Portland and prison overcrowding," McKay said.

The amount of money on the ballot would be worked out in the session.

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CRIME, Page A1

## Corrections plan announced soon

Continued from Page One

tion, but it definitely would be enough to begin doing something about the crime problems, McKay said.

Rep. Denny Smith, R-Ore., sponsored an initiative on the November ballot that would deny parole for career criminals. The Smith initiative had nothing to do with Goldschmidt's desire to consider dealing with crime problems before January, McKay said.

Goldschmidt has been opposed to the Smith measure, saying the state could not afford it. The measure carries no provision to pay for its implementation.

McKay said any anti-crime ballot measure proposed by Goldschmidt "absolutely" would have funding attached.

Goldschmidt's package would be based on the work that has been done by the Corrections Task Force, which was created by the 1987 Legislature, McKay said. The task force will announce a long-range plan for the state corrections system this week, he said.

Escalating drug and gang problems "are the two areas that have

grown the most rapidly," he said, explaining Goldschmidt's desire to act soon.

An \$11 million prison expansion package was approved by the 1987 Legislature, but bad space does not deal with the fact that most gang members are juveniles, he said.

An option under discussion is increasing law enforcement by adding state police or local police with state funds, McKay said.

Increasing juvenile detention centers and looking for federal funds have been discussed, he said.

The program has resulted in the expansion of a medium-security prison in Pendleton and the siting of minimum-security prisons in Baker, Northeast Portland and Hauser, near North Bend, he said.

The prison system in the state was designed to hold 2,800 inmates but holds 4,000.

Goldschmidt will announce more details at 5:30 p.m. Tuesday in Salem, McKay said. A House and Senate Democratic caucus will be held at 5 p.m. Thursday in Salem, Katz said.

## Governor heads too fast toward special session

Gov. Neil Goldschmidt is rightly concerned about growing drug- and gang-related crime. But he is making far too great a leap to the conclusion that the answer is a hasty special legislative session and the creation of an extraordinary "crime-fighting trust fund" financed, if voters consent, by a \$20 per-year increase in motor vehicle registration fees.

The Legislature should not be called into special session for this purpose by the governor. If called, it should answer by voting down this very poorly conceived scheme.

The most unpersuasive part of Goldschmidt's statewide speech Tuesday was his explanation of why his proposal can't wait for consideration by the regular legislative session that begins in five months: that the sooner the fund is in place "the sooner we can yank (criminals) off the streets" and that the matter is so important that "it should not be lost in the shuffle of a regular session."

In reality, the stakes are too high to be dealt with hurriedly in a two-day special session. Goldschmidt's financing plan — the vehicle fee increase — stands out among many items needing thoughtful deliberation. It is a particularly convoluted approach to what should be a straightforward matter.

Contrary to Goldschmidt's contention, time is not of the essence in deciding how much to spend and where to find it. It takes years to build new cells — the centerpiece of Goldschmidt's plan. A few months delay is insignificant in that regard.

That is especially the case since the availability of the governor's chosen funding mechanism — the registration fee increase — can't be determined until after the November general election, anyway. The constitution prohibits that use now. Boosting state police funding and reopening juvenile detention space, the items that might have the most

Immediate impact, could be done quickly when the Legislature meets in January.

If Goldschmidt wants to buy a major increase in state crime-fighting, the most obvious source of money is the state general fund. There, the governor and legislators will find about three-quarters of a billion dollars more to spend next session than they spent last time. Some of that could be tapped for corrections and law enforcement increases, if the Legislature has the political courage to do away with the statutory expenditure limitation.

Estimates indicate that in the coming biennium, general fund revenues will be about \$750 million more than the \$3.6 billion budget for the current two-year period. Of that increase, about \$400 million is within the statutory spending cap approved by the voters in 1979, while the remaining \$350 million could also be spent if the governor and Legislature decide to exceed the cap.

Until Goldschmidt submits his budget later this year, we won't know for sure how he proposes spending this money or what he wants to do regarding the spending cap. But there is no reason to assume that his other choices would beat out crime fighting as a popular priority. It is spurious for the governor to suggest that crime fighting would get lost in the legislative shuffle, considering the high public and gubernatorial interest in the matter. And spending decisions by the Legislature should await the governor's full budget proposal.

It would be especially silly to establish a new fund with constitutional restrictions as an end run around a statutory limit.

Goldschmidt says he is angry about crime. So is the public. We all want criminals to serve appropriate sentences. Still, success against crime will not be a matter of how angry we are but how smart we are.

## Editorials

### Proposed special session

## Car fee plan has merit

Gov. Neil Goldschmidt's proposal for a special session of the legislature to consider increased registration fees on motor vehicles to finance Oregon's fight against crime has much merit. Many questions remain unanswered at this time, but the proposal appears to be a relatively painless way to raise a sizable pot of money to help pay for the state's efforts to slow the growing crime problem.

The current auto registration fee is \$10 a year, the lowest in the nation.

At a special session, possibly in mid-August, legislators would consider placing a measure on the November ballot to boost auto registration fees. The possibility of boosting the fee to \$30 has been discussed, but Sen. Mike Thorne, D-Pendleton, who is co-chairman of the budget-writing Joint Ways and Means Committee, thinks that is too big a jump. He said doubling the fee to \$20 probably would raise more than \$100 million a year for more corrections programs, which would include expanded prison space.

Goldschmidt, House Speaker Vera Katz, D-Portland, and Senate President John Kitzhaber, D-Roseburg, are calling legislators about the plan before a meeting of the governor and House and Senate Democrats, scheduled for Thursday.

The governor understandably is reluctant to wait until the regular legislative session in January because of the severity of the crime problem, especially illegal drug traffic. The growing gang problem also is a consideration.

While no plan to increase taxes will generate unanimous support, the public's increasing concern about crime in Oregon would give the fee boost considerable attractiveness. A random check by the Statesman-Journal with several Oregonians during the weekend brought out that point. Many people would like to see more convicted criminals locked up.

Several state legislators who were interviewed were split along party lines in their willingness to consider the proposal. State Rep. John Schoon, R-Rickreall,

thinks Goldschmidt may be trying to circumvent a state spending limit with the prison financing proposal. This spending limit states spending increases to the percentage of growth of the personal income of Oregon taxpayers. Some tampering with that lid will be necessary, however, if the state is going to meet all of its obligations in the next two years.

Vehicle registration fees traditionally have been used for road improvements, but a November ballot measure sponsored by U.S. Rep. Denny Smith, R-Ore., places Oregon in a tight financial squeeze. Smith's measure would eliminate parole for career criminals but would not provide money for more prison space.

The governor's plan to increase motor vehicle registration fees is another example of the growing burden of taxes on the local and state level to make up for the cutback in federal money that formerly helped support local and state government. Meanwhile, the flow of tax dollars continues unabated into the federal treasury where much of the money is used in questionable areas.

A major part of the drug problem in Oregon and elsewhere in the nation can be laid to the lack of a coordinated federal plan to combat the flood of drugs coming into the United States from South America and other countries. The Reagan administration has talked a good fight against drugs, but has done little to finance the war.

The current spending in Oregon to combat drug crimes is not dealing with the root cause. Goldschmidt's emphasis on helping children in Oregon is more in line with treating causes rather than symptoms. Eventually, we'll have to recognize the fact that preventing child abuse and juvenile and adult delinquency must start with assistance to infants both prenatally and immediately after birth.

Our current attack on crime is similar to trying to repair leaks in a fuel tank after the tank has ruptured.



August 4, 1988

## New troops hurled into Portland gang war

□ The governor unveils a joint federal, state and local effort to apprehend and confine offenders

By SARAH B. AMES  
of The Oregonian staff

Gov. Neil Goldschmidt announced Wednesday a combined federal, state and local effort in Portland to "bring the hammer down on the gangs, and to take back our streets, our public transportation, our parks and our city."

The plan focuses and increases efforts already being made by Portland-area law enforcement, prosecutors and the courts, and adds a new element — direct state aid.

State police will be assigned to a youth gang task force that also will include

police from the tri-county metropolitan area and from Clark County, Wash.

State police detectives also will work with Portland police narcotics forces, a state attorney general's lawyer will help prosecute gang cases in federal courts in hope of sending more gang members to federal prisons, and more judges will be assigned to Multnomah County to speed gang and drug prosecutions.

All those steps are immediate. Goldschmidt previously had announced that he wanted the Legislature to authorize reopening at least 70 juvenile detention beds to hold gang members and young drug criminals. He said Tuesday that he intended to call the Legislature into special session later this month to do that and to refer a revenue-raising ballot measure to voters in November.

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Gov. Neil Goldschmidt gets a smile from Mayor Bud Clark as Goldschmidt announces a federal, state and local effort to thwart youth gangs in Portland.

## Children's Agenda

### Coos ideas are nothing fancy

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WHEN THE FINAL report of the Coos County Children's Agenda Task Force went to the governor this week, it included recommendations for a step backward before we can move forward.

Before we try to make more services and activities available to children, says the local task force, we need to make a complete inventory of what is already available, and make sure more people — especially children and their parents — know what those options are. It was something that became apparent in the very first task force meetings, and continued as a theme to become the first priority.

Moving beyond that, the task force makes four other basic recommendations for local action:

- Creating a "youth-advocate/coordinator" to promote children and their activities;
- Establishing a countywide parks and recreation district to provide activities and space for them;
- Finding public transportation for children — and everyone else — from one end of the county to the other; and
- Establishing affordable, residential treatment for drug and alcohol abuse.

IT'S NOT EXACTLY a surprising or overly-ambitious list of projects, but it's certainly one that fits Coos County and can be the first steps toward something more.

In addressing the governor's question of how the state can help, the task force makes three basic suggestions: Finding a way for public and private agencies around the problems of liability insurance, stabilizing the funding for schools so that their programs can be stable, and funding both treatment for drug and alcohol abuse problems and educational programs aimed at preventing drug and alcohol abuse.

In short, we need to find and make use of the programs we have, make someone responsible for promoting them and creating more when necessary, find a way to get the kids to them, and fight the biggest threat to kids: drug and alcohol abuse.

Nothing fancy, just good plain common sense. And that kind of agenda takes some solid promotion — and dedication — to make it happen.

## Ganging up on gangs

The new joint federal-state-local anti-gang law enforcement effort announced this week is the kind of focused, immediate attention that threatened Portland neighborhoods need in defending against a threat to their safety and livability. It offers no cure-all, but it does bring additional resources to attacking the problem of drug- and gang-related crime.

This joint effort, the product of discussions between Gov. Neil Goldschmidt and Mayor Bud Clark, also sends an important signal to Oregon at large: Gangs and drugs are a statewide concern, not merely the problem of neighborhoods in North and Northeast Portland. Oregon cannot tranquilly watch any of its communities deteriorate for any reason.

More specifically, there is no reason to assume gang drug problems will be limited to Portland; the lucrative drug trade is highly mobile and will flow into any law enforcement

vacuum that is seen to exist.

The arrangement enhances coordination of various local law enforcement agencies and adds assistance from the Oregon State Police and attorney general's office to the gang- and drug-fighting effort. A promising aspect — and one to bear in mind as later strategies are developed — is that this does not have the appearance of a panicky, ill-considered response. Rather, it was worked out in planning sessions by those involved.

Out of this coordinated approach, moreover, could come coordinated suggestions to local governments and the next Legislature as to what additional steps are needed, such as targeted or revised laws or ordinances concerning the problem.

Limited funds are available, so the best use must be made of current resources. This teamwork is an encouraging move in that direction.

## Gangs: Clark predicts victory

Continued from Page One

Community leaders in the neighborhoods most affected by gang-related crime said they welcomed the state's entry into the growing anti-gang campaign.

But many cautioned that beefed-up enforcement would not address the underlying social and economic realities that attract young people to criminal activity.

Ron Still, Mayor Bud Clark's opponent in the fall campaign, attacked the mayor's performance on the gang issue and police matters generally while praising Goldschmidt's plan.

"I'm just glad that after the blight of two years that the mayor has ignored, that now the governor is acting," said Still, a former police chief who recently unveiled his own anti-gang plan.

Goldschmidt's plan was the culmination of more than a month of quiet discussions between the governor and local officials instigated by Clark.

The governor, a former Portland mayor, confessed a naivete about the gang problem, repeatedly stressing that Clark, the Portland Police Bureau, neighborhood activists and the county district attorney's office all recognized the seriousness of the gang invasion long before he did.

"Leadership united in purpose can get the job done," said Clark, who had called for more help from the state.

"We're not going to surrender one block to these gangsters," he said. "We're going to fight and we're going to win."

The gang strike force will include members from the Oregon State Police; city police forces in Portland, Beaverton and Vancouver, Wash.; the Portland School Police and the Multnomah, Washington, Clackamas and Clark County sheriffs' offices. The federal Bureau of Alcohol, Tobacco and Firearms also will participate.

The Oregon State Police also will lead narcotics experts to the Portland Police Bureau, for a total contribution valued at \$654,000 to be absorbed within the existing state police budget.

A key element in the plan is to push gang criminals into the federal courts and into the federal prisons, which the U.S. attorney's office says have room, unlike the overcrowded state prisons.

Leslie Westphal, a lawyer with the attorney general's office, will work for the U.S. attorney's office in Portland into 1989, with the state picking up \$71,000 for salary and related expenses, according to William Gary, a deputy attorney general.

Westphal and another lawyer, paid by Multnomah County, will screen every gang case to be prosecuted. Those who were caught with more than 5 grams of crack cocaine base, 500 grams of cocaine or 100 grams of heroin could be prosecuted in federal courts, as could those who used firearms in drug dealing, those convicted several times of drug dealing or those who dealt drugs near a school.

U.S. Attorney Charles Turner said the federal prisons would have space for a while to come, but that eventually, "the tail could start wagging the dog."

"Eventually, we may run out of cell space," he said.

Goldschmidt said he intended to ask a special legislative session to raise a limit on the number of juveniles it can hold in state facilities. If the limit is dropped, he said he would ask the legislative Emergency Board in September for \$1 million to open 70 beds in the MacLaren School in Woodburn for juvenile offenders. Those beds could be phased in over four months, starting in late October, he said.

The gang proposal overlaps with Goldschmidt's call for increasing the state vehicle registration fee to set up an anti-crime fund of \$50 million a year.

## Gang plan generally applauded

By KATHIE DUBBIN  
of The Oregonian staff

Community activists in Portland neighborhoods torn by gang drug-dealing and violence said Wednesday that they welcomed the state's entry into the growing anti-gang campaign — but with reservations.

Meanwhile, Ron Still, Mayor Bud Clark's challenger in the fall campaign, took the opportunity at an afternoon news conference to attack his opponent's performance on the gang issue and police matters generally, saying, "I think (Gov.) Neil Goldschmidt recognizes that Bud Clark failed to act."

City Commissioner Dick Rogie, who learned just Tuesday night about plans for Wednesday's joint Clark-Goldschmidt announcement, endorsed the governor's plan for a state Youth Gang Strike Force and other anti-gang measures. But he acknowledged that he felt a little left out.

Rogie, who held his own "gang summit" 10 days ago, said, "It would probably have been more in the nature of a team approach to have been informed that the discussions were taking place. But my heart feelings I have are superseded by the fact that there's action."

Neighborhood activists and crime prevention specialists, who have been urging crisis-level action to

curb gang drug-dealing and violence for the past year, said they were grateful for state assistance.

But they cautioned that Goldschmidt's plan, by focusing on arrest, prosecution and imprisonment of gang members involved in criminal activity, is dealing with only part of the problem.

"This is a start," said Marceco Pettis, coordinator of Portland's Youth Gangs Task Force. "Law enforcement, more aggressive prosecution and more jail space are crucial to provide immediate relief."

But, Pettis said, that won't solve the underlying problems that lead young people into criminal activity: lack of job training and jobs with career opportunities for black youths, as well as economic stagnation in the black community.

His reaction was echoed by Sharon McCormick, crime prevention specialist for Inner Northeast neighborhoods, who gave Goldschmidt credit for offering a helping hand to Portland police and embattled neighborhood groups.

"At the same time," she said, "there is some concern that we don't totally divert all dollars into enforcement and punishment and ignore the real issues of prevention and diversion."

She said she hoped the governor's Children's Agenda would address

those issues soon, possibly by using existing state social service programs more effectively.

Pettis cautioned that putting more police into North and inner Northeast Portland would demand heightened sensitivity to the black community.

"We want to make sure that the more aggressive law enforcement that's going to result from this does not end up implying that every black male in the community is involved in a gang or is a target for law enforcement," he said.

David Hupp, a member of the grass-roots Portland Organizing Project, which has pressured Clark to place a higher priority on curbing gang-related neighborhood crime, said Goldschmidt's plan "looks promising." But he said beefed-up enforcement should be targeted where it will do the most good.

"One of the things that's been missing in the dialogue all along has been the idea that we should focus on the organizers and the gang leaders," Hupp said.

"If we're talking about putting more people into the street to control anyone who has a red bandana on, I think that's going to be a waste of effort. If we're talking about a highly focused, strategic, thoughtful attack on the problem, I say, 'Bravo,'" Hupp said.

# Goldschmidt's passion fuels his children's campaign

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By NEAL R. PEIRCE

"Unless you're mad as hell, nothing will happen."

Oregon Gov. Neil Goldschmidt had begun this day earlier in the year visiting a center for sexually abused 2- and 3-year-olds. He'd just dropped into one of the nation's few Parent-Child Headstart programs, hearing how tough existence is for mothers and kids in families afflicted by alcohol, drug and physical abuse.

And now, on his way to a special school for troubled teenagers, Goldschmidt fumed about the intergenerational effects of child abuse and neglect and the price society has to pay — even in his neat, evergreen, middle-class state of Oregon.

"Nobody wants to believe parents put kids on hot stoves, or into hot showers to terrify them, or abuse them sexually in families where incest is almost a way of



PEIRCE

life," Goldschmidt said. But the problem, he notes, is prevalent. Child abuse is turning out to be "the most powerful predictor of criminal behavior."

Two-thirds of Oregon's felons have been abused as children. "Imprisonment rates," noted Goldschmidt, a former Portland mayor and U.S. transportation secretary, "are rolling toward numbers that will eat our budgets whole." He asks what sense it makes to jam young criminals into prisons and jails, while the still-younger brothers and sisters of those jailed are left "illiterate, homeless, abused, possibly drug addicted and destined to join them in our institutions."

Goldschmidt's concern about children is shared by many governors of both parties. New York's Mario Cuomo, Washington's Booth Gardner, Delaware's Michael Castle, New Jersey's Thomas Kean were among those taking up parallel themes in state-of-the-state and budget messages this year.

Warns Illinois' Republican James Thompson: Many children's days are filled with dread, fear and pain. Failing to deal promptly with the children's plight will not only "drive the cost of government significantly higher as we pay the price of ignorance, poverty, mental illness, disability, crime and death," Thompson says. "It will scar our souls."

But after the rhetoric, how many governors will be willing to keep the spotlight on an issue as contentious and costly? Consider the prickly problem of intervening, early and forcefully, to rescue threatened children in abuse-prone families. Tough legal issues on the sanctity of the family loom

personally and politically — to make the plunge. Watch him with some kids and you see a symbiosis at work. To his own surprise, Goldschmidt told me, he's found the children's issue so compelling that he's decided to make it the focus of his governorship and public life, even if it eclipses his old specialties, such as transportation.

But what of the cost issue? Hear this Democratic governor's new-style rhetoric: "We can't buy our way out of this problem. Oregonians are rightly suspicious of new government schemes for social improvement. I am not asking for tax dollars; I am asking for social commitment."

Goldschmidt has barnstormed his state, campaign-style, urging Oregonians assembled in town halls, community forums and civic associations to become personally involved in the crusade by designing grass-roots strategies to improve the life prospects of the children in their midst.

It's a real sign of progress, Goldschmidt said, when residents in Columbia County organize pre- and post-school programs for kindergarten and elementary "latchkey" children. Or when a little farm town like Harrisburg succeeds in cutting school dropouts to 2 percent (the statewide average is 25 percent) by bringing in a

superintendent who simply refuses to give up on any child. Or when urban neighborhoods organize "big brother" and "surrogate father" programs for children from troubled families.

He speaks with some awe of people like Dave Ohm, a high school vice principal in Roseburg, who commands such respect among students that his anti-alcohol and drug-abuse program has turned around scores who smoked marijuana daily, some who dealt in crack and methamphetamine to support their habit. Goldschmidt urges businesses: "Adopt a person like Ohm, and his program, so more kids can have a mentor, substitute parent and friend."

State government, Goldschmidt says, will loosen up social-service regulations and pool funds for communities that make a real effort. But mostly, the program is sheer experimentation at this point.

Is it for real? A critic could accuse Goldschmidt of purveying a version of spongy Reaganesque exhortation to voluntarism.

But the Oregon children's crusade can be read also as a pioneering bid, after America's 1980s binge of every-man-for-himselfism, to re-create the sinews of American community support without turning the show over to new social-service professionals and prisons this society couldn't afford anyway.

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**"We can't buy our way out of this problem. Oregonians are rightly suspicious of new government schemes for social improvement. I am not asking for tax dollars; I am asking for social commitment."**

immediately.

And then there's delayed political gratification. The payoff of pro-kids policies — more competent young people, less teen-age pregnancies, less crime — may not come for 10 or 20 years, long after a governor is out of office.

Back in public life after five years as a Nike shoe executive, Goldschmidt, 48, seems to be confident enough of himself —

Syndicated columnist Neal R. Peirce is on the staff of the National Journal.

8-7-88

## Prison money urged

Goldschmidt wants to use lottery cash

Proceeds from Oregon's lottery are running well ahead of estimates, and the surplus should be used to build new prisons, Gov. Neil Goldschmidt said Tuesday.

Goldschmidt said he plans to ask the 1989 Legislature to divert excess lottery money to prison construction between next January, when the legislature convenes, and next June, the end of the current state budget period.

He said \$25 million or more in lottery money could become available for prisons during that period.

Lottery money is earmarked for economic development, a definition that Attorney General Dave Frohnmayer has said could include prison construction.

In July, Goldschmidt proposed asking voters to triple auto registration fees to raise about \$50 million a year for anti-crime measures that would have included construction of 1,500 or more new prison beds.

Goldschmidt withdrew the plan after declaring that it had not gained bipartisan support. During debate over that proposal, however, legislators in both parties expressed interest in using some share of lottery dollars to build prisons.

Also Tuesday, Goldschmidt lashed out at the federal Health Care Financing Administration,

whose inspectors recently found deficiencies at the Fairview Training Center for the mentally retarded.

The problems mean that the state could lose as much as \$3 million a month in federal dollars for Fairview.

Goldschmidt, who has threatened to take the federal agency to court over the matter, charged that inspectors have given contradictory and inaccurate reports after Fairview visits.

Even if the state continues to reduce the Fairview population and make other federally ordered changes, he said, "Some federal bureaucrat could come into this institution and say, 'You're not jumping high enough.'"



Statesman-Journal photo by Ron Cooper

Gov. Neil Goldschmidt wants to use a share of the state's lottery money for building new prisons.

## Use lottery for prisons

Gov. Neil Goldschmidt caused a frenzied few days of legislative discussion by proposing an increase in auto registration fees to build more prison space. One alternative that kept popping up during the discussions was using lottery money instead.

"It is an excellent idea, one that should be pursued seriously when the 1989 Legislature tackles the crime problem."

The governor has already thought about this. His interest became obvious last spring when he asked Attorney General Dave Frohnmayer whether it would be legal to use lottery revenue to build corrections institutions. The reply was affirmative.

Some might question that. The constitutional provision authorizing a lottery dedicates the profits to "creating jobs and furthering economic development."

Frohnmayer said the Legislature has wide latitude to fit what it wants under the jobs and development umbrella. It could determine that "the construction of prisons would contribute to economic development because, among other things, the construction process creates jobs and the high crime rate caused by the lack of prison space is a deterrent to economic development."

"Why not?"

In any case, if the Legislature were afraid to take action unilaterally, it could refer to the voters a constitutional amendment explicitly allowing the use of lottery money — perhaps a specific amount — for prison construction. That would eliminate any legal doubt and give voters the final say on the budget policy question at the same time.

If such a vote sounds like a lot of

trouble, it is no more than would have been required to implement the bad idea Goldschmidt latched onto last month, using auto registration fees to build more cells. Those fees, as well as state gas tax revenues, are constitutionally dedicated to highway construction and maintenance. It would be necessary to amend the constitution to spend any of the money on prisons. That's why the governor wanted a special session — to have the Legislature refer an enabling amendment to the November ballot.

The lottery was dedicated to "economic development" only because at the time it was proposed, in 1984, that was the state's highest priority and hottest political issue. Those who wanted a lottery used economic development to sell it.

Fighting crime by putting more criminals in prison and keeping more who are already there locked up longer has now hit No. 1 on the political charts. So there is solid reason to believe a majority of citizens would approve putting millions of lottery dollars to this purpose. This needn't be the sole source of funds for added cells, but it could be a significant one.

Our own view is that the strings on lottery dollars should be untied altogether, with the proviso that they go for one-time projects such as building construction and not for the continuous support of programs. The annual take is too unpredictable to be safe for the latter.

But most voters probably wouldn't accept a total liberalization of earmarking. Therefore, the next best approach is to ask them to approve the highest priority new uses as they occur, recognizing that state priorities do change over time.

Today, the obvious priority is fighting crime.

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MONDAY, AUGUST 22, 1988

## Public safety in balance

The Governor's Task Force on Corrections Planning has restated what many Oregonians have been saying for years: Oregon needs enough cells to have some empty when corrections alternatives don't work, to hold offenders accountable for their actions and to protect the public safety.

However, the task force report goes further. It maps the balanced path the governor, legislators and taxpayers will have to follow to rescue Oregon from the prison overcrowding and corrections inadequacies that have swamped police, prosecutors and courts and have fed a tragic rate of criminal activity.

Just building more cells is not a satisfactory answer. They would be filled by new criminals and returnees as rapidly as they were built.

The task force wisely urges the governor and Legislature to provide a variety of sanctions, such as work camps, probation centers, restitution centers, sex-offender treatment centers, house arrest, electronic surveillance and intensive supervision. All would cost less than prison and jail space; yet, so far as many offenders are concerned, the alternatives would be just as protective of the public.

The task force also seeks more drug, alcohol and mental-health treatment and literacy, job training and employment help.

Programs and alternatives to prison are dismissed too easily by critics as "fuzzy liberal" ideas — a phrase served up and knocked down by Cory Strelshinger, legal counsel to Gov. Neil Goldschmidt. The report makes clear that those programs are as deeply rooted in concern for the public's right to safety and taxpayers' right to get the most for their money as are additional prison cells.

Not only are they cheaper, but since more than 95 percent of the inmates in state prisons eventually return to the communities, realistic job training, supervision and support should improve convicts' chances of leading crime-free lives.

Certainly, more cells must be built — and soon. But alternatives and programs also should be implemented. A comprehensive approach won't be inexpensive. However, as the task force concluded, it should be less costly than having to build still more prisons or, worse, Oregonians having to live with rampant crime because overloaded police, justice and corrections systems cannot protect the public.

# Umatilla County's regional strategy unveiled

By Wil Phinney  
of the East Oregonian

PENDLETON — Total wages from five proposed projects could top \$38 million a year, according to economic benefits outlined in Umatilla County's regional strategy.

The chief long-range strategy is the Umatilla Basin Project, which seeks to satisfy demands of west Umatilla County irrigators and future demands to restore fish runs in the Umatilla River itself.

Four other proposed projects include a regional exposition center in Pendleton, alternative high value fruits and vegetables in the Hermiston area, a business research and development program, and an Enterprise Development Center at the Pendleton Airport Industrial Park.

The Umatilla Basin project involves construction of pumping stations on the Columbia River to pump water into Cold Springs Reservoir near Hermiston. The Columbia water would replace water from McKay Reservoir, which would be diverted to the Umatilla River to sustain needed flows for fish runs.

Total cost of the Umatilla Basin project is more than \$43 million and funding is being sought through Bonneville Power Administration and the Bureau of Reclamation.

Strategists claim that if this project is not completed, it could result in production loss on nearly 50,000 acres of irrigated croplands, causing the loss of 1,200 jobs and more than \$11 million in regional income. In addition, failure to complete this project also would destroy recent efforts to re-

establish anadromous fish runs.

The Umatilla Basin Project will impact some 82 direct and indirect jobs, and 391 construction jobs at its peak.

A Regional Exposition Center in Pendleton carries an estimated-project cost of \$1.8 million and would expect to create 72 jobs. The National Guard is establishing a new armory and the city has made an offer to purchase the old armory as an exposition/convention center.

Cost of improvements to the armory are estimated at \$1.7 million. Regional strategy funds of \$150,000 are proposed to acquire the armory.

## Umatilla Basin project, armory conversion lead proposed projects for county

At its peak of 10 conventions per year, facility visitors could generate nearly \$1.7 million to the Pendleton economy.

Additionally, relocation of the National Guard unit will have a one-time construction benefit of \$6.9 million and would add 68 jobs in Pendleton.

The project of alternative high-value fruits and vegetables carries a project cost of \$705,000. Currently, this industry employs about 77 permanent full-time, year-round jobs. The proposal suggests that by 1998, some 1,050 jobs could be created. The proposal also indicates an increase from 120 to 2,756 seasonal jobs within the next 10 years.

West-end business leaders already have established a potato industry worth \$82 mil-

lion annually and re-established the Oregon State University Ag Experiment Station at Hermiston to support production of fruits and vegetables currently not produced in Oregon. They also recently developed a crop promotion and market development strategy to insure competitive marketing of the new crops.

A business research and development program, which will cost about \$100,000, is expected to create 25 new permanent jobs over the next three to five years. The proposal calls for research and development of 10 products. Of those, five are estimated to go to full scale production, creating at least five new jobs per product.

An Enterprise Development Center, proposed at Pendleton Airport Industrial Park, carries a project cost of \$841,000 and is expected to create 57-70 new permanent jobs the first year, and 128-145 jobs by the end of the second year. The jobs would be primarily in food processing and manufacturing. The proposed project includes a 23,000 square foot building, including a 950-square foot commercial kitchen.

Companies which have already expressed an interest in locating at the center include Grandma Pfeiffers, food-bread in jar; NUIS, Inc., plastic irrigation pipe; Gene Steffanson, herbs; No-Waffle, high-nutrition food which looks like a waffle; Blue Mountain Mustard, food product; Jim Grant, specialty wood products; Magnet Caddy Co., golf equipment; Blue Mountain Wheel, custom label; J&P Greenery, greenery service; Karen Linville, insulation hangers; RV Service; and Fishing Lures.

## Plan envisions 1,297 jobs

PENDLETON — Economic benefits of proposed regional strategy projects in Umatilla County could mean 1,297 new permanent jobs and 3,027 seasonal and construction jobs in the next five years, according to the report released Thursday.

The five-man regional strategy committee has defined Umatilla County's plan as "Creation of economic growth and jobs through the development and enhancement of value-add products in the basic sector industries of manufacturing and agriculture."

Governor Neil Goldschmidt's regional strategy idea was designed to make millions of dollars in lottery money available to regions made up of several counties. The state has asked that each county identify economic development strategies before discussing options with adjacent counties. Although some regions — and some individual counties — have already received lottery funds for their strategies, regions still have until June of 1989 to provide a plan to the state Economic Development Commission.

"Value-add" is a relatively new economy buzz-word which describes the process and steps of creating greater value for a product as it moves from raw form to the finished product. Value-add, according to the report, will be accomplished through a variety of steps, including research, processing, packaging, marketing and creation of co-op facilities that will enhance the creation and growth of firms making value-add products.

The key components of the strategy are:

- 1) Focus on basic sector industries of manufacturing and agriculture.
- 2) Focus on the basic business activities and steps in adding value to products.
- 3) Use the public and private investments under this strategy to seed activities that stimulate business formation and growth. This business growth will create jobs (directly and indirectly) in a faster pace and over a longer term than a single industry strategy.
- 4) The strategy builds on the current economic advantages of the county and will create a new cooperative advantage for existing and new small business.
- 5) The strategy encourages innovation of new products, development of local businesses and further utilization of natural resources, all major assets of the county.

## Business

East-OR 5/30/88

## In Grant County

# Regional strategy eyes tourism

y the Blue Mountain Eagle

CANYON CITY — A plan to develop tourism in Grant County will be recommended as a regional strategy to the County court by the Regional Strategies Committee.

The Court-appointed group decided recently to support a tourism plan outlined in July by committee members Gordon Glass and Mark Smith. The plan's central feature is a proposed multi-million dollar visitor center at the John Day Fossil Beds.

The committee agreed to have chairman Bill Deist draft a letter that will go to the County Court before its next meeting Aug. 24. The committee will also recommend a permanent economic development committee be formed in the county.

After the Court receives the recommen-

dation from the committee, it will schedule a public hearing on the matter. If the Court decides to approve the tourism strategy, it may ask the regional strategies committee to fine tune the proposal before it is submitted for the state's approval.

Of four strategies approved by Gov. Neil Goldschmidt's staff, three are tourism-based.

The proposal submitted last month by Glass and Smith calls for \$200,000 of in-kind work done by the County in preparing a site for a Fossil Beds visitor center. The proposal would also seek \$300,000 in Regional Strategy funds from the state.

Using that half-million dollars, the county would hope to convince the National Park Service to construct a visitor center

that has been proposed but lacking for funds for several years.

The committee's decision came after hearing a request from timber interest for improved transportation and help with maintaining a timber harvest level that will support all of the county's saw mills.

But a proposal listing better highways as the foremost need of the timber industry in Grant County was denounced by Glass who stated the plan probably did not fit what the Regional Strategies program was looking for. Glass said Goldschmidt had discouraged road building as a strategy leaving the responsibility with the state to build roads.

The committee concurred that better roads will benefit any strategy that might be chosen.

East-OR Oregonian 8/26

## Baker picked for Oregon Trail center

By The Associated Press

BAKER — Officials in Northeast Oregon's Baker County are elated this week after learning of a House-Senate conference committee's decision to commit \$1.3 million for first-year design and construction costs of a \$6 million Oregon Trail tourism center in Baker.

The historic 2,000-mile trail from Independence, Mo., to Oregon City passed through Baker.

"It's going to be great for Oregon, particularly this part of Oregon," said Peggi Timm, treasurer of Baker County and a booster for the project.

Baker County officials hope the proposed Oregon Trail National Historic Site eventually will be designated a national monument. Several plans are in the works for the area. By 1991, officials hope to have a 28,000-square-foot interpretive center

built atop 350-foot-tall Flagstaff Hill, about four miles east of Baker, overlooking about three miles of near-pristine wagon ruts of the Oregon Trail.

Timm estimated the facility would create 600 new jobs in Northeast Oregon and draw 250,000 tourists annually off Interstate 84.

Meanwhile, officials in Oregon City expressed some disappointment that Baker was picked over Oregon City.

## The Sunday Oregonian

SEPTEMBER 4, 1988

# Next step for schools

The Governor's Commission on School Funding Reform has laid out the next prudent step toward fair and guaranteed financing of Oregon's primary and secondary schools.

The commission's prime short-term recommendation is that the 1989 Legislature refer a measure to the voters that would give every school district an up-to-date tax base. A state-funded property tax offset would sweeten the pot by providing a modicum of property tax relief.

This proposal follows logically from the first school-stabilizing step: passage in 1987 of the safety net guaranteeing a school district a property tax levy at least equal to the previous year's amount. The updated tax base — the amount a district could receive in property taxes without new voter approval — could grow by 6 percent a year under the Oregon Constitution.

The commission proposal also should have political salability. Two-thirds of Oregon's school children already are in districts with updated tax bases. This means that many voters would notice little change from approving the proposal except the pleasure of being relieved of about 5 percent of their school district property taxes.

Recognizing the disparity in wealth among school districts, the commission also recommends a \$30 million special tax offset for high-tax-rate/low-spending districts. That would help equalize the local burden of school support.

Another short-term proposal, however — state assumption of \$30

million more of local districts' costs for handicapped students — relates less directly to school finance stability and raises questions about just how far the state should go and how much it can afford in absorbing local districts' responsibilities.

Looking beyond the short-term, the commission recommendation for increased state support for schools, including creation of a guaranteed state-local funding program for basic education, runs into the old reality: A dramatic leap in state school support depends on either an income tax increase or a new tax. That's the rock on which previous comprehensive school finance reform packages foundered before the voters.

Any new revenue source would require substantial debate. As the state takes over more of the funding responsibility for education, care is especially needed to ensure that school costs are reasonably contained. It should not be forgotten that one way or another Oregon's taxpayers will be paying for their schools.

The virtue of this commission's approach, however, is that it has avoided the massive, controversial overhaul. The tax base update, combined with whatever basic school support and property tax relief the state can afford, would buy time for exploration of the long range possibilities. And the time would be bought at a favorable cost to voters.

Appointing this commission, Gov. Neil Goldschmidt told it to chart "a course of reasonable and predictable progress" toward resolving the school funding program. It has done just that.

# Fairness for Fairview

A federal agency has threatened to cut off funds for the Fairview Training Center in Salem, effective today. The threat ignores all that the state has done in the short time since federal payments were suspended last year. Oregon deserves credit for its efforts, not another financial punishment.

Fairview is a residential treatment and training facility for people who are mentally retarded or have other profound disabilities. Medicaid funds controlled by the federal Health Care Financing Administration make up about 60 percent of Fairview's budget. Last April, the agency complained of inadequate staffing and a 96-page list of other defects at Fairview and blocked Medicaid payments until the problems were corrected.

The cutoff cost the state \$2 million a month. The 1987 Legislature approved \$31 million worth of improvements at Fairview, including \$8 million to make up for four months' worth of lost Medicaid payments. Another \$13.9 million went to improve staffing and facilities at Fairview, and about \$8 million was allocated to improve community-based alternatives to treatment in the large state institution.

The money was used to expand the staff at Fairview by more than 700, bringing the total number of employees to 2,200. Training and vocational education programs were improved. At the same time, the number of Fairview residents is scheduled to decline by 300 during the current biennium and will decline by another 300 during the 1989-91 biennium. By the end of that period, Fairview's population will be about 600, compared to just under 1,000 today and 1,300 in 1987.

This is a massive and sudden shift in the state's approach to providing help for people with a variety of severe and often hard-to-manage disabilities. It takes time to create effective community-based programs that provide the right kinds of medical, educational, psychiatric and vocational assistance. Communities around the state may have a hard time absorbing an influx of former Fairview residents and accommodating people who would have been admitted to Fairview under previous policies.

*Register Guard 9/9/88*

The simultaneous buildup of Fairview's staff and reduction of its population has not impressed the Health Care Financing Administration. It announced last week that it would cut off Medicaid funds effective today unless further improvements were made. Because the previous federally mandated improvements raised the cost of operating Fairview, ending Medicaid payments would cost \$3.5 million a month.

Gov. Neil Goldschmidt is properly angry and frustrated. He feels the federal government is asking Oregon to instantly meet ill-defined, ever-changing standards. State authorities dispute the severity of deficiencies cited as justifying the Medicaid cutoff. Even granting that deficiencies exist, Oregon's performance during the past year should demonstrate the state's willingness and ability to take corrective action. Progress can be measured by the fact that the list of deficiencies has been cut to 10 pages from last year's 96.

There's hope that last-minute negotiations can avert today's threatened Medicaid suspension. The state Department of Human Resources is trying to persuade the federal government to cut off payments for only two of the 22 cottages on the Fairview campus. That would retain 90 percent of the Medicaid funds while providing an incentive to continue improving conditions at the institution.

Whether or not the state wins a reprieve, however, it's evident that something needs to change in the relationship between state and federal authorities concerned with Fairview. While other states have had similar problems, it appears Fairview has been singled out because of its large size. There's also speculation that the Health Care Financing Administration's attention is intended to strengthen the U.S. Justice Department's case in a lawsuit against Fairview that goes to trial in October. Neither Fairview's size nor its difficulties with another government agency should affect its Medicaid eligibility.

The federal government has demanded a lot of Oregon on this issue. Fair treatment in return is the least the state should be able to expect.

# We must save the children

Over the next eight weeks we are going to hear a lot of rhetoric and demagoguery about prisons. All of it will concern Ballot Measure 4, sponsored by Congressman Denny Smith. This ballot initiative would require full sentences without parole and probation for those repeatedly convicted of certain felonies, mainly violent crimes. If we pass this ballot measure, the Oregon Legislature will have to come up with a lot of money to build new prisons.

Even without this ballot initiative, Oregon faces the need for considerably more prison space. The report delivered last month by the governor's Task Force on Corrections Planning noted that Oregon's current prison capacity will fall short of demand.

But as we are plunged into the morass of the prisons debate, let us not lose sight of one simple fact. Prisons are an admission of our own failure to take care of the children. As Gov. Goldschmidt told a group of Portland black community leaders recently, "Prison is a rear-view mirror already of what we did wrong with these people when they were kids."

The governor made a similar excellent point some months ago that also ought not be forgotten.

Goldschmidt said that, "We will build more prisons. But if that is all we do, they will always be full."

Our crime problem did not just happen. It has origins. Sexual abuse of children is one origin. Drug addiction and alcoholism among parents is another. Impoverished families is another. The Children's Defense Fund points out that 35 percent of all children in young families, where the parents are under 30 years old, lived in poverty in 1986.

If we would devote as many resources to our children as we apparently are about to devote to building prisons or that we now devote to the arms race, we might save a generation. If we would invest in saving children from sexual abuse and the scourge of poverty and if we would impress them with the importance of learning, we could save ourselves from a considerable amount of the crime problem.

The governor is right. Building prisons is merely a retrospective solution. If we ever hope to get ahead of the problem, we must take a prospective look at the problem. And that means saving the children.

*Deane, Astoria 9/8/88*

# Neil's second home

Gov. Neil Goldschmidt is becoming such a familiar sight in St. Helens that it might be smart to designate St. Helens as the second official residence for our traveling governor.

Goldschmidt is scheduled to be back in St. Helens Wednesday to attend the formal announcement of plans by Armstrong World Industry officials to renovate and reopen the former Owens Corning Fiberglas ceiling tile manufacturing plant Armstrong purchased in 1987.

It will be the governor's second visit to the local area in three weeks. On Aug. 24, he participated in the dedication of the Leticia Corp. plastics manufacturing plant, which opened in July. While here, he also travelled to Clatskanie for the announcement by WTD Industries of its plans to build the first pulp mill in Oregon in more than 20 years.

The governor is understandably eager to be in the forefront when new plants are announced or opened, especially since the state has taken such an active role, including providing financial aid, in all three of recent industrial endeavors here. New industrial development means more jobs for Oregonians, which was the foundations of Goldschmidt's campaign when he ran for office in 1986.

But, from both his public pronouncements and occasional asides, it has become evident that the governor thoroughly enjoys visiting Columbia County, and especially St. Helens. And most likely, we presume, it's because of the "can-do" attitude local government officials and business leaders project.

It hasn't always been the case. In fact, on the occasion of his 100th day in office, The Chronicle in an April 29, 1987, editorial chastised Goldschmidt for his apparent disregard for Columbia County and its possible role in his "Oregon Comeback."

In that editorial, which asked rhetorically "Where is Neil?" we wondered if Columbia County had become the "nowhere" of Oregon, as the governor crisscrossed the state but appeared to be ignoring Columbia County. Local officials were understandably miffed when they perceived that the Goldschmidt administration was not addressing local efforts on such important issues as transportation improvements, industrial development and plans for recreational facilities — all of which were being developed with an eye to the governor's goal of a regional strategy.

We didn't realize at the time that Goldschmidt was saving the best for last!

It was in late June 1987 that the governor first visited the county since his inauguration the preceding January. (He had made one lone visit to the area during his campaign.) On that occasion, he was the guest on a boat tour of the county and met with local government and business leaders to discuss Columbia County's role in Oregon's Comeback. At the conclusion of his trip, he pledged the state's cooperation in helping the county achieve its objectives for economic development.

The governor returned to St. Helens this past spring to meet with local educators, business leaders and students in an effort to tout his "Children's Agenda." He was greeted with a warm reception.

The statewide publicity generated by the governor's visit Aug. 17 for the Leticia opening and WTD announcement has generated some heat for the governor, and today's scheduled visit is sure to raise the temperature considerably from those leaders downstate who believe Goldschmidt is spending too much time in Columbia County.

But the fact is that Columbia County, once the backwater of the entire state, is now among the fastest growing industrial areas in Oregon, and Goldschmidt wants to be a part of the action.

We hope we can continue to provide more good news that the governor keeps coming back enough that he sees St. Helens as his home away from home.

*9/14/88  
St Helens*

# Baker prison soil turned

By BARBARA REYNOLDS 9/12/88  
Correspondent, The Oregonian

BAKER — While the Baker High School band pounded out "Jailhouse Rock," Gov. Neil Goldschmidt turned the soil Friday for Oregon's first regional minimum-security prison.

"This facility will be the first step back for Oregon on a long road," said Goldschmidt, who has spurred development of a plan for regional prisons across the state.

Oregon may rank highest in the nation in prison overcrowding, with 4,710 inmates in facilities designed for 2,850, said Michael Francke, director of the state Department of Corrections.

Baker's prison — a minimum-security work camp for 100 inmates, with a drug and alcohol facility for another 60 — is scheduled for completion by June 1989.

The 49,611-square-foot prison is expected to cost \$3.6 million and employ 49 persons at an annual payroll of \$1.5 million, Francke said.

Two other such prisons are planned, said Francke: a 400-bed facility in Portland is scheduled for completion by December 1990,

and a 200-bed prison in Coos County should be completed by next July.

Francke said the state's master siting plan includes a prison for Central Oregon and another for the Lane, Benton and Linn county area.

Oregon's parole system has been "coming apart at the seams" for the last 10 years, Goldschmidt told the gathering at the prison site, on the northern outskirts of Baker.

"One out of two parolees are violating their conditions," Goldschmidt said. Prisoners who have been released early because of overcrowding have been "dumped on the streets," Goldschmidt said.

The new prison system will provide a program of restitution and community service "to turn this around," he said.

Inmates in the new minimum-security system will work during the day and participate in drug and alcohol rehabilitation, instead of being "turned loose," said Goldschmidt.

The system was intended to provide extra beds for future needs, Goldschmidt said. "But the population is rising faster than we expected, and the need is worse than we thought."



Neil Goldschmidt  
**Goldschmidt puts troopers on Tri-Met**  
The Associated Press

Gov. Neil Goldschmidt on Friday ordered the Oregon State Police to assign troopers to ride Tri-Met buses and light-rail trains to provide security.

"Portland is one of the most livable cities in the nation, and I am absolutely adamant that its citizens feel safe at all times in using a fine

*9-12-88 5-J*

mass transit system," Goldschmidt said.

Beginning Tuesday, six uniformed troopers and a sergeant will police buses, light-rail cars, bus stops and rail platforms, he said.

It will cost the state about \$31,000 a month to provide the troopers to Tri-Met, he said.

The first word of the beefed-up security for the Portland area's mass transit system came Thursday from a spokesman for union bus drivers.

Tri-Met provides bus service in Multnomah, Clackamas and Washington counties and runs the Metropolitan Area Express light-rail trains, or MAX, between Portland and Gresham along the Interstate 84 corridor.



## Sex orientation proposal

10/12-88 ST

# Measure should be defeated

The *Statesman-Journal* recommends a "no" vote on Ballot Measure 8 in the November election.

Measure 8 would revoke Gov. Neil Goldschmidt's executive order that prohibits job discrimination in the executive branch of government on the basis of sexual orientation — that is, whether the employee is heterosexual, homosexual or bisexual.

A coalition of conservative church groups put Measure 8 on the ballot by initiative petition out of opposition to the lifestyle of homosexuals and fear that Goldschmidt's order gives gays special rights.

Measure 8 backers are wrong on two counts. First, most voters oppose discrimination and want state employees judged solely on how well they do their job, regardless of their sexual orientation.

A poll Sept. 13 by *The Oregonian* newspaper indicated that 54 percent of Oregon voters oppose Measure 8. A poll commissioned by Oregonians for Fairness — the group opposing Measure 8 — found that 82 percent oppose discrimination based on sexual orientation.

Second, Goldschmidt's executive order specifically prohibits preferential treatment and affirmative action for any person on the basis of sexual orientation.

It simply prohibits an officer or agency in the executive branch from discriminating on the basis of sexual orientation in hiring, assigning, promoting and firing employees.

This is the same kind of anti-discrimination protection that state and federal laws and court verdicts already give a wide range of our citizens, from blacks to women to the handicapped. But until Goldschmidt's executive order, the law was unclear about protection of the rights of homosexuals.

Measure 8 would make a major and devastating change in discrimination laws. It orders that no state official can "forbid the taking of any personnel action against any state employee" based on the employee's sexual orientation.

In its attack on homosexuals, Measure 8 would make a major and devastating change in discrimination laws. It orders that no state official can "forbid the taking of any personnel action against any state employee" based on the employee's sexual orientation.

Everyone is heterosexual or homosexual or bisexual. Measure 8 would give state officials the right to discriminate against everyone, not just homosexuals. It encourages discrimination, first against homosexuals, then against anyone who might be unpopular.

The measure was proposed by conservative church groups operating under the Oregon Citizens Alliance. It is opposed by a much larger cross-section of Oregon's church groups, including Ecumenical Ministries of Oregon and a long list of individual churches and church leaders.

It also is opposed by the Oregon AFL-CIO, the American Federation of State, County and Municipal Workers' Council, the Oregon Education Association, the State Bar, the Oregon Women's Political Caucus and others.

Oregonians have no place in their heart and their tradition for a law like Measure 8.

## Governor protests murder

*E. OREGONIAN 11/14/88*  
By The Associated Press

PORTLAND — Gov. Neil Goldschmidt joined a downtown rally staged Friday to protest the beating death of a 27-year-old Ethiopian man whom witnesses said was attacked by three men who looked like "skinheads."

"I'd wished I'd had more time to get organized," Goldschmidt said. "We'd have had the top management in the state government and our employees out here in force. My attitude is that we ought to have done a march to the state capital."

The hour-long protest began at noon, drawing at least 250 people who chanted "death to the Klan," and "chase skinheads out of Oregon."

The rally followed a neighborhood meeting Thursday night where police Chief Richard Walker assured black leaders that the Portland Police Bureau is giving top priority to its investigation of the slaying of Mulgeta Seraw.

Seraw was attacked early Sunday as he was dropped off at his apartment by two Ethiopian



Gov. Neil Goldschmidt addresses the crowd outside Portland City Hall Friday during a protest against the Sunday slaying of a black man by three white males.

friends, who were injured when they tried to intervene.

Witnesses told police that three young men with shaved heads, military jackets and heavy work boots beat Seraw with a baseball bat and kicked him. He died later at a Portland hospital.

Goldschmidt on Friday promised the state would step up its

efforts to stamp out racism, especially harassment by neo-Nazi groups like the skinheads.

"We've taken a position on gangs that if you're going to harass people on buses, we're going to take you off of buses and lock you up," the governor said. "If you're going to harass people on the street, we're going to take you out."

Goldschmidt added: "We are going to make sure we take the steps that the land here is not fertile to grow the kind of bigotry that cause this kind of crime."

He said Seraw's death was not an isolated incident, calling for every Oregonian to make it plain to racists and hate groups that "they're not welcome in Oregon."

## Our Views

### Prison bill comes due

A lot can happen between budget proposal and budget passage. But preliminary reports on Democratic Gov. Neil Goldschmidt's plans for the 1989-91 biennium make it clear that Oregon is about to start spending money — a lot of money — to make progress in its war on crime.

The governor said last week that he intends to ask the 1989 Legislature for \$56 million to finance five major prison construction projects over the next two years. He made that disclosure in a speech at an Association of Oregon Counties meeting in Eugene.

THAT WON'T COVER all the construction costs, because some of the work will carry into the following biennium.

It also doesn't include money for the Corrections Division to hire more personnel to staff these and other new facilities when they are finished.

Later in the week, during a meeting with Democratic legislators, Goldschmidt reportedly said he will propose using revenue generated by the state-run lottery to raise \$53 million of the requested \$56 million. The rest of the money will come from the general fund.

Attorney General Dave Frohnmayer has already ruled that lottery funds can be used to build new prisons but not to operate them. A ruling was requested because the constitutional amendment that

created the lottery in 1984 is very specific in saying proceeds from the games must be used to create jobs and further "economic development" efforts.

In a sense, the \$56 million is a down payment.

The governor plans to spend the money on building about 1,100 new cells. Those, in turn, will help to relieve overcrowding in existing prisons — where 4,800 inmates are being held in facilities that were designed for 2,800 ... and 800 more are on "temporary leave" because there's no place to put them at the moment.

This proposal, which is subject to change by the legislators, seeks to expand upon a commitment made by the 1987 Legislature. Lawmakers at that session authorized the expenditure of more than \$30 million during the 1987-89 biennium for corrections projects.

The money was used to add nearly 800 beds to the Eastern Oregon Correctional Institution in Pendleton. It also paid for preliminary work on a series of regional minimum-security prisons that eventually may create another 1,000 beds statewide.

Briefly, here's how Goldschmidt proposes to spend the \$56 million he's seeking:

- \$22 million — to buy land, do design work and begin construction of a 500-bed medium-security prison, probably to be located somewhere near Eugene or in Eastern Oregon. (To finish the project, another \$25 million will have to be allocated during the 1991-93 biennium.)

- \$8 million — to construct a 200-cell intake facility for state prisoners.

- \$8 million — to add 200 maximum-security cells at the Oregon State Penitentiary in Salem for inmates who are being disciplined or are considered to be security risks.

- \$4.3 million — to increase the size of the facility in Pendleton by adding another 196 medium-security beds.

- \$13.8 million — to build a 400-bed minimum-security prison in Portland.

Goldschmidt said he's already looking for ways to help the Corrections Division expand its annual budget to handle the increase in operating expenses that will begin when construction stops.

He said financing the State Police out of the highway trust fund, an account that derives its income from vehicle registration fees, would free up more than \$50 million a year in the general fund that depends on income tax revenues. The switch would produce half of the estimated \$100 million more that will be needed each year when all these new corrections facilities become operational.

THE GOVERNOR has an advantage in the legislative battle that is brewing over the prison construction and financing issues. His party controls both chambers. It could push his program through on its own if that proved necessary.

More likely, though, both parties will make adjustments to the governor's initial proposal in an effort to produce a compromise package that is acceptable to the majority. That's because the issue is, to put it simply, too critical for the politicians to risk playing political games with it.

Everyone is well aware of one fact: Oregon has put off dealing with its corrections problems for the past 10 years despite warnings from elected officials and others who said the criminal justice system was becoming a joke as a result.

Nobody's laughing now. — R.A.S.

11-20-88  
Mealford

## Community partnerships key to '90s

By LARRY HILDEBRAND 11/15/88  
Associate Editor, The Oregonian

Gov. Neil Goldschmidt extended the state's hand to school and city officials Sunday — both offering and asking for help. Help not for him, but for Oregon's children who, he pointed out most clearly, are Oregon's future.

In talks that earned him standing ovations from the three annual conventions he addressed in downtown Portland, the governor stressed the importance of his Children's Agenda to the issues closest to the hearts of local leaders: crime, jobs and taxes.

At least, those should be the issues closest to the hearts of his audiences. Yet, the League of Oregon Cities does not even mention children in its list of 12 resolutions to be drawn up for its convention of city officials this week at the Hilton Hotel.

Wetlands, water-treatment facilities, mandated health insurance and location of group homes for the disabled certainly are issues of concern to municipalities, but so also ought to be what Goldschmidt eloquently described as this nation's "second War of Independence — the war to keep our independence."

That is the war for the hearts and minds of America's children.

Without affirmative action, 25 to 30 percent of school-age youngsters will continue to drop out of schools — and for many of

them, Goldschmidt pointed out, that will mean dropping out of the employment force. The Oregon challenge, as he laid it out for local officials, is to deliver children in learning shape to schools, so schools can deliver them, with necessary skills, to the work force.

It is the only way Oregon will be able to compete in the increasingly critical Pacific Rim market during the 1990s and beyond, the governor predicted.

Moreover, it is the only way Oregonians can address the long-term crime and corrections problems. In the 12 years from 1975 to 1987, Oregon's prison population grew by 2,000, yet only 780 beds were added. There are 2,800 prison beds now, but for 4,000 inmates, and Goldschmidt stressed, another 800 felons are walking free, not because they earned freedom, but solely because there is no space for them.

Taxpayers paid for the police to arrest them, prosecutors to prosecute them, defense lawyers to defend them and the courts to try them. And then they're turned loose again. Where is the sense in that? Goldschmidt asked what most Oregonians have been asking.

The immediate state agenda is to put sanctions back into the system, Goldschmidt acknowledged. But, he added, the long-range need is to keep youngsters from entering that system.

"Sick and addicted and abused children cannot learn. And when they grow up they cannot work. And one way or another, all of us foot the bill, including state and local government."

Goldschmidt's agenda would deal with children from pregnancy through kindergarten. He wants communities — cities and

counties as well as schools — to discuss prenatal care, childbirth, nutrition, parenting skills and pre- and post-school day care for the state's estimated 50,000 latch-key children.

That will be a lot easier if Oregon's thousands of school teachers are able to talk about education instead of school levies in door-to-door visits. That can happen if the 1989 Legislature and voters endorse reforms proposed by the Governor's Commission on School Funding Reform. That is what Goldschmidt told delegates to the cities league and earlier Sunday, delegates to the Oregon School Boards Association and Oregon Association of School Executives, meeting at the Marriott Hotel.

As the governor sees his Children's Agenda, it starts in every community. The state, he proposes, will help communities to help families to help children. What form that will take under Goldschmidt's Children's Agenda will depend on what communities themselves propose, not what the governor proposes.

If that approach seems familiar, it should be. It is the path of Goldschmidt's regional economic strategies in his Oregon Comeback. In effect, he wants communities to discover themselves, their needs and their solutions. Then, he wants them to talk to their neighbors about mutual opportunities. The state will not dictate solutions, nor will it abdicate its responsibility to help. It will join in a community-based partnership, Goldschmidt promised.

That grass-roots-up formula worked well for the governor in his Portland agenda of the '70s, when he was mayor. If the local partners accept their responsibilities, it should work well for the state and children's agendas of the 1990s and 1990s.



HILDEBRAND

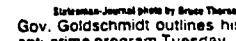


## Governor proposes more prisons

The project would include a 200-bed segregation wing at the Oregon State Penitentiary in Salem.

500-bed medium-security prison.

Goldschmidt also proposed increased use



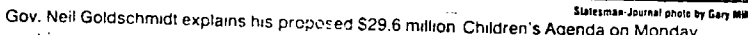
Goldschmidt said his proposals involve breaching a state spending limit that is based on the growth of Oregonians' personal income. That's an idea that's likely to encounter stiff resistance once the 1989 Legislature — which must

Goldschmidt said his crime package was not influenced by Republican U.S. Rep. Denny Smith's Measure 4, which passed handily on Nov. 8. The measure prohibits parole or probation for certain repeat felons.

He billed the package as the state's contribution to his Children's Agenda, an effort to head

One of the package's main elements would involve distributing \$8 million in grants to Oregon's counties.

He said some children are in dire need of help in any form.



Goldschmidt restated Monday his view that the state must focus on children's problems — if for no other reason, to head off budget-busting social problems in the future.

**Goldschmidt said his proposals**

Gilmour was co-chairman of the Legislature's Ways and Means

Goldschmidt declined Monday to say whether he will propose any other expenditures beyond the limit.

# Highlights of Goldschmidt's Children's Agenda

Some highlights of the Children's Agenda proposals that Gov. Neil Goldschmidt released Monday:

■ \$7 million for programs administered by the state Children's Services Division to keep families together instead of placing children in foster care.

Division administrator Bill Thomas said one such effort will involve giving counseling in parenting skills to adults in drug and alcohol treatment programs.

■ \$2.2 million in grants dealing with child abuse, prevention of domestic violence and related activities.

■ \$3 million in state grants to local health clinics.

■ \$500,000 for health testing of high-risk babies, including screening pregnant women for hepatitis B so that infected infants can be treated at birth.

■ \$1 million to allow counties to care for a larger number of severely emotionally disturbed children, keeping the children from being admitted to the Oregon State Hospital.

■ \$3 million to the Department of Education for parent training and services to preschoolers.

■ \$1.7 million in additions to existing grant programs aimed at preventing students from

dropping out of school. The increase would increase total spending on such grants to \$3.3 million.

■ \$400,000 to create a pilot project to help families whose children have chronic health problems.

In addition, Goldschmidt said he would propose to revive Oregon's program of state-financed organ transplants for children.

However, he acknowledged that paying for transplants only for people younger than a certain age could leave the state vulnerable to a discrimination lawsuit.

"We haven't tested the age discrimination issue yet," he said.

## Dollars for higher ed

While details are yet to come, the governor's proposed 1989-91 budget looks good for higher education in general — and the University of Oregon and Oregon State in particular.

The proposal provides for faculty salary increases of 4 percent the first year and 5 percent the second. There will be understandable grumbling over the fact that two percentage points of each year's funding must come from internal savings, but at least the salary increase percentages are better than the 3-and-3 of the current biennium.

Added salary help will be provided by a \$20 million "academic excellence" fund. With private matching funds, this will give all of the schools an endowed source of money with which to hold the best and brightest of their faculties, and attract others of top rank in their fields.

The state's two genuinely comprehensive research universities — in Eugene and Corvallis — will receive an added bonus. They will be able to keep all of the revenue from an extra 5 percent tuition increase added to the 5 percent per year proposed for all institutions.

This will be the first time that these flagship schools have been allowed to reap direct tuition benefit from their own popularity. Normally, tuition receipts from all schools are pooled and redistributed systemwide.

Especially with its enrollment

growth of the past several years, the University of Oregon thus winds up subsidizing the smaller schools. Yet both Oregon and Oregon State are much more poorly financed, relative to their peer institutions around the country, than are Portland State University and the regional state colleges.

The governor's office estimates that the tuition bonus will yield \$3 million for the University of Oregon in the coming biennium. While no tuition increase will be popular, higher costs to students are most justified at the UO and OSU. And the plan to keep the extra money on the campuses, where it originates will directly benefit those schools and their students.

Two other pieces of the spending plan hold special appeal from a Eugene perspective:

● Some \$8.5 million in lottery money will be combined with a like amount of general obligation bonding authority to provide two-thirds of the funding for a \$28-million expansion of the UO library. This will virtually assure a "Go" for this project, the rest of the money to be raised from private sources.

● And more than \$2.3 million is proposed to allow the state to pay coaches' salaries for non-revenue sports at the three universities, easing the budget squeeze on football and basketball and helping the University of Oregon and Oregon State stay in the Pac-10 conference.

## A 'comeback' budget

Gov. Neil Goldschmidt's proposed 1989-91 state general fund budget is a bell-ringer. Just what the doctor ordered. Pick your own positive metaphor. The point is that this budget says in dollars what Goldschmidt was saying in his 1986 campaign: It's time for Oregon to make a "comeback" from the darkness of economic recession and governmental regression.

The massive spending plan is not perfect. The Legislature will have plenty to do sifting and sorting the governor's ideas, not all of which will or should sell. But in broad outline and general thrust, the plan is excellent.

The governor got the picture just right when he explained that during the state's economic downturn, "We put off vital needs. We allowed state support of our schools to drop. We allowed our universities to go without new libraries or laboratories. We released criminals because there was no space to hold them. Our institutions for the mentally ill and mentally retarded went downhill. We put a bucket under our leaky roof, and now the roof is about to cave in. . . . It's time to fix the roof while the sun is shining on our economy."

Under the proposal, general fund spending would rise 19.5 percent above the \$3.7 billion budgeted for the biennium that ends next June. Some \$225 million of the additional \$700 million would be outside of the amount allowed by a spending limit adopted in 1979.

Having held his fire until he could show how the money would be used, Goldschmidt is making an all-out assault on that limit. He is absolutely correct in doing so.

The limit ties future spending to past economic growth. Because Oregon took an economic plunge during the first half of this decade, the limit would prevent the state from using millions of dollars of revenue that will come in during 1989-91 without any increase in taxes.

Oregon's economy is cyclical. So it only makes sense for the state to take advantage of good times to repair losses suffered during bad — and to invest in a service infrastructure that can help tide the state over the next slump.

That's what Goldschmidt wants to do. It can only be done by breaking the spending limit. Appropriations exceeding the limit can be made simply by a majority vote of the Legislature. Amounts totaling \$125 million above the limit applying to the current biennium were approved by the 1987 Legislature.

In essence, the proposed budget reflects strong responses to recommendations covering three of four broad problem areas to which Goldschmidt assigned interim task forces. The areas in which the budget would provide substantial dollar infusions and program improvements are corrections, school finance and mental health. The one being left for another time is health insurance for the working poor.

At the same time that he is recommending big expenditures to build more prison cells as well as to operate expanded correctional facilities, the governor has expressed concern over the prospect that corrections may become too large a whale in the budgetary ocean. His concern is justified. Building prisons is an expensive business, and running them is a high permanent expense.

For that reason, the Legislature should closely examine all available options in this field. The report of the corrections task force combined with newly recommended sentencing guidelines may reveal opportunities for building fewer cells than the governor suggests, using more dollars to beef up the state's ability to impose meaningful sanctions short of imprisonment.

In the same constructively critical way, the Legislature should look hard at the proposal to spend \$75 million on across-the-board local property tax relief. The school finance task force recommended twice that much. The purpose is to promise local taxpayers a small reduction to entice them to approve new school tax bases that will be proposed, probably in a statewide election in May.

In our view, such a "carrot" is unwise and unnecessary. It would be expensive for the state yet would not make any real dent in local tax bills. No one who is inclined to vote against an updated school tax base will be turned around by the prospect of a temporary two- or four- or even six-percent reduction in property taxes.

Better to spend what it takes to pull the state's share of school costs up to 30 percent, as Goldschmidt also proposes, and not pretend that the state can do more than that for property taxpayers. It can't — until the main financing burden is shifted away from local taxes onto state taxes. No proposal of that magnitude is envisioned during the next biennium.

There is ample time for debate on these and other details. For now, it will suffice to celebrate the governor's budget as a good push in most of the right directions.



## Ed-Net's a good bet, even with tight funds

For a state that can't pay its education bills, the newest electronic gimmick to come down the hallway may look like an expensive frill.

It asks the legislature to spend \$8 million on a statewide hi-tech information system called Ed-Net.

It's not in spite of but because of our tight situation that Ed-Net looks like a good bet — if, if and when....

Stripped of the hype, Ed-Net is an communication system that can deliver training and data by TV, two-way radio and satellite to anywhere in Oregon, from anywhere in Oregon.

That means that Ed-Net could provide Oregonians with better access to information than they have now.

Using Ed-Net to train staff who are spread across the state, for example, would save at least the cost of travel to and from head office, or to and from Salishan or Sunriver for a staff retreat — or the higher cost of doing no training at all.

Whether it is delivering continuing education to nurses, new fire control techniques to rural fighters, management and motivation skills to small businesses or a Japanese class to high school students at Myrtle Point, says an Ed-Net press release, suddenly the resources of the state become accessible to every citizen.

Blue Mountain Community College will buy into the system once it's running. President Ron Daniels says his college's new basic education and computer building would be wired into the Ed-Net system.

Ed-Net would be built on the existing Oregon Public Broadcasting network of microwaves and transmitters and the like, and is expected to be self-supporting in three years.

The 1989 Legislature will look at Ed-Net and decide if \$8 million should be appropriated to run it for three years.

If people can learn to use the system, if they will divert scarce resources to get more for their information and training dollar, and when the system operates free of state support, ED-Net will be seen as a good investment.

Right now, it appears to be a good bet.

# Don't wait to help children, governor says

By NANCY MCCARTHY  
of The Oregonian staff

Those who attended a conference dealing with the plight of Oregon's children were startled into silence Wednesday when Gov. Neil Goldschmidt unleashed his anger.

Raising his fist and shouting over the clatter of silverware hitting china at the luncheon, the red-faced Goldschmidt told his audience he was weary of being asked continually what programs would be included in his Children's Agenda and how much the state was willing to contribute.

"If you spend your time talking about that as if it were the Children's Agenda there will be no agenda," he shouted. "The agenda is the kids, the agenda is all the kids. It isn't the government, it isn't my budget.

"It's all of what you expect is possible for our kids. You can't fulfill all those possibilities in a budget document."

Goldschmidt spoke to 1,200 business leaders, government officials and advocates for children, who were attending a two-day conference titled "Oregon's Children: An

## ANALYSIS

Investment in our Future."

His message was clear: Don't wait for the state to take the lead on developing children's programs. Do the job yourself and do it now.

But while the conference's participants found new enthusiasm and encouragement in his words, Oregon still has a lot of work to do.

Throughout the conference Tuesday and Wednesday, speakers stressed the need to begin intervention immediately to end the generational cycle of children's problems.

They talked about prenatal care, child care, family support, abused children, mentally ill children. With 30 percent of the nation's children born into poverty and nearly 25 percent dropping out of school, the country is in a crisis, they said.

Democracy is at stake, they added. If nothing is done soon, the country as we know it today will go down the drain.

Their warnings created a sense of urgency in the conference. During breaks between speeches, bureaucrats and volunteers, originally frustrated that the governor had put no

details on money or programs into his agenda, began to gather in the lobby of the Airport Holiday Inn to discuss programs and partnerships. Business and social service representatives, who don't always talk together, gained new respect for one another.

"This is a deal-making process," said Walt Hathaway, director of research and evaluation for the Portland Public Schools.

"If families and children are not given an opportunity to have some hope, they are going to find other ways — through delinquency, gangs or physical and mental health impairment," added Muriel Goldman, child advocate and conference chairwoman.

Meanwhile, in another part of the motel, the Coalition to Keep Oregon Families Together held a news conference to protest Goldschmidt's proposal to eliminate welfare for two-parent families from July 1, 1989, to Oct. 1, 1990.

The cutoff could create the very problems Goldschmidt is trying to prevent, said Robert J. Castagna, chairman of the non-profit organization.

Mike and Toni Woodward and

their three toddlers, who received two-parent welfare for three months until they could make it on their own, also urged Goldschmidt to reconsider his proposal.

The family slept in parks and found refuge in a Hillsboro shelter until they were able to qualify for \$430 in welfare and \$260 in food stamps, said Toni Woodward, 22. Now they live in Beaverton, where Mike Woodward, 26, a cook in a restaurant, earns \$800 a month.

"We're finally getting on our feet again," Toni Woodward said. "There's no telling where we would be without welfare."

Goldschmidt urged his audience to become personally involved in helping children.

"We have the chance of a lifetime. ... This is your century," Goldschmidt said. "It is yours to give to your children, a century that they have never felt and never seen on this earth like the one we have the potential to provide in Oregon."

"Hear me please, today, now. The Children's Agenda is not a program. It is not dollars. It is a social commitment of the most personal kind. And each of us will have to make it."

## Editorials, Opinion, Analysis

12/9/88



## State officials show up often in Eastern Oregon

All politicians since third grade have promised to improve communication with their electorates.

As far as state government officials are concerned, one measure of their sincerity is how hard they work to reach the people they serve, especially those who aren't within honking distance of I-5.

If you've been keeping score, you know this has been an unusually good season for having important people show up in the area.

Some who come to mind — all here within the past 90 days:

Barbara Roberts (secretary of state), Dave Frohnmeyer (Attorney General), Tony Meeker (Treasurer), Ed Fadeley (Supreme Court) and Bob Smith (2nd District, U.S. House of Representatives) on pre-election visits.

Gov. Neil Goldschmidt came to Round-Up and returned the following week to react to our regional strategy.

Jim Rose (Land Conservation and Development Commission) held a public hearing on proposed LCDC rules for classifying secondary ag and forestry lands.

Task force executives Ozzie Rose (School Finance) and Peter Ozanne (Corrections Planning) made public presentations here this month.

Dick Reiten, outgoing head of the the Oregon Department of Economic Development, dropped by last week to explain the state's economy.

Portland attorney Hardy Meyers and Corrections Department head Michael Francke heard reactions to proposed uniform sentencing guidelines last Friday.

Executive staff members Fred Miller, Gregg Kantor and budget director John Yunker invited editorial page editors from around the state to attend briefings on the governor's budget proposal a few days before it was released to the public — the first time that's ever been done, so far as anyone knows.

We've probably left somebody out, but you get the idea.

It's getting harder to stay out of the mainstream when our top state executives keep showing up to tell us what they're doing with our money.

Thanks for coming, folks. You're giving new meaning to the cliché: "I'm from the government. I'm here to help."

The Mail Tribune  
Friday, Dec. 9, 1988  
Pages 16-17A

## Our Views

### Budget helps schools

Gov. Neil Goldschmidt's proposed budget for the 1989-91 biennium follows the lead set by previous governors in earmarking the largest single allocation of funds to support schools. This budget goes one step farther, however; it proposes a series of long-term changes in the way Oregon finances its statewide system of public education.

Goldschmidt's budget for the next two years reflects, in part at least, recommendations that were made earlier this year by the Governor's Commission on School Funding Reform.

That panel, which had significant citizen participation, called for an increase in state basic school support to reduce the reliance on property taxes to operate local schools. It also urged the state's political leaders to propose a constitutional amendment that would give school districts new tax bases starting next year. (A tax base is a voter-approved amount that school districts can levy without having to hold an election.)

The governor is asking the 1989 Legislature to join him in taking "the next step" beyond the "safety net" measure, which was drafted by lawmakers in 1987 and passed by voters that same year. The safety net law put an end to the closures of school districts that didn't have modern tax bases. It gave them a fallback levy, one based on the amount they levied the prior year, if they failed to win voter support for increased levels of funding.

A booklet prepared by the governor's office to highlight parts of the 1989-91 budget has this to say about the current system:

"Our over-reliance on local property taxes and uneven distribution of property wealth has resulted in a wide range of tax rates and expenditures per student. The fact is, in Oregon, getting a good education can be decided by accident of birthplace or residence."

To correct that situation, Goldschmidt proposes to do the following:

- Increase state basic support by \$129.3 million, making the total set aside for schools \$1.15 billion — 26 percent of the entire 1989-91 budget.
- Provide \$75 million in direct property tax relief for all districts, to be distributed in proportion to state aid given to each district.
- Allocate \$20 million to reduce property taxes in districts where unusually high tax rates have led to low levels of local funding for schools.
- Set aside an added \$20 million to assist school districts that are educating severely handicapped students so the burden for providing these costly services is shared by all taxpayers.

In addition, Goldschmidt is asking legislators to give voters an opportunity to vote on a constitutional amendment that would provide for updated tax bases. The proposed amendment, which the governor hopes to see on the ballot in the spring, also would prohibit school districts from proposing new tax levies for operating expenses for a two-year period following its passage.

In 1987, Goldschmidt and members of the Legislature promised they would come back in 1989 to improve upon the safety net. The governor's budget is the first step in that direction. — R.A.S.

More Tribune 4/18/89

# Governor lists fast track items

## Asks early votes on prisons, tax bases

By BILL MANNY  
Mail Tribune Staff Writer

SALIENT — Hoping to build upon his 1987 legislative record, Gov. Neil Goldschmidt has asked the Legislature to put six projects on the fast track.

"It just generates an agenda to jumpstart the session," explained Rep. David Dix, D-Eugene, who is the House majority leader.

The principal items in Goldschmidt's "early action" plan are spending lottery money for prison design and construction, and referring to voters a May measure to give all Oregon schools modern tax bases.

The tax base proposal is the centerpiece in the governor's school finance reform proposal, following the recommendations of a special governor's task force.

But other items are not major legislative initiatives, and the 1989 fast track agenda has not yet grabbed much attention or generated much noise.

"We would have preferred they would have gotten into what we consider some of the key issues," said Rep. Larry Campbell, R-Eugene, the House GOP leader, whose caucus urged the governor to adopt a new 60-day agenda with different action items.

In 1987, Republicans enthusiastically backed the governor's "60-day agenda."

This time, the short list is a gubernatorial program that has the tact of not enthusiastic support of legislative leaders.

For instance, Senate President John Kitzhaber, D-Roseburg, was blunt: "I never signed up for it." But he said the list will be helpful in setting a framework for the early days of the Legislature, and sidesteps an arbitrary deadline that legislators wanted to avoid.

Despite the lukewarm reception, there is general agreement that the short-list agenda is achievable.

"We don't care what the issues are as long as we get moving," said Campbell. "We need to get going."

In addition to the school tax base referral, the governor's items would:

- Use excess lottery money to complete a Portland minimum-security prison (\$12.4 million) authorized by the 1987 Legislature, and begin design work (\$785,000) on a 200-bed super-maximum segregation wing at the Oregon State Penitentiary, which is part of the governor's new two-year budget proposal.

- Ask voters for a constitutional amendment to permit the State Land Board and the Legislature to prohibit the export of raw logs.

- Change the Oregon Banking Code to permit a credit card bank ("non-bank bank") by ITT Financial Corp. to operate in Portland, and employ as many as 400 or more.

- Seek approval to use a tax on pinball machines and video games to go to the Oregon Youth Conservation Corps to create 750 jobs for \$1.6 million. Currently, that share of the tax goes to counties.

- Ask voters for a constitutional amendment for a statewide forfeiture law, which would allow the seizure of proceeds from drug crimes. The revenues would be used to fight crime.

The success of Goldschmidt's 60-day agenda in 1987 set a precedent for focusing the unsettled early weeks of the session, and getting issues and newcomers busy.

And, says Goldschmidt spokesman Gregg Kantor, all six items this time need early attention.

The school referendum, the log export ban, and the forfeiture law all would go before voters in May. The governor's office wants the forfeiture measure early, so it can tie in with the new federal drug program that takes effect in October.

Dix said an Oregon log export ban would bolster similar congressional efforts.

"Our grandparents as kids worked to replant the Tillamook Burn, and (it shouldn't) be harvested for Japanese mills."

With or without a fast-track agenda, said Kitzhaber, the two top issues are schools and the spending limit.

Kantor said Goldschmidt does not care if the Legislature grapples with the limit early or late.

The House Republican agenda would ask voters in March to approve a constitutional amendment to permit lottery revenues to be used for police services, and prison operation and construction. Campbell said 35 or 36 House members have said they'll back that plan.

The House Republicans also would send a schools measure to voters in March, not May, set a level for state basic school support as a first priority, and push for an early conclusion to salary talks with state employees so the Legislature could know actual salary levels while considering the rest of the 1989-91 budget.

In 1987, Goldschmidt sought and received in the first 60 days a referendum for a "safety net" to stop school closures; a referendum against a nuclear waste repository at Hanford; a summer Youth Conservation Corps; a bi-state commission to oversee the Columbia Gorge Scenic Area; an increased state voice in federal forest planning; a rewrite of state tax codes to match federal changes; money and a master plan for prisons; and money and staff to cut waiting lines at Motor Vehicles Division offices.



Gov. Neil Goldschmidt, left, and Fred Pearce, newly appointed director of the state's Department of Corrections, talk during a break in Tuesday's tour of the Pendleton prison. They are just outside the shower area in one of the new units.

## Officials dedicate EOICI's new cells

By Wil Phinney  
of the East Oregonian

PENDLETON — Saying it's the first step in the state's prison expansion plans, Gov. Neil Goldschmidt dedicated new cells Tuesday at Eastern Oregon Correctional Institution.

He and other state and city officials, including Fred Pearce, newly appointed director of the state's Department of Corrections, were joined by more than 150 guests in Unit B-2, a wing of the former Eastern Oregon Hospital.

The expansion, which is being completed four months ahead of schedule, will nearly double the current inmate population to 1,381.

Sixty inmates, housed in bunks in the prison auditorium, are the first of an expected 300 prisoners to come to EOICI this month. They eventually will be moved into the new two-man cells in four, 74-man units.

"Talk is cheap and fighting crime is not," Goldschmidt said. "This sends a message that Oregonians are again putting money where their lives are."

"This is restoring our power to pun-

ish," he said. "We'll continue on the fast track. We all have a lot to do. It took years to fall behind and it's going to take years to get ahead of the curve but we must stay with it and give it our best effort. We all must participate until Oregon is as safe a place to live as we all expect it to be."

Goldschmidt praised Michael Francke, the former director of the state corrections division who was slain in January.

Francke "kept his foot to our forehead" as Oregon moved toward corrections remedies, he said.

He lauded Sen. Mike Thorne of Pendleton, who was attending a session of the state Legislature, for his vision and tenacity to start a prison in Eastern Oregon.

The Governor also praised the people of Pendleton for accepting the challenge of a prison and for their cooperation. "Oregon learned something here in Pendleton," Goldschmidt said. "With leadership, we can speed up the siting, building and opening of a prison and continue on the fast track."

Pearce, who today officially began his



The prison's four new units include two-person cells rather than dormitory-style housing.

job as director of the state's corrections division, said the new cells will bring "immediate relief but it doesn't solve the problem."

# THE BULLETIN

## Community—

### Goldschmidt: Invest in future

By Mike Freeman  
Bulletin Staff Writer

SUNRIVER — Gov. Neil Goldschmidt told an economic development group Wednesday that Oregonians must invest in the state's future through roads, parks and education to prepare for continued growth in the state's economy.

Speaking at the Central Oregon Economic Development Council's annual dinner, Goldschmidt said the state has recovered from the "depression" of the early 1980s, but it now must invest in itself or risk a resurgence of the "visit but don't stay" legacy of the Tom McCall era.

"Are we going to keep eating seed corn from our parents or are we going to invest?" the governor said. "Art Buchwald said when the economy gets better, everything else gets worse. If we can prove Art Buchwald wrong" it would be an accomplishment.

"I would rather be discussing growth issues than turning out the lights as the last Oregonian leaves the state" to find a job, he continued.

The first opportunity to make that investment, Goldschmidt said, is the May election when a state constitutional amendment is on the ballot to allow counties to levy their own vehicle licensing fees.

Goldschmidt said counties that choose to implement the fees can invest in their infrastructure, and in the Portland area, the fees would provide enough money to leverage federal funds to extend light-rail mass transit to Washington County.

The governor also pledged to

submit some type of tax package to the Legislature for state parks "to buy land in areas like this that are growing" so Oregonians won't resent it when state parks are full of out-of-state residents.

"We have to invest in ourselves," he said.

Goldschmidt, who announced this winter that he would not seek re-election, called his recent speeches "swan songs" and gave an energy-charged address that drew a standing ovation from the roughly 250 people at COEDC annual dinner at Sunriver.

The governor praised bureaucrats and volunteers who've served in his administration and urged the audience to deliver a message to the next governor not to "trash" those in state service.

Goldschmidt also praised the Access Oregon highway improvement program and the Regional Strategy economic development program, which he said has made rural counties part of the state's economic resurgence.

"We're back, and we're better than we were three years ago," Goldschmidt said.

According to the governor, the challenge is for the state to prepare itself for the growth by building the necessary roads and parks and by committing itself to high-quality education.

Goldschmidt added that the framework of land-use planning is in place to monitor development. He said Oregon's message to out-of-staters is "come and visit. Come and live among us and if you do, you can depend on our rules to protect your quality of life."

The Mail Tribune  
Thursday, Feb. 2, 1989  
Pages 8-9A

### Our Views

#### Parks deserve a break

Better late than never. That's our reaction to Gov. Neil Goldschmidt's Tuesday announcement that he will ask the Legislature to create a new, independent Parks and Recreation Department to oversee Oregon's vast — and aging — park system.

Currently parks and recreation programs are handled by a division of the state Department of Transportation. That's been the practice since 1929 when Oregon decided to turn roadside picnic areas and viewpoints into a network of state-run parks.

The division is primarily funded from recreation vehicle fees and fees charged to people who use the system's 224 parks. In 1987-89 the division's budget was \$41 million.

Goldschmidt will ask lawmakers to create a separate department under the direction of a seven-member citizens' committee. He said he won't seek any new funds for parks improvements until 1991, even though a committee that examined the system and its needs to the year 2010 has recommended that \$203 million should be spent over the next 21 years on maintenance and improvements.

"All those feet on all those trails, all those hands on all those faucets, all those cars on all our campgrounds have taken their toll," Goldschmidt said. "The Oregon parks are under extreme pressure."

The division has been living on a tight budget since it was moved from the gasoline-tax-supported highway fund into the general fund, where it has had to compete — with everything from prisons to health care for the needy — to pay for its operations. As a result, no new parks have been added since 1970 and no new visitors' centers have been built since 1977.

Goldschmidt said Oregon is "literally turning away visitors on summer weekends." He said that affects the state's livability, and its ability to attract tourists and new businesses that judge the state on the basis of its parks and its recreational opportunities.

Oregon has neglected its parks for too long. Creating a Parks and Recreation Department would help to correct that oversight. — R.A.E.





# Governor gets what he asks for

By BRAD CAIN  
Of The Associated Press

SALEM — Most of Gov. Neil Goldschmidt's legislative package appears to be faring well at this stage of the Oregon Legislature's 1989 session.

Whether the Democratic chief executive ultimately will be able to claim a successful session depends a lot on thorny budget issues that haven't been resolved yet.

With the session past its probable halfway point, Goldschmidt has won approval of nearly all the items on his early action agenda, including referral of school tax base measure to voters.

The ballot measure, which will appear on statewide ballot May 16, is touted by Goldschmidt and others as the next step on a road to reforming Oregon's system of taxing for schools.

Of the other items he's proposing, the most ambitious is his \$100 million crime corrections package that includes construction of a 500-bed prison that could be expanded to house 3,000 prisoners.

**THIS PAST WEEK**, Goldschmidt signed into law a bill the Legislature passed on request that contains \$200,000 to plan the "megaprisn."

Another bill to give the governor power to override local land-use planning to site prisons is drawing flak from some legislators.

The dispute doesn't appear to pose a

serious threat to Goldschmidt's effort to expand Oregon's severely overcrowded prison system, however.

Other factions have developed between the governor and lawmakers along the way.

But Goldschmidt's legislative lobbyist, Diane Perry, says the governor's overall legislative program appears to be chugging along.

"At this point, things are going good," Perry said. "They seem to be progressing."

What Goldschmidt's baring average eventually turns out to be this session is more than just a point of passing interest for him.

With a 1990 re-election campaign looming, Goldschmidt is hoping to be able to point to a list of solid accomplishments during the Legislature's 1989 meeting.

And it's in Democratic legislators' own self-interest to help their governor with his program.

**DEMOCRATS INCREASED THEIR** majorities in the Legislature in last year's election, in part because Goldschmidt made numerous campaign appearances on their behalf and raised campaign money for them.

Democratic candidates no doubt will be counting on that same kind of help from Goldschmidt in the crucial 1990 elections.

Next year's elections are important because if Democrats can keep control of the Legislature, they'll be in the driver's

seat when it comes time in 1991 to tackle the politically explosive task of redrawing congressional and legislative district boundaries.

Still, a lot of Goldschmidt's success — or lack of it — this session depends on the budgetary decisions the Legislature makes between now and adjournment.

The governor handed lawmakers a political grenade in his 1989-91 budget by proposing spending of \$225 million beyond the state spending limit for everything from corrections to asbestos cleanup to improvements at the state's Fairview Training Center.

**SO FAR, THE Legislature** has come to no final decision on whether to jettison the spending limit or to break it on a case-by-case basis.

Another much-publicized part of Goldschmidt's package — his "children's agenda" — is getting a thorough going over by legislators.

Even so, Perry said her boss is optimistic that that and other parts of his program will win approval in some form before lawmakers call it quits and adjourn later this year.

"I don't necessarily think we'll get everything," she said. "Substantially, I think the governor's package will survive intact."



Legislative action on Gov. Neil Goldschmidt's agenda has been favorable — so far.

## Goldschmidt backs 'Trail' center

By STEVE FREDERICK

An End of the Oregon Trail visitor center is "an idea whose time has come," Gov. Neil

Goldschmidt said Wednesday. Speaking before an audience of nearly 200 Rotary and Chamber members at the Carpenters Hall in Oregon City,

Goldschmidt called the proposed center a "major tourist destination opportunity for the United States."

Goldschmidt, who appointed

the Oregon Trail Advisory Council to study ways the state could coordinate tourism efforts related to the trail, said funding

(Please Turn to Page 1)

## Lake County's economic future seems to be bright

### Regional strategy refocused on wood

By LEE JULLERAT

H&N Regional Editor

**LAKEVIEW** — Chopsticks, tongue depressors or, who knows, maybe even jewelry boxes or trophy stands, could provide an economic boost for Lake County.

All can be classified as secondary woods products and, under the county's revised regional strategies program, that's the area's economic future.

"It's very realistic. It's right on the money," insists Greg Satchell, regional strategy coordinator for the Oregon Economic Development Department. "Things look really good."

Satchell believes decisions by Lake County Commissioners to shift from an economic strategy based on tourism to secondary woods products will bring in new jobs and dollars.

"They couldn't have made a better choice," says Satchell. "It's the industry that will produce significant and immediate employment opportunities."

Secondary woods products are those made after trees are cut and sliced into raw lumber. Currently about 60 percent of the timber cut in Lake and Harney counties is sent elsewhere for conversion into marketable products. In recent months the two counties have agreed to combine in the state-mandated regional strategies program and focus effort on secondary woods products.

Lake County Commissioners will hold a public hearing on adopting the strategy May 24 at the county courthouse. Public comment will also be taken at the commissioners Wednesday session, set for 10 a.m. in Plush.

Commissioners and Satchell emphasize that in addition to luring new businesses, the plan calls for expanding existing secondary woods products firms. Instead of sending cut timber out of town, the strategy envisions transferring it to local businesses for conversion into molding products, cabinets, wood pellets, picture frames, prefabricated

plywood, prefabricated building components or even chopsticks, tongue depressors, mus boxes or trophy stands.

Satchell estimates just 20 percent of the timber cut in Lake and Harney counties remains in the two counties for remanufacturing. Raising the figure to 30 percent would result in more than 10,000 jobs in the two counties, most probably paying a "family wage" of \$17,000 to \$20,000 a year.

The strategy carefully sets out a plan to promote the growth.

Actually, its first step calls for restoring rail service from Burns to Ontario for many of the same reasons Lake County fought, successfully, to restore rail service from Lakeview to Alturas.

After that, the planning revolves around secondary woods products through market evaluations, implement market outreach programs encouraging and assisting in expanding and/or developing new industries, and developing a county partnership program for "bankable" business plans.

As an example, Satchell notes that if studies determine the wood pellets, that product could be produced by an existing secondary woods products firm or combined with other products in a new business.

A series of other priorities would help develop a labor force, improve county health services, provide additional housing and improve the main highways, including Highways 20, 140 and 308. Many of the alternatives follow in logical order — the expanded, trained labor force would be needed to fill new job openings. Improved health services and more housing would be necessary because of the increased population.

After the May 24 public hearing, commissioners could move ahead with officially adopting the strategy. It would then move on for state review and approval.

Because the strategy has been developed by commissioners and the Lake County Economic Development Committee with the Economic Development Department's help and because, according to Satchell, "it really makes sense," he predicts quick approval.

No dates have been set for implementing the plan, but Satchell expects "you'll see some of these projects starting immediately."

## Governor

(Continued from Page 1)

for the program could come from Oregon Lottery monies or from the state budget. He said he preferred the latter, because it would represent an ongoing commitment to the project.

"I think it's on the verge of happening," he added.

During his talk, the governor raised Clackamas County for

its economic development efforts, encouraged support for a plan to expand Clackamas County Jail to help process state prisoners and devoted most of his time to encouraging support for a school funding plan that will appear on the May 16 statewide ballot.

"There is a boom of housing retail and industrial projects under way in Clackamas

County," Goldschmidt said. "It's one of the nation's miracles."

The effort to bring a campus of Oregon Institute of Technology to the area through a partnership involving the state and Clackamas Community College is paying dividends in interest from potential employers who need trained workers, he said.

The governor's "Access

Oregon" program is providing funds for the Sunrise Corridor expressway, a \$200 million project that will stretch from McLoughlin Boulevard to Interstate 205 and help relieve traffic congestion in the Clackamas area, he said.

The jail project is part of a plan that will add a new state prison and additional prison bed space in Eastern Oregon, Portland and Salem to the state's corrections system.

The local jail will provide space for an "intake facility" to temporarily house prisoners that eventually will be sent to the other facilities, he noted.

"It will not threaten anyone's security, and the state will pay its way," he said.

The prison construction program is the largest undertaken in the state since 1966, he added.

"We need to remain angry and persistent until we have restored the power to punish we need in our criminal justice system," he added.

The governor, defending the school finance plan, called it an investment in Oregon's future.

"Talk is cheap, and

uneducated children are not," he said. "Not when dropouts are nearly eight times as likely as high school graduates to find themselves on welfare."

Although Oregon students have scored second in the nation in SAT test scores, only 73 percent of Oregon children complete high school. Dropouts are more likely to be involved in teen pregnancy, gangs, drugs and prostitution, he added.

"The kids who do stay in school won't get the education they deserve because the adults — that's us — can't figure out how to pay for it," he said. "We can't afford that waste any longer."

Workers of the future will be competing with Oriental and European workers and need to be prepared for the challenge, he said.

The state bill, he said, will provide relief for taxpayers in poorer districts, will help pay for education of the handicapped and will provide relief for low-income households.

While it won't solve all the state's school finance problems, "Fairness for the kids and fairness for the taxpayers has to be the beginning of true reform," he said.

## Try, try and try again

Oregon's failure to solve its school-funding problems isn't for a lack of trying. Efforts date back to at least July 21, 1933, when a proposed sales tax lost by 167,512 votes to 45,603.

The sales tax resurfaced again in 1934, 1936, 1944, 1947, 1969, 1985 and in 1988. The last time on the ballot it lost 816,369 to 234,804.

Proposals designed to update tax bases, as is the case with Measure 1 on Tuesday's ballot, went down in 1940, 1970, 1974 and 1982.

The so-called "safety net" measure passed by voters in 1987 was similar to a measure drafted in 1977 by Jason Boe, a respected Democrat from Reedsport who was president of the Senate. Boe's plan would have allowed districts to collect their previous year's levy if voters rejected special levies twice in one year. It was defeated by a 2-1 margin — 252,061 to 112,570.

Plans for the state to collect more income taxes or other types of special taxes to help schools, thereby lowering property tax bills, were rejected in 1941, 1950, 1973 and 1986.

Clearly, this isn't a new problem. — R.A.S.



Governor Neil Goldschmidt discusses Toledo's 'Saturdays' program with Dr. Hal Janneck, principal of Toledo High School and one of the originators of Toledo's Saturdays youth program.

## Governor praises 'Fridays', other Lincoln County youth programs

Approximately thirty representatives from the Toledo "Fridays" group, Newport's "Saturdays" group and Lincoln City's teen group gathered at the Toledo Friday's meeting place, Trinity United Methodist Church, Toledo, to discuss issues with Governor Neil Goldschmidt in his whirlwind tour of Lincoln County last Wednesday.

Don Lindly, Coordinator of Community Services with Lincoln County School District introduced Governor Goldschmidt to the group. Dr. Hal Janneck, principal at Toledo High School, kept the questions flowing from the audience and explained how "Fridays" evolved in Toledo.

"As you know Governor," stated Dr. Janneck, "school dances just don't quite do it for kids anymore." Goldschmidt reminisced about his school dance days and told the group how he used to stand against the wall at dances.

"I wish we would have had

something like this when I was your age," expressed Goldschmidt. "It would have been a lot more fun to attend than just a dance."

Governor Goldschmidt praised Dr. Janneck for bringing the idea of "Fridays" to Toledo from Lakewood. He also praised the parents, children who attend and all those who help to make such a program continue. Goldschmidt expressed sympathy for the teens in Burns who couldn't find a church or building to house their teen program. The churches that are making this happen, he said, "make a real contribution to the future of our children."

Goldschmidt asked Dr. Janneck, "Do you do your own parties?" Dr. Janneck replied, "Yes." Goldschmidt responded emphatically, "Unbelievable!" A student from Newport High School, Morgan Locklear, told Governor Goldschmidt, "Fridays" and "Saturdays" is our release.

We are made to be adults and have a lot of pressure on us. What college and jobs in the future."

"It's an acquired skill to have fun," declared Goldschmidt. "Some people never get there. Someday I wake up very grumpy and I don't like it. I like to get away on weekends too, so I do understand. Everybody needs a good release."

In his closing comment to the assembled body, Goldschmidt stated, "We can make good products and beat the rest of the world but you can't carry 15-20% of Oregon families on welfare programs. It's not going to get done by the government. You have learned through 'Fridays' and 'Saturdays' that as a community you can accomplish something. I appreciate everything that you are doing and you are going to take care of me in my retirement."

May 17, 1989



## A productive session

Members of the Oregon Legislature can look back on their 65th regular session with a lot of satisfaction and few regrets. They adjourned Monday after six months of productive work. They even received a going-away present, in the form of a contract settlement between the state and its largest labor union.

The chronic financial problems that plagued state government during the early- and mid-1980s have receded, leaving legislators with the more pleasant and less controversial task of apportioning the benefits of a strong economy. Legislators met the challenge responsibly. Rather than abiding by the constraints of a spending limit conditioned by the state's past economic performance, the Legislature used the surge in state revenues to repair long-neglected services and launch much-needed new initiatives.

Crime rose to the top of the political agenda this year. Gov. Neil Goldschmidt's \$85 million prison construction program won approval — a substantial aid in slowing down the revolving door that the state's corrections system has become. New sentencing guidelines will ensure that the most dangerous criminals remain behind bars longer. Legislators' desire to get tough on crime manifested itself in a variety of other ways, ranging from stiffened penalties for marijuana possession to a lengthened waiting period for handgun purchases.

Legislators were less successful in dealing with the perennial issue of school finance reform. An attempt to secure voter approval of property tax buses for all Oregon school districts failed. But the state did not lose ground as a result of the defeat. The next step in the reform effort — the search for a way to reduce local schools' reliance on property taxes — can proceed as planned. And the Legislature did approve a few modest programs that will make the school finance system marginally more fair.

An ambitious and innovative plan for extending a minimum level of health insurance to all Oregonians is likely to be the 1989 session's landmark piece of legislation. Resources available through the state-federal Medicaid program will be shared among all poor Oregonians. And nearly all working Oregonians will receive some form of employer-paid health insurance by 1994.

A list of health-care priorities must still be devised, and federal health care authorities will have to grant exemptions before the plan can

be implemented. But approval of the legislation has already made Oregon the national leader in the effort to deal with the problem of the medically indigent. The 1989 Legislature's efforts to broaden access to health care will enhance Oregon's reputation as a pioneer in the field of public policy.

Oregon will also lead the way, at least temporarily, toward a higher minimum wage. The Legislature voted to increase the state minimum for the first time since it was raised to \$3.35 an hour eight years ago. The state's lowest-paid workers will get a raise to \$3.85 in September, to \$4.25 in 1990 and \$4.75 — the nation's highest minimum — in 1991. Other states may soon surpass the minimum rates approved in Oregon, and federal action is also likely. But for now, Oregon has done the most to make the minimum wage a living wage.

In contrast, the Legislature failed to make any progress toward solving the problem of smoke from open field burning. The House of Representatives rejected a reasonable proposal for a gradual reduction in the number of acres burned each summer. As a result, the grass seed industry, which relies on field burning for straw disposal and disease control, risks facing much more stringent limitations as a result of an initiative campaign.

But all in all, the 1989 session was a good one. A number of significant and potentially controversial issues were dispatched without visible strain. Legislators appropriated additional money to operate the Fairview Training Center despite resentment over tough federal requirements. They voted to repay a \$77 million debt to the Oregon Veterans' Home and Farm Loan Program, thereby largely defusing one of the most destabilizing problems in state government. They approved increases in gasoline and vehicle registration fees with an ease that surprised observers of previous battles over similar proposals.

Experienced leadership in the House, Senate and governor's office accounted for much of the productivity of the 1989 session. The fact that the governor and the majorities of both legislative chamber are members of the same party also removed a potential source of friction. And governing is always easier during good economic times. But a successful legislative session ultimately relies on the efforts of individual legislators, both Democrats and Republicans. The 1989 members can go home feeling good about what they've done.

## Regional strategies program completes first biennium

SALEM — County representatives and elected officials from across Oregon were on hand as Gov. Neil Goldschmidt announced the approval of the state's final two regional strategies, and joined in a celebration marking the successful conclusion of the Regional Strategies Program's first round of funding an implementation.

"The 'Oregon Comeback' won't be complete until it has reached every part of Oregon, and that is what the Regional Strategies Program was designed to accomplish," Gov. Goldschmidt said. "By taking inventory of their local assets and by identifying shared economic goals and opportunities with their neighbors, Oregon counties are leveraging resources for the greatest impact on their own economic destinies. The partnership aspect of the program is one of its most enduring features, laying the foundation for future joint ventures."

Oregon's 36 counties have worked together to form 15 different regional strategies, using the program's \$25 million in lottery funds to leverage or take advantage of another \$231,253,182 in additional funding from local, state, federal and private sources. The State Employment Division has estimated that 15,000 new jobs will be created in Oregon during the next three to five years as a result of the Regional Strategies Program.

Twenty-one counties formed five regional strategies focusing on tourism, utilizing \$15,518,248 in Regional Strategies Funds to dovetail with another \$174,385,127 in other funds.

Six counties formed four regional strategies to pursue agricultural opportunities, receiving \$3,656,110 in Regional Strategies Funds and leveraging another \$8,980,400.

Technology transfer was selected by four counties in three different strategies, drawing upon the Regional Strategies Fund for \$4,361,962 and other sources for an additional \$41,933,955.

Secondary wood products was the choice of four counties in two separate strategies, receiving a total of \$921,000 in Regional Strategies Funds and leveraging another \$6,072,000.

One county selected maritime trade as its strategy of choice, with \$542,680 in Regional Strategies Funds augmented by \$4,917,000 in other funds.

The largest single regional strategy is the Oregon Tourism Alliance comprising the eight counties of northwestern Oregon — Clackamas, Clatsop, Columbia, Lincoln, Multnomah, Tillamook, Washington and Yamhill. The Oregon Tourism Alliance turned diversity into opportunity by using the new Oregon Convention

Center in Portland as a central "magnet," with a series of satellite attractions such as the Oregon Coast Aquarium in Newport to draw visitors into the region. A total of \$10,293,605 in Regional Strategies Funds were approved on July 7, 1988. Total strategy funding is \$108,115,382.

The North Central Oregon regional strategy unites five counties — Gilliam, Grant, Sherman, Wasco and Wheeler — in a tourism strategy based upon the region's unique scenic, cultural, historic and recreational opportunities. Gilliam, Sherman, Wasco and Wheeler counties were approved for \$735,000 in Regional Strategies Funds on Feb. 13, 1989. Grant County was amended into the Strategy on June 19, 1989 with additional projects and Regional Strategies funding of \$234,959. Total funding for the strategy is \$3,618,474.

Similarly, four counties of Southwestern Oregon — Curry, Douglas, Jackson and Josephine — joined together in a tourism strategy aimed at the region's scenic and recreational attributes as well as its emerging popularity as a business and retirement location. On Aug. 22, 1988, \$3,089,684 in Regional Strategies Funds were approved in support of the strategy with a total funding of \$51,615,551.

Crook, Deschutes and Jefferson counties in Central Oregon formed a three county strategy to support one of its well-established industries — tourism — with a special emphasis on business recruitment. The Central Oregon Region received a commitment of \$715,000 in Regional Strategies Funds on March 4, 1988. Total funds committed to the strategy are \$20,412,968.

Baker County also selected tourism as its strategy, with an Oregon Trail National Monument and Interpretive Center as its centerpiece. The Baker County strategy was approved on April 8, 1988 with \$450,000 in Regional Strategies Funds and total funding at \$6,105,000.

Malheur County received a commitment of \$315,000 in Regional Strategies Funds in support of an agriculture strategy to improve and diversify the local industry through new product development and value-added business recruitment. The strategy was approved on Jan. 10, 1989 with total funding at \$549,000.

The Hood River County strategy to sustain and strengthen the tree fruit industry with the development of new tree fruit varieties and storage processes was approved on Feb. 7, 1989.

THE REGIONAL STRATEGY PROGRAM — 1987-89 BIENNium

Region	Strategy of Choice	Oregon Convention Center	OTA Other	Regional Strategy Fund Total Approved	Leverage by Region	Total Strategy Funding by Region
Coos	Maritime Trade			\$542,680	\$4,917,000	\$5,459,680
Baker	Tourism			\$450,000	\$5,655,000	\$6,105,000
Central Or	Tourism			\$715,000	\$19,697,968	\$20,412,968
OTA	Tourism	\$7,500,000	\$2,793,605	\$10,293,605	\$97,821,777	\$108,115,382
Lane	Tech Transfer			\$2,250,000	\$25,176,000	\$27,426,000
Marion/Polk	Agriculture			\$2,096,110	\$1,833,400	\$3,929,510
So. Oregon	Tourism			\$3,089,684	\$48,525,867	\$51,615,551
Linn/Benton	Tech Transfer			\$1,553,500	\$1,824,939	\$3,378,439
Malheur	Agriculture			\$315,000	\$234,000	\$549,000
Klamath	Tech Transfer			\$558,462	\$8,933,016	\$9,491,478
Hood River	Agriculture			\$165,000	\$217,000	\$382,000
No. Central	Tourism			\$969,959	\$2,648,515	\$3,618,474
Uma/Morrow	Agriculture			\$1,080,000	\$7,696,700	\$8,776,700
Union/Wallowa	Secondary Wood Products			\$510,000	\$2,785,000	\$3,295,000
Harney/Lake	Secondary Wood Products			\$411,000	\$3,287,000	\$3,698,000
TOTAL FUNDING				\$25,000,000	\$231,253,182	\$256,253,182

Valley  
Special

## Governor's task force views watershed enhancement

By Steven T. Brown  
Reporter  
A project to control erosion and improve the fishery along Couse Creek was met with apparent approval Wednesday by Gov. Neil Goldschmidt's Watershed Enhancement Board (GWEB).  
While touring the enhancement project, chairman of the GWEB,

Robert Elder, said "that's the concept we like to see."  
The board had allocated \$3,700 of Oregon Lottery revenues last year for the enhancement project.  
Also attending the tour were GWEB advisors, enhancement project volunteers from Milion-Freewater and area residents.  
Volunteers have been busy over

the last year solving serious erosion problems which had been caused by swift-moving water, grazing and a deteriorating riparian zone along the creek's banks.  
According to Jack Howard, a volunteer with the enhancement project, erosion has been halted along a 3/4-mile stretch of Couse Creek.

"We started with a high-stream velocity and the creek would eat away at the banks and go where ever it wanted," Howard said.  
"We put in log sills and that slowed down this portion of the creek. Big rocks also stopped erosion by placing them in front of the impact spot," he added.  
Log sills are heavy, horizontal

timber, placed strategically to form small dams. Water backs up behind the sills, slowing the creek and creating greater depth in pools.  
Improvements to the watershed were also accomplished through replenishing riparian zones.  
According to Kirby Grant, an enhancement project volunteer from M-F, the riparian zone

provides shade which decreases the likelihood of the creek running dry during the hot summer months. The riparian zone not only maintains fish habitat, but also controls erosion by holding soil with an established root system.  
Howard said land owners all along the creek have expressed

Continued on Page 2



Gov. Neil Goldschmidt's Watershed Enhancement Board and staff members view improvements made along the banks of Couse Creek.

### Local watershed gets look from task force...

Continued from Page 1  
interest in enhancement projects where the it continues to eat away at property.

In addition to improving habitat, The M-F Southhead Club has been active in revitalizing the fishery. In the past year, 27,000 steelhead fry have been planted in the creek.

While the enhancement project volunteers are hopeful for addi-

tional GWEB grants, competition is high for the highly scarce resources.

The GWEB received \$2.5 million in applications for enhancement grants during the last biennium, but the Oregon Legislature had only appropriated \$500,000. According to Elder, 60 applications were filed, but only 19 were approved. The Couse Creek project was among them for the first biennium.

Howard and Grant are hopeful that the GWEB's tour of the watershed improvements on Couse Creek will translate into another grant this year.

Elder said the legislature has increased the appropriation to \$1 million for enhancement projects—an increase of \$500,000 over the last biennium—and the decision-making process on which areas will receive grants has already begun.

Bend, OR  
(Deschutes County)  
Bulletin  
(Cir. D. 19,439)  
(Cir. S. 19,942)

JUL 19 1989

Allen's P.C.B. 1st 1988

## 'Redmond Is On A Roll,' According to City, Business Leaders

By John Kwoilton  
Associate Editor

When Terry Turner was scouting out towns in Central Oregon to locate his manufacturing plant, he looked at Prineville, Bend and Redmond. The first two towns didn't impress him with their enthusiasm or organization.

But in Redmond, Turner found a different environment. That town "seemed more receptive to our needs and our location," said Turner, who started Tru-Line Manufacturing, Inc., which makes commercial and residential doors, four years ago.

When the plant opened, it had 18 employees. But as business grew, Tru-Line needed a larger plant. Redmond officials helped Tru-Line obtain grants to improve access to a vacant industrial site, waived



BILL JAQUA

fees and brought sewer, water and electricity to the site for free.

The city said, "We'll settle you wherever you want to settle. Just pick a site and we'll make it happen," recalls Turn-

er, whose firm now employs 53. "When folks like that are willing to help you it makes your life a lot easier."

Redmond officials have been making life a lot easier for several companies lately. In fact, Redmond is the eye of the economic development storm now blowing across the Central Oregon landscape. Efforts by government and business leaders have helped bring 10 new companies to Redmond in the past 18 months bringing in about 200 jobs with at least 250 other jobs on the way.

Gov. Neil Goldschmidt has said Redmond is the best organized community in the state in terms of attracting economic development. Local, regional and state economic development officials credit the town's impressive performance to a teamwork approach embodied by the Redmond Economic Development Assistance Partnership (REDAP), a joint effort of city leaders and the chamber of commerce.

"They set aside egos, they set aside politics, they focused on a vision and they work hard," says Peter Doherty, executive director of the Central Oregon Economic Development Council (COED).



Terry Turner in Tru-Line's plant, which is slated for expansion.

Adds Ray Ramsey, of the Bend office of state Department of Economic Development: "Everybody just fulfills their different roles and gets it done." The city's economic development effort "is well organized," he says, "and everybody seems to get along."

Cooperation between business and government leaders

isn't the only reason cited for Redmond's impressive performance. The availability of city-owned industrial land near the airport, a well-educated workforce, the town's location along Highway 97 and the livability of the region also are big draws, says Ramsey.

He adds that the increasing interest in Oregon from companies

See REDMOND, page 9

### Redmond --- From page 8

ries in California and the Pacific Rim contribute to the growth in the Redmond area.

Community leaders also have assembled an array of good marketing tools, Ramsey adds, citing a computerized map of the Redmond Industrial Complex that gives potential industrial clients important information on location and size of land parcels and availability of services.

Redmond's success isn't limited to bringing new businesses in. It also has provided incentives that allowed existing businesses such as 60 employee Irwin Saw, a manufacturer of circular saw blades, to remain and expand. There have been other spinoffs as satellite businesses provide services or products to the new or expanded firms that are experiencing growth.

"Things look better here than they have in a long time," says Clancy Bell, manager of the Redmond Employment Division office. He notes that the number of job placements by his office has risen from 1,040 in fiscal 1986 to 1,941 last fiscal year. It was off somewhat this year to 1,744.

### Redmond's Newest Corporate Neighbors

- Advanced Power Controls/Onalco
- Beverly Pacific Corp.
- Brooks Graves
- Carroll West
- Deysing Moulding
- Seven Wells, Inc.
- Wispers Woods
- Winn Aviation

One of the biggest tools at Redmond's disposal is its designation by the state as an enterprise zone. The designation, which covers all land in the town's urban growth boundary, has allowed a new or existing firm to be relieved of 50 percent of its property taxes during the first five years.

But the state recently changed the rules on enterprise zones so companies pay no property taxes for three years on plant, equipment and other improvements, says Bob Quimble, enterprise zone manager in Redmond. Firms do pay property taxes on land value, he says.

Redmond offers companies full waiver of planning, zoning and water and sewer hookup fees, plus partial waivers of user charges, building permits and systems development charges.

Redmond officials most likely will offer Turner and Tru-Line other incentives when it doubles its plant capacity to 60,000 square feet in the next

18 months. Construction will begin in Spring 1990, said Turner, who said employment will increase from 53 to 60 persons with the expansion. He said demand for his doors in the commercial and high-end residential markets exceeds supply.

Bill Jaqua, executive director of REDAP, says Redmond's success in attracting businesses may force it to be more selective in the kinds of firms it allows in the future.

"We're going to have to hunt with a rifle instead of a shotgun," he says. None of the firms that moved into Redmond recently were sought out by city officials, he notes.

Jaqua also says the two key problems Redmond officials must confront are a shrinking labor pool and the lack of adequate housing in the area. But he noted that a group of California developers is considering making a major investment in housing projects in the area that could alleviate the housing problem to some degree.

Central Oregon Business

## THE LEGISLATURE: A SESSION ENDS

# As economy thrives, Legislature makes long-needed repairs

By JEFF MAPES  
of the Oregonian staff

7/5/89

### ANALYSIS

SALEM — In the end, the 65th Oregon Legislature was a story about having a lot of money and getting to spend it.

The Legislature delivered a \$4.6 billion budget that was more than 25 percent greater than the last two-year budget — representing the largest increase since the high-inflation 1970s.

While many states are having to chop budgets, Oregon's economy is thriving, boosting income-tax collections by the state. The extra money gave Gov. Neil Goldschmidt and legislators a chance to restore state programs that had been decimated by the recession of the early 1980s.

To critics, the Legislature went on an orgy of spending that far exceeded the state expenditure limit that had been approved by voters in 1979. That limit, based on the growth of personal income, would have capped state spending at about \$4 billion, but a majority of the Legislature agreed to override the cap.

"The appetite to throw money at problems is insatiable this session," complained Sen. Paul Phillips, R-Tigard.

But to Goldschmidt, the final decisions of the Legislature showed that the Democratic majority was willing to accept the broad outlines of his proposal to repair the figurative "leaky roof" of state government.

"Yeah, we're going to spend a little money, but we're not raising anybody's taxes," Goldschmidt said. "It's an investment decision for Oregon."

"All of the expenditures are for things we ignored for nine years," agreed Senate President John Kitzhaber, D-Roseburg.

The end of the Legislature was marked by a chaotic fight over workers compensation and more side shows than the Ringling Bros. and Barnum & Bailey Circus.

But when the dust clears, the 1989 Legislature probably will best be known for approving a \$80 million prison construction budget, the largest in state history. The Legislature also poured millions more into crime-fighting programs, social services, education and new state buildings. Goldschmidt said he was particularly pleased that the budget was sprinkled with programs in his Children's Agenda.

While they were at it, legislators also came up with \$77 million to pay back an old loan from the veterans home loan program, a move that could help solve the program's financial problems and improve the state's bond rating. So, in many ways, the extra cash represented a home improvement job on the house of state government.

As Goldschmidt said, the Legislature did not raise income taxes. And it also did not dip into a \$161 million pot of surplus income tax money that will now be returned to income taxpayers as a 6.5 percent credit on their 1989 returns.

But the Legislature did find some money on top of the \$4.6 billion in its regular budget.

Legislators approved \$67 million a year in higher transportation taxes, and it opened the door for local governments to levy a vehicle registration fee for roads and transit. That could provide a major source of revenue for Portland's light rail system.

In addition, legislators cut a remarkable last-minute deal to expand the Lottery to include video poker and a sports-oriented betting game. Proceeds will go to mass transit, intercollegiate athletics and to keep and retain university faculty.

The frenzied dealmaking over that bill produced at least one striking tableau: the sight of the chancellor of the State System of Higher Education asking the minority leader of the Senate if he supported video poker.

In some ways that symbolized the improvisational nature of the Legislature. For example, Goldschmidt and Democratic leaders hoped to win modification of the spending limit so they could spend more money without having to break the lid.

But after several months of maneuvering, they gave up and went back to a budget

process that was, at best, agonizing. First they put together a budget under the limit, then they put together a massive spending bill at the end of the session and included everything that wouldn't fit the first time.

In the same fashion, the Legislature's presiding officers, House Speaker Vera Katz and Kitzhaber, were able to turn their own personal priorities into some of the landmark legislation of the session.

Kitzhaber won passage of a health-care package that could put Oregon on the controversial track of rationing health care for the poor so that it can be extended to more people.

Katz, following the January schoolyard shootings in California by a man toting an AK-47 assault rifle, put together a bill more strictly limiting who can purchase a weapon in Oregon. Remarkably, the measure was supported by both law enforcement and the National Rifle Association, and it passed in the final days of the session.

The governor also contributed to the improvisational air by his approach to the Legislature. As Goldschmidt put it, he looked for opportunities to "try to leap us forward over the day-to-day muck and mire" of the process.

That worked with the last minute deal for the video poker bill, which finally appeared to give higher education some of the faculty money it has sought.

But the governor found himself in the mire when he suddenly put the workers compensation issue on the front burner in the last few weeks of the session. By that time, the quasi-public SAIL Corp. was threatening big workers compensation rate increases for business and the Republicans were smelling a campaign issue.

The governor's late entry failed to produce a bill that would bring cost savings in the system.

Goldschmidt "has known for almost a year that SAIL is in deep trouble, and you can't deal with that issue in the last two weeks of the session," complained Sen. Wayne Fawbush, D-Hood River. "I don't know if Neil appreciates the difficulty you have of passing good, comprehensive legislation."

Legislators did seem willing to tackle an exceptionally deep range of issues. Sometimes it worked and sometimes their reach exceeded their grasp.

It took until the last week, but the Legislature put together an innovative program to deal with hazardous-waste problems, including a path-breaking measure helping businesses to reduce their use of toxic substances.

But lawmakers couldn't do much to deal with plain, everyday garbage, as one solid-waste bill after another failed. The Legislature also didn't do anything about field burning in the Willamette Valley and turned down legislation designed to reduce emissions from woodstoves.

Perhaps the most public disappointment of the session was the voter rejection of a school-finance ballot measure that had been overwhelmingly approved by the Legislature. The measure was designed to give all school districts stable property taxes while lawmakers and citizens spent the next several years finding an alternative way to pay for education.

But out of the defeat came a new determination by many legislators to move more quickly on school finance and to set up a committee that could deliver a solution to a special session of the Legislature before the 1990 general election.

Whether this interim committee will succeed is open to question. But the entire Legislature ended with something of an unfinished air. Legislators said that in addition to school finance, there might be special sessions to deal with workers compensation and the thorny issue of how to tax pensions.

## Norpac's arrival should mean more

The announcement that Norpac Foods Inc. is building its \$9 million vegetable processing plant in Hermiston is certainly good news. The investment and jobs alone make it a positive step, and another validation that Hermiston is a good place to do business.

It portends a new generation of crops on the diversified farm lands of Umatilla and Morrow counties and the southern end of the Washington state's Columbia Basin.

Now on irrigated fields higher-value row crops can be added to the rotation mix, assuring a higher return on fields resting from potato production. Some 7,000 acres of crops are needed to operate the new plant.

Meanwhile, other food processors will take note of what Norpac, a leader in its field, is doing. Others are bound to follow Norpac into the Hermiston area.

As food processing expands and diversifies in the Hermiston area, the need for transportation services will grow. Shipping terminals, frozen food warehouses and support services will spring up.

In the 1970s, Hermiston became the potato capital of Oregon with its three processing plants. Hermiston appears heading into the 1990s as the food processing center for Oregon.

PJM

## Tongue Point project moves forward

The sardonic comic of the 1960s Mort Sahl used to say: "The future lies ahead." After the signal event of last week we who live in Astoria and elsewhere on the North Coast might echo Sahl's quip.

That significant event was the signing of a local cost sharing agreement to enable dredging at Tongue Point. The state of Oregon and the U.S. Army Corps of Engineers signed the deal. Now a private operator will dredge an entrance and turning basin into the sheltered harbor on the eastern, leeward side of Tongue Point.

This dredging project will be historic in more than one way. It is the first such cost-sharing agreement to be signed under the aegis of the federal statute that requires such financial arrangements for port and waterway improvements. There is always special attention focused on the first of anything. And bringing this particular agreement to fruition involved considerable negotiation.

Anyone who has paid attention to the long struggle to make this project a reality has received a lesson in practical civics. Plain and simple, this project would not have become a reality without the presence and involvement of our congressman, Les AuCoin. Our senators, Mark Hatfield and Bob Packwood also weighed in at critical moments. And the determination of our governor, Neil Goldschmidt, was invaluable in both making the Corps of Engineers decision come about and encouraging the new involvement of the Burlington Northern Railroad in development of commerce on the lower Columbia.

This dredging project is historic because it could lead to the growth of major maritime trade at the mouth of the Columbia River. There is no underestimating the significance of this development. If the project's developer, Peter Gearin, succeeds at launching an automobile import-export facility it will be because he has comprehended and correctly measured some major trends in global economics.

Gearin knows that shippers are increasingly reluctant to use the Panama Canal for bringing cargoes from Pacific Rim countries to the East Coast. He also knows that the land bridge concept is about to happen in a

big way. Put simply, the land bridge involves putting cargoes on a train on the West Coast and shipping them far inland and even as far as the East Coast.

This project is not a pipe dream. It is not based on thin air. It appears to be grounded in hard economics. If it succeeds, its success will be a major victory for the entire state of Oregon. That is why Gov. Goldschmidt pushed it so hard. And that is why the governor transmitted a signal to the Port of Portland not to oppose this project, even though that port has for decades put down all manner of endeavors to build major new projects at the mouth of the Columbia.

Gov. Goldschmidt understood that if Oregon has any opportunity for playing in the Pacific Rim trade of the 1990s it has to have a new venture on the lower river. That is why he brooked no nonsense from Portland people who have made careers by killing projects down here.

All of these lawmakers — Goldschmidt, Hatfield, Packwood and AuCoin — were instrumental in pushing this project down the road. But we would be remiss if we did not point out the paramount role that Congressman AuCoin played when this project was in utmost jeopardy.

It is no secret in corporate boardrooms and high government offices that our congressman has in recent years become an exceedingly influential and effective lawmaker. He ranks high on the House Appropriations Committee and on two of its subcommittees — defense and interior. That seniority and the congressman's shrewdness in playing his cards have already meant a lot for this part of Oregon. In years hence, that power will bring even more fruits our way.

If there is a lesson for all of us in this Tongue Point deal it is how complicated and difficult it is to pull off such a major project. They do not just happen. There is no question in our mind that without Congressman AuCoin's dedication and dogged pursuit of the agreement that was signed last week, this deal would have died.

So the future does lie ahead. And, to quote a popular song of another era, "This could be the start of something big."

## Editorials

## Fighting the drug war

## State gains new weapon

For Oregon, this was a landmark week in the state's attempt to change its drug image. In 1973, Oregon recognized that despite tough laws, marijuana smoke was as plentiful as fresh air and should be taken off the state's list of forbidden material.

This week, the state put it back on, or nearly so. A bill that Gov. Neil Goldschmidt signed into law doesn't restore possession of small amounts of marijuana to criminal status. But the new law does make pot subject to fines so high that a user might think twice before taking a chance.

The fine for possessing less than an ounce jumps ten-fold, from a possible maximum fine of \$100 to a mandatory minimum of \$500 and a possible maximum of \$1,000.

It also requires that juveniles caught on a first offense be sent to a diversion-drug treatment program, similar to the program for first-offense drunken drivers. Adult first-offenders also can enter the diversion-treatment program instead of paying a fine.

The increased punishment for possessing small amounts of marijuana was less than some lawmakers wanted. They tried to make it a criminal offense again, but others objected that marijuana was not important enough — compared to crack, heroin and other drugs — to justify burdening police, courts and jails.

Still, the new law is a sign of changing times. Law enforcement officials argued that the 1973 law created a permissive climate in Oregon, bringing not only heavy use, cultivation and trafficking of marijuana, but promoting other drugs as well. The change in law also recognizes that much of the marijuana today is stronger than the 1973 brand, and that our tolerance may have misled us into thinking that drug use would always be a harmless recreation.

We know now that drug use for at least some of us has gone beyond harmless. Drugs have pushed crime in Oregon to new heights and given us nationwide notoriety. Although Oregon has less than 2 percent of the U.S. population, it ranks fifth in the nation in reported serious crimes per capita, according to recent figures.

Oregon is third in burglaries. Our ranking for bank robberies has varied from first in the nation to fourth in recent years; we are second in methamphetamine labs seized, third in weapons confiscated during raids

## Drugs have pushed crime in Oregon to new heights and given us nationwide notoriety.

and third in production of both marijuana and methamphetamine. In fact, marijuana is Oregon's No. 1 cash crop.

A report by the Oregon Business Council indicates that more than 20 drug-addicted babies were born to addicted mothers each month in Portland last year, and that between 20 percent and 30 percent of Oregon's workforce abuses drugs. In other states, the workforce abusers range from 10 percent to 23 percent.

The Business Council, made up of the top officers of leading corporations in Oregon, is directing a campaign to combat illegal drug use on the job.

Most companies now prohibit employees from using or trafficking in drugs on the job or from working while under the influence of drugs. Many have education and rehabilitation programs to help workers break their habit. The business council also urges companies to require drug testing for job applicants and for any worker who shows signs of being under the influence of drugs.

Drug testing is a controversial subject whose acceptability and legality are undergoing the test of the courts, union negotiations and public opinion. Nationwide, the U.S. Supreme Court has upheld the constitutionality of mandatory testing in law enforcement and public safety jobs but has not ruled directly on the broader issue of random testing.

As the nation's drug problem grows worse, more money and national forces are being sent to the front. William Bennett, the nation's drug czar, recommended last week an anti-drug budget of \$5.96 billion, \$1 billion more than President Bush had proposed.

Much of it would go for more prisons and for education and rehabilitation programs. For the first time, the administration will put its emphasis on trying to reduce the demand for drugs and to rehabilitate users, rather than putting most of its effort into stopping the flow of drugs into this country.

The big victories in the war on drugs will be won in the streets and schools at home. Oregon has begun its skirmishes.

## Alcan to build \$20 million plant

Operation north of Roseburg could offer 150 jobs

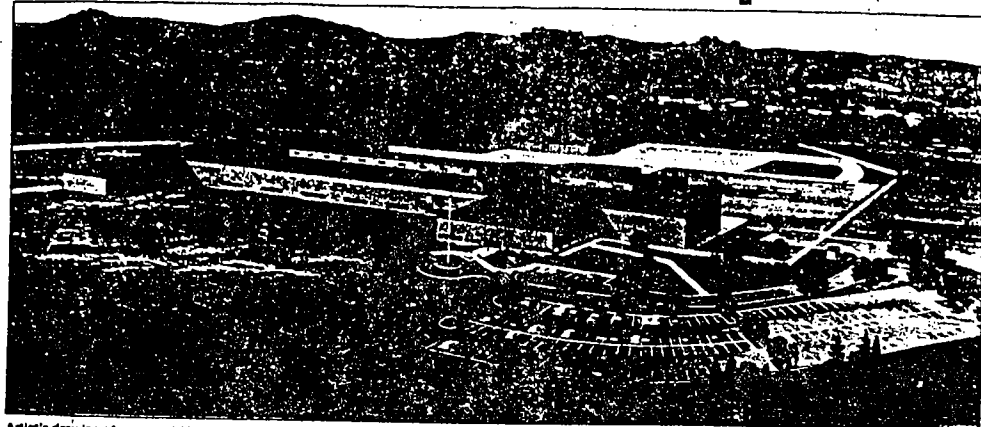
By SHAWN CHURCH  
Of The News-Pioneer

After 21 months of behind-the-scenes negotiations, a division of the world's largest producer of aluminum products announced today it will build a \$20 million manufacturing plant north of Roseburg.

Flanked by Gov. Neil Goldschmidt and state and Douglas County officials, the president of the Atlanta-based Alcan Cable Co., a division of Alcan Aluminum Corp. of Cleveland, made the announcement on the steps of the Courthouse in Roseburg.

"This plant is the culmination of many months of effort by a lot of people," Joseph Prangione told about 200 people attending the 10 a.m. ceremony. "It takes a long time to decide to build a \$20 million facility."

"We know there's probably some skepticism on your part because you don't know us yet. We're really happy to be here and we know once you get to know us you're going to be happy that



Artist's drawing of proposed Alcan Cable plant near Wilbur

we're here." Alcan produces aluminum electrical transmission and distribution conductor cable, as well as building wire, in three plants in Mississippi, Missouri and Pennsylvania. The products are sold nationally and internationally to utilities and electrical distributors.

Alcan plans to build the 200,000-square-foot plant on about 31 acres just east of Old Highway 99 and abutting North

Bank Road. It will take advantage of tax breaks offered through the Oakland-Sutherland enterprise zone.

Goldschmidt welcomed Alcan officials and told the crowd the family-wage jobs the plant will create demonstrate that his "Oregon Comeback" is on track. But he offered an assurance to women of the timber-industry group W.O.O.D., who were wearing yellow T-shirts and carrying pro-timber signs at the ceremony.

"We did not recruit this company for substituting jobs in the timber industry," he said. "This is for additional jobs."

CH2M Hill Inc. in Corvallis has been hired by Alcan to do all preliminary engineering and design work. Andersen Construction Co. of Portland will be the general contractor.

At full capacity, the plant is expected to employ 150 workers, but officials say employment is likely to range from 80 to 90 at its

scheduled startup in early 1991. Ground is expected to be broken soon.

Alcan Cable is one of 13 divisions of Alcan Aluminum Corp., which has its headquarters in Cleveland. Alcan Aluminum Corp. is an American subsidiary of Alcan Aluminum Ltd., a publicly-traded multinational group based in Montreal.

Alcan is the world's largest producer of aluminum. Internationally, it boasts 55,000 em-

ployees with plants and offices in more than 100 countries. In the United States, Alcan employs 6,600 workers in 30 states. On sales and revenues of more than \$8.5 billion (U.S.), the Canadian parent last year reported net income of \$931 million.

Playing roles in a \$1.2 million "inducement package" were Douglas County, its Industrial Development Board, the State of

(See ALCAN, page 2)

# Alcan

(CONTINUED from page 1)

Oregon, the Coos-Curry-Douglas Business Development Corp. and Pacific Power & Light Co.

County and state business development officials have been working for nearly two years in an effort to lure Alcan to Douglas County. Talks were initiated in 1987, but they cooled for several months. Negotiations were renewed in earnest last spring, as the Weyerhaeuser Co., which owns about 100 acres in the industrial area, developed definitive plans for the property.

Weyerhaeuser announced in June it plans to use 50 acres, just north of the Bayliner Marine Corp. factory, for construction of a pole and piling plant that could create up to 70 jobs. Weyerhaeuser agreed to sell the county part of the remaining property to accommodate Alcan.

Douglas County will purchase about 27 acres from Weyerhaeuser, paying \$38,000 for a purchase option and \$135,500 for the property. The county also will purchase an additional 4.3 acres from other private landowners for \$54,000.

During today's ceremony, Commissioner Doug Robertson called to order a five-minute meeting of the three commissioners to approve and execute the signing of an option to resell the property to Alcan. The Industrial Development Board will recover \$282,000 from the resale to help pay land development costs. The figure is based on the sale of 31.4 acres at \$9,000 per acre.

The IDB will contribute an additional \$144,450 from its loan fund for development of the property.

Meanwhile, the state is expected to provide a projected \$450,000 in Immediate Opportunity Funds from the department of Transportation and Economic Development. That money will fund the realignment of the Winchester interchange, which serves the industrial area and Umpqua Community College.

The state also has tentatively agreed to provide \$290,000 in lottery proceeds for special public works projects, including improvement of County Road 200 and installation of a water line. These funds will be made available in the form of a

grant and 20-year loan to the county.

Goldschmidt today said those state contributions were firm. "That's all part of the package that Alcan understood would be there when they came," Goldschmidt said. "It's a matter of executing it. As fast as Alcan wants to go, we're ready to go as fast as we can, too."

Pacific Power will contribute \$80,000 to the project, according to the project budget. The utility stands to benefit significantly from Alcan's huge power consumption, but Ron Dean, manager of the company's Roseburg branch, said the Alcan service account also will help keep stable PP&L customers' power rates.

"A vital economy and a vital community makes everything click that much better," Dean said. "So it's to everyone's advantage for us to get involved in something like this."

The plant's highly skilled jobs will require special training, and some employees will be sent to one or more of the eastern plants to learn the process.

Several agencies are taking part in a \$550,000 training assistance program. Umpqua Training & Employment of Roseburg will contribute \$316,710. Umpqua Community College will provide an estimated \$37,500 in classroom training, and \$200,000 is earmarked from the governor's Strategic Reserve Fund.

Goldschmidt told the crowd that the Alcan development and other plant locations in Douglas County the past year demonstrate that his "Oregon Comeback" is on track.

"It was just a year ago that many of the same people gathered to join in another important announcement — Bayliner," he said. "And then this past June your community announced yet another major plant location, the Weyerhaeuser pole processing facility. Now today we're able to welcome Alcan — That's quite a record any place in this country in one year's time."

Frangipane said the plant would enable the company to better serve its customers in the West. He said that while other locations were considered, Douglas County's work force and state and local officials' cooperation made a difference.

"I'd like to thank you folks for helping us make a very, very serious decision very, very easy," he said.

## Weyco/Cable Company project budget

Application of Funds	
Winchester/I-5 Interchange	\$ 450,000
County Road 200 Improvements w/Crossing	200,000
Weyerhaeuser Purchase Option	38,000
Weyerhaeuser Property Purchase 27.1 ac at \$5,000	135,500
House 4.3 ac on County Road 200	54,000
10" Water Line	90,000
Rail Switch & 2,000-foot spur	213,000
Fencing 1,450 feet	2,500
Sewer Assessment (RUSA)	12,320
Land Tax Adjustment	12,730
Site Engineering Evaluation	19,000
Storm Drainage Improvements	20,000
	<b>\$1,247,050</b>
Source of Funds	
* ODOT/OEDD Opportunity Fund	\$ 450,000
* OEDD Special Public Works (50% grant/loan)	290,000
Utilities Contribution	80,000
State of Property to Cable Co: Weyco Prop (27.1 ac) & house on Rd 200 (4.3 ac) at \$8,000	282,600
Subtotal Other Sources	1,102,600
DCIDB Cash	144,450
	<b>\$1,247,050</b>
DCIDB Cash	\$144,450
Debt	145,000
Total DCIDB	<b>\$289,450</b>

\* Land Acquisition, for 57W Application Purpose; total \$230,000 divided by 31.4 ac.

Portland, OR  
(Multnomah Co.)  
Daily Journal of Commerce  
(Cir. D. 3,834)

## James Mann will be manager of Alcan's Wilbur operation

James A. Mann, 45, will be the project and plant manager for Alcan Cable plant in Wilbur, the company announced today in conjunction with its plans to build the \$30 million facility.

Mann and his wife, Ann, will move to Douglas County in early 1990. They have three grown children — a daughter and two sons — the youngest of whom is in his sophomore year at a college in North Carolina and may transfer to an Oregon college.

Most recently, Mann has served as the business development manager for Alcan Cable, analyzing the potential for new products and new facility locations.

Mann, a 23-year-veteran of the company, joined Alcan in 1966 as a plant production scheduler at the company's facility in Williamsport, Penn.

In 1970, he was promoted to the first of many sales positions he has held with the company, working in Denver, Colo. and in California.

In 1980, Mann was named the western regional sales manager for the Utility Group of Alcan Cable, located in Atlanta. Following that move, he has undertaken various special assignments, including coordination of a productivity im-

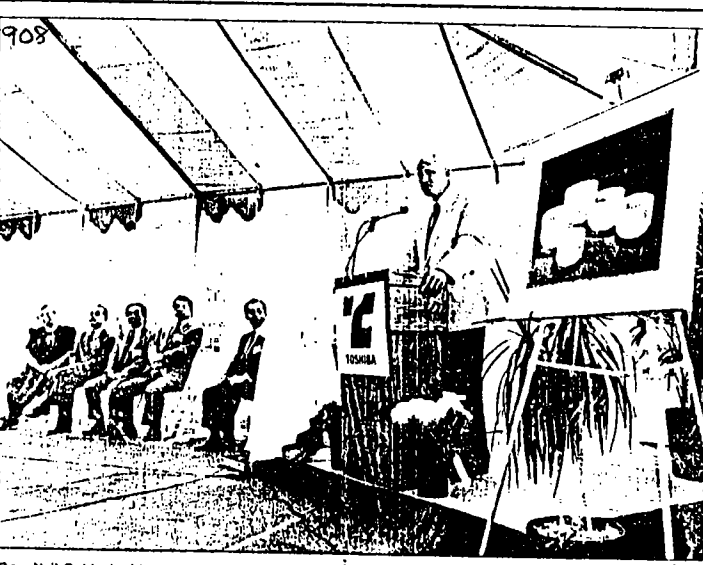


James Mann  
23-year Alcan veteran

provement program. In 1986, he was named manager-sales administration. Mann earned a bachelor's degree in American civilization in 1966 at Brown University in Providence, R.I.

SEP 14 1989

Allen's P.C. Est. 1888



Gov. Neil Goldschmidt addresses crowd Wednesday at dedication of Toshiba Ceramics America's first U.S. manufacturing plant in Hillsboro. The \$10 million facility will produce a high-purity quartz glass crucible, shown at the governor's left, used to melt silicon for semiconductors.

## Japan-Oregon connection grows

By KRISTINA BRENNEMAN

HILLSBORO — What business leaders hail as the era of Pacific Rim investment was never more on display than at Wednesday's dedication of NEC America's expanded Oregon plant and Toshiba Ceramics America's first U.S. manufacturing plant.

Both Japanese-based corporations, located just two miles from each other in Hillsboro, were attracted by Oregon's labor force, education and environment.

"But the labor force alone does not explain the success" of Japanese companies in Oregon, said Japanese Consul General Akira Watanabe. "If we were not welcome, none of us would be here."

Japan-bashing "is quite popular in

Washington, D.C., but here in Oregon it is another world," noted Eiichi Ono, commerce minister from the Embassy of Japan, who flew in at the Japanese ambassador's request.

Ono joined Gov. Neil Goldschmidt, Hillsboro Mayor Shirley Huffman and other government officials at the NEC America and Toshiba dedications.

The Japan-Oregon business link also will be in evidence later this week at dedication ceremonies for Old Electric and Kyotaru food processing company.

"Never has there been more economic interdependence of the Oregon and Japanese business community," Watanabe said.

The influx of Pacific Rim high-tech

companies has become known as "Pacific Century," Goldschmidt noted. "There's an internationalization of the area."

Toshiba Ceramics, a subsidiary of Toshiba Corp., just completed its 35,000-square-foot facility where 31 employees will produce a high-purity quartz glass crucible used to melt silicon for semiconductors. The \$10 million facility will serve as a company base in international manufacturing and source expansion.

NEC America's new 200,000-square-foot production addition will more than double the size of its Hillsboro plant. The expansion "represents the progress and success NEC has had since locating here."

See JAPAN, Page 24

Baker, OR  
(Baker Co.)  
Democrat-Herald  
(D. 3,808)

NOV 14 1989

Allen's P.C. Est. 1888

## Exciting times are ahead

When Gov. Neil Goldschmidt visits Baker City Wednesday he'll surely feel the enthusiasm many in the area have about the exciting times on the horizon.

Goldschmidt will be here to dedicate the new Powder River Correctional Facility in North Baker, which opened last week, and to dedicate the new Post Office Square Park at Main Street and Auburn Avenue.

Those are just a couple of the projects attracting attention in recent months that have a bearing on the future prosperity of Baker City and Baker County. Others are the Oregon Trail Interpretive Center on Flagstaff Hill, the pending renovation of the Geiser-Grand Hotel in downtown Baker City and the recently announced construction of a new ski lift on the back side of the mountain and overnight facilities at the Anthony Lakes Ski Area.

But that's not all. The Baker

County Regional Strategies Committee is meeting weekly to determine how to spend several hundred thousand dollars available from the state.

Prioritized recently, the proposed projects are the Sumpter Valley Dredge Tailings State Park, Hewitt Park improvements, a Hells Canyon overlook, improvements to the Community Center in Baker City to turn it into a regional conference center, historic district improvements, promoting loops tours (one of which begins at Post Office Square Park), an incentive package to lure investors to build restaurant and lodging facilities and a summer repertory theater.

With all of these good ideas on the drawing board and in various stages of production, it should be obvious to Goldschmidt and other state officials that Baker City and Baker County are poised for exciting times in the 1990s.

## JAPAN Continued from Page 1

said Huffman, Hillsboro's mayor. NEC America's expansion came just four years after the company completed a 162,000-square-foot production facility in Hillsboro.

With the addition, the Oregon plant represents a \$70 million investment. A subsidiary of NEC Corp., the plant employs 575 people for the manufacture of fiber-optic and digital microwave transmission systems, cellular phones and other telecommunications equipment. The building was designed by Kojima Associates and constructed by Emerick Construction of Portland.

Tadashi Suzuki, NEC Corp.'s executive vice president, said a third phase expansion could come "as soon as possible."

Both companies are expected to generate more than \$500,000 in property taxes for the city, county and other entities.

Toshiba sought the Hillsboro site because the company's values, goals and standards "are exemplified by the people of Oregon," said Kiyohiko Kasuya, president of Toshiba Ceramics Co. Other

factors, Kasuya said, were a high-quality work force, cleanliness of the region, local government assistance and stature of Oregon's higher education institutions.

Toshiba, a company with \$500 million in annual sales, has five other manufacturing plants and a research facility in Japan.

Sales from the Hillsboro plant are projected to reach \$10 million in the first year of production. Plans call for possible expansion onto an additional 10 acres.

As incentive to locating in Oregon, the state Economic Development Department gave Toshiba a \$300,000 loan and \$50,000 development grant. The state also awarded the company a \$25,000 job training grant.

Hillsboro employees began training three months ago. During the next five years, the company intends to expand its work force to 50 employees and begin exports to the European Community, said Jack Ito, president of Toshiba Ceramics America.

## Prisons declare war on drugs

□ After 10 percent of the inmates test positive, Oregon officials decide to initiate the crackdown, even sending in a team of drug-sniffing dogs

By BARNES C. ELLIS  
of The Oregonian staff

**SALEM** — Drug-sniffing dogs, random drug tests and a sophisticated computer will help battle the flow of illegal drugs into Oregon's prisons under a plan introduced Monday by Fred Pearce, director of the Corrections Department.

Pearce announced the plan after two months of random drug testing of inmates in the state's first attempt to determine the extent of drug use in prisons. The latest analysis tests showed that 10 percent of inmates tested positive for illegal drugs in the lab.

"That doesn't give me cause for happiness," Pearce said of the results. Pearce said his plan "will have an impact on the introduction of narcotics into the institutions. How much I don't know."

Gov. Neil Goldschmidt said he had reviewed the plan and called it "a good start."

"I think our standards ought to be zero tolerance," Goldschmidt said, invoking a catch phrase of the federal anti-drug effort.

Drugs enter the prisons through an array of imaginative and hard-to-detect methods. Pearce said some visitors transfer drugs orally when kissing inmates. Some inmates smuggle drugs in body cavities. And some staff members may sell drugs to inmates.

The plan calls for drug-sniffing dogs in each of the state's six major institutions. Pearce said he had arranged with the Washington office for three dog and handler teams to begin training in that state's program in February. The dogs will search for drugs throughout the prisons, including visiting areas.

Currently, the department has no drug dogs. Pearce, however, said he has arranged to borrow one periodically from the Multnomah County sheriff's office until the department has one of its own.

The plan also includes random drug-testing of inmates, using portable field test kits currently on order. Inmates who test positive for drugs may be disciplined by prison officials through fines or transfer to institutions of higher security. Pearce said the test results were insufficient evidence for criminal prosecution.

In addition, the department plans to install a sophisticated computer to monitor all telephone calls made by inmates. Although Pearce refused to divulge details of the system, he did say it will tape-record all calls and keep track of call destinations. Officials could use the computer to search for particular telephone numbers.

• Please turn to PRISONS, Page A11



Oregon Corrections Director Fred Pearce discusses plans to curtail drug use in the state prison system at a Salem news conference Monday. Pearce said random drug tests would be used.

THE OREGONIAN, TUESDAY, NOVEMBER 21, 1989

INTERNATIONAL/METRO/NORTHWEST

## Prisons: Employees won't face drug testing

Continued from Page One

phone numbers and listen to all calls to those numbers.

Currently, Pearce said, officials monitor only a limited number of telephone conversations.

Pearce said he would hire a Corrections Department intelligence/drug control officer to oversee

drug-control efforts. He said he had "no idea" how much the whole plan might cost, although he believed it could be paid for in the beginning out of the existing department budget.

Although Pearce said that some drug trafficking in the prisons may be traceable to staff, the plan does not provide for random drug testing

of employees. Pearce said collective bargaining agreements allow the department to require drug tests only of new employees.

Pearce refused to comment on whether the anti-drug campaign was connected to the suspension of four department workers last week. Pearce has said he suspended the workers pending a joint Corrections

Department and state police investigation into possible violations of department policy or criminal law.

Goldschmidt asked Pearce to develop the drug plan several months ago. The governor also appointed retired Judge John Warden to conduct an independent investigation of alleged corruption in the Corrections Department.

## Governor's 'eyes' scan the forest

Forestry expert analyzes plans

By ROBERT STERLING  
Mail Tribune Staff Writer

**PROSPECT** — K. Norman Johnson aims his camera at a small, stunted Douglas fir that years of frost have molded into a dense, cone-like bonsai.

"I know what the governor's going to say when he sees this," says Johnson, snapping a picture. "I want that for my Christmas tree."

Later, after inspecting more timberland where heavy logging has left hundreds of such trees exposed to the ravages of frost, Johnson turns serious.

"This is kind of depressing here," he says. "This isn't what they taught me in forestry school."

Johnson, the top forestry aide to Gov. Neil Goldschmidt, is learning much these days not taught in school.

Temporarily on leave from Oregon State University, where he is associate professor of forest economics, Johnson is helping Goldschmidt scrutinize management plans on all 13 national forests in Oregon.

It is a stressful task that Johnson, one of the top forest analysts in the nation, has approached with zeal and humor.

Since starting the project in 1987, he has racked up some 25,000 miles a year zipping between national forests in his Honda Civic, which he stuffs with maps, charts, a computer and printer.

He has walked the ground on virtually all 60 ranger districts in Oregon, led community meetings across the state, camped with environmentalists in the Klamath Mountains and met with desperate mill-workers fearful for their jobs.

He has spent several days on the Rogue River National Forest, including a full day "poking around" by himself.

"It kind of makes the numbers come alive," he says.

In his felt hat, flannel shirt and khaki pants, the amiable professor looks the part of a gentleman woodsman from the pages of L.L. Bean.

But beneath the folksy style is a respected analyst who, along with private forestry consultant John Beuter, has helped produce two major studies on Oregon timber production.

Johnson also authored the FORPLAN computer model, which is used by national forests across the country to project future timber harvests.

He likens the state review of federal forest plans to an "outside audit."

"We're essentially conducting an independent assessment of these plans, the only assessment other than from some interest groups," Johnson says.

And when the job's done, "I'll be able to write a whole book on the idiosyncracies of goldschmidt rangers," Johnson laughs.

Goldschmidt's final response to the Rogue River National Forest plan is expected by Feb. 1, 1990, and the Rogue's final plan is due to be released about a month later.

On a recent tour of the Prospect Ranger District, Johnson viewed plantations of stunted trees attacked by frost and quizzed District Ranger Bob Wilcox about his plans for such areas.

He viewed clear-cuts adjacent to Crater Lake National Park and marveled at an endless horizon of thick old-growth forests.

"What's the problem here, Bob, you've got trees as far as the eye can see," Johnson exclaimed in mock incredulity.

He steps on Highway 62 above Prospect



IN THE STORM — Norm Johnson's role as Gov. Goldschmidt's forestry adviser has cast him in the midst of controversy.

MT photo by Robert Sterling

and declares the Highway 62-Highway 140 loop "the prettiest drive in all of Oregon." He is pleased that Wilcox intends to keep a light hand on the tall trees along Highway 62.

Everywhere he takes photographs, which will be displayed in "picture books" he'll develop on each national forest for Goldschmidt's review.

Both environmentalists and timber industry representatives praise Johnson, although they don't always agree with his conclusions.

**'I have a lot of internal conflict about all this.'**

— Norm Johnson

Russ McKinley, timberlands manager for Boise Cascade Corp., says that not only is Johnson an expert in his field, he's also unbiased.

"I do not believe at all that he's pro-industry," McKinley says, citing examples on the Siskiyou National Forest plan where the timber industry disagreed with Johnson's, and ultimately, Goldschmidt's recommendations.

Johnson listens to environmentalists, but doesn't yield to all of their specious arguments, McKinley says.

Some local environmentalists say they were discouraged by Johnson's suggestions for only a minor reduction in timber harvests on the Siskiyou.

"He (Johnson) spent a lot of time with

us, and we thought we were getting somewhere," says Julie Norman, president of the Headwaters environmental group.

Applegate District Ranger Su Rolle, who worked with Johnson when she was planning team leader on the Siskiyou National Forest, says that besides being a brilliant technician, Johnson is "upbeat," which makes him easy to work with.

"There are not a lot of people who are as credible as Norm Johnson," Rolle says.

The people and passions behind the unprecedented upheaval over management of federal forests in the Pacific Northwest have stirred Johnson, who says he has tried not to develop strong opinions of his own.

He says his wife, his dentist, his secretary all have strong feelings, but he has attempted to be analytical, to focus on the long-term health of the forest.

In the debate over old-growth protection, Johnson says he has found himself "developing protective feelings on all sides of the issue."

He says he understands the plight of mill-workers and understands the need to protect the big old trees that are Oregon's heritage, and "I have a lot of internal conflict about all this."

But McKinley, of Boise Cascade, says the extent of Johnson's knowledge and his ability to stay unbiased in a time of turmoil make him a precious commodity.

"If anybody can sort all this out, he can," McKinley says.



## Oregon corrections chief gets high marks

□ Fred B. Pearce is a big man with a keen intellect, but he faces a monumental task in reforming the prison system

By JAMES LONG  
and PHIL MANZANO  
of The Oregonian staff

**SALEM** — Fred B. Pearce returned the telephone message on a mobile phone while driving his car from one office to another in Salem — one of the few spare moments he'd have that day as director of Oregon's battered Corrections Department.

Appointed to the job last March after his predecessor was killed, Pearce has drawn high marks, so far, for his handling of the

department that has lurched in recent years from one crisis to another.

Besides being hampered by the still-unresolved killing of Director Michael Francke, the Corrections Department lately has struggled with record levels of overcrowding, a jail-mojo expansion program that has tried without much success to race ahead of a growing avalanche of inmates, and, since Thursday, an investigative report informing Pearce that he'd inherited a mess including at least 15 possibly crooked staff members and an institutional system consisting of



PEARCE

the state's prisons.

"I'm not worried — my sense is that Fred Pearce is very good," says Fred D. Miller,

"separate kingdoms run by cars."

What some people are wondering is whether anybody can handle such a job, let alone a 57-year-old ex-Multnomah County sheriff who had planned to retire and drive off in his Winnebago before Gov. Neil Goldschmidt persuaded him to take over

director of the Executive Department and a longtime observer of state government administrators.

"I'm very happy with him there. He's decisive. He knows what he wants to do. And he carries it out."

But another government official who knows Pearce well, and admires him, wonders nevertheless whether a man who was talked out of retirement will have the long-range stamina to get on top of the Corrections Department.

"It's going to be a question of energy. In the long run, and Fred sometimes tries to do

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**CORRECTIONS, Page G4**

G4 3M

METRO/NORTHWEST

THE SUNDAY OREGONIAN, DECEMBER 17, 1989

## Corrections: Former boss Clark remembers Pearce as intelligent, energetic

Continued from Page G1

too much himself and doesn't always delegate enough responsibility," says the friend. "He gets a little grumpy, too, which cuts off a lot of information he ought to have because people get intimidated."

Miller said he thought Pearce was helped, rather than hurt, by the scathing prison report issued Thursday by former Judge John C. Warden, who was commissioned to investigate the Corrections Department because of rumors that Francke was murdered by prison-based conspirators.

Warden found no evidence of such a conspiracy, but he did recommend 26 changes in the prison sys-

tem designed to weed out undesirable employees and programs.

"Frankly, I see the report as an opportunity to help him get it done," Miller said.

Donald E. Clark, a former Multnomah County executive who was Pearce's boss when Clark was sheriff, said, "If I was lost on a large mountain, Fred Pearce is the guy I would want organizing the rescue party."

Clark described Pearce as "a good field commander. He pays a lot of attention to detail. He has an enormous capacity to know things."

Clark also remembered Pearce as someone with formidable energy. "He was working eight hours a day

as a deputy, and then he'd go to work as an ambulance operator and work another shift. He was working like 16 hours a day. He did it for years."

At 6-foot-4 and 250 pounds, Pearce strikes many people as being capable of making the prison system work whether it wishes to or not. Clark said, "He looks like he ought to be the Masked Marauder at a wrestling match."

Even so, said Clark, Pearce is as brainy as he is big "and I'm not sure Neil (Goldschmidt) could have done a whole lot better. They're an unlikely pair — an odd couple."

It will be brains not brawn that

Pearce will need as Oregon's prison system moves into an uncertain future. He has already found need for patience and poise.

FBI, the Oregon State Police and auditors from the secretary of state's office have swarmed in and out of the department. News organizations have put the department under a microscope, exploring allegations ranging from the supposed Francke murder plot to employee dope dealing. Meanwhile, the prison staff had to deal with near-impossible overcrowding that even saw the penitentiary develop its own class of "hotties" inmates without a regular cell.

Even though Pearce needed every experienced administrator he could find, he unhesitatingly fired two assistant prison superintendents recently for smoking marijuana off-duty.

What Pearce inherited, according to Warden, was a corrections system operating out of the 1960s rather than the 1980s — a decentralized system that created an atmosphere in which corruption could flourish and in which employees were fearful.

"Current practices allow superintendents to create dictatorial fiefdoms requiring employees' unquestioning obedience and subservience," Warden said in his 62-page report.

Pearce points out that prison reform involves changing an entire staff culture and not just implementing new rules.

"I really do believe there is some holdover of the old mentality in these institutions," Pearce said. "I'm not attributing that to the current superintendents of these institutions. These are longstanding bureaucratic organizations, particularly the penitentiary. And some of the people who worked there — their fathers worked there and their grandfathers worked there. In some cases, their fathers and sons and

Please turn to  
**CORRECTIONS, Page G5**

Cont...

## New plant's first boat sails off production line

12-17-89  
Bayliner unveils  
\$42,000, 25-foot  
pleasure craft

By SHAWN CHURCH  
Of The News-Review

The first boat built at Bayliner Marine Corp.'s new plant north of Roseburg is ready to sail.

The \$42,000, 25-foot Ciera cruiser was unveiled Friday afternoon in a ceremony in recognition of completion of the first pleasure craft since Bayliner began production in mid-October.

"What a great day — perhaps not in the context of the weather as it relates to the pleasure-boat business, but certainly for us and for the people here at Bayliner," Douglas County Commissioner Doug Robertson said about 100 people who attended the ceremony inside the plant.

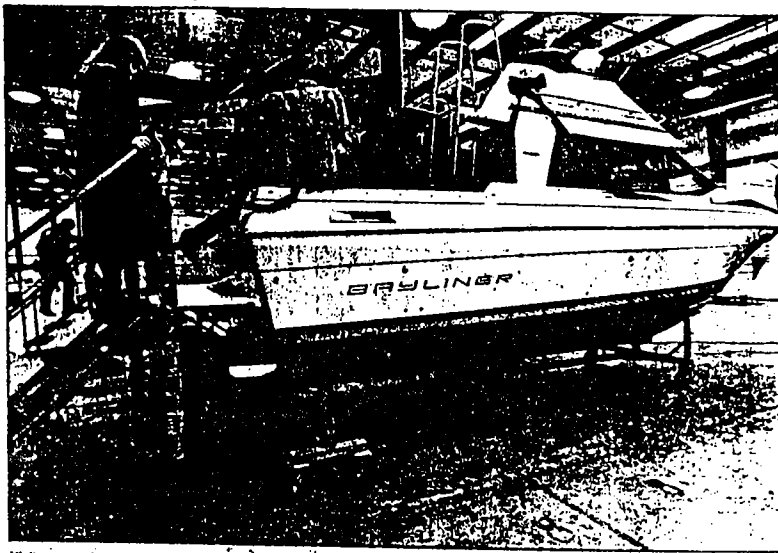
The first boat, and the second, will be shipped to a dealer in Alaska. The third and fourth boats now in different stages of completion are destined for Tokyo.

"What we've got is a product where we're bringing in foreign dollars — not necessarily international dollars, but foreign dollars — to this economy," plant manager Charley Loutrom said. "These are foreign dollars that pay our payrolls so that we don't have to be self-sufficient, and that's the basis for economic development."

Demand for the Model 2356 Ciera cruiser outpaces current production capacity. "We have orders for 124 of these to go to Japan and we can't fill them," Loutrom said. "Right now, if we had them, we would ship them."

Bayliner, a division of US Marine, which is a part of the Brunswick Corp., built the 107,000-square-foot plant in the Winchester-Wildcat Industrial Park. Loutrom, speaking from the stern of the inaugural "mini-yacht," acknowledged several government and business development officials who were instrumental in luring the nation's largest pleasure-boat manufacturer to Douglas County.

He said the plant, Bayliner's 21st manufacturing facility nationwide,



Visitors examine the first boat off the production line at Bayliner's plant north of Roseburg

News-Review photo by MIKE ANDERSON

represented a model for public-private cooperation in diversifying Oregon's timber-dependent economy. Incentives included state lottery funds for utilities and expansion of the Jethelin-Oakland enterprise zone, which will provide tax benefits for the company.

The plant now employs 35 workers, and more are expected to be added as production efficiency improves.

"We're going to try to be up to a rate of one boat a day, so by February we'll have five a week coming out of here," Loutrom said.

The 25-foot cruiser is the smallest model the plant will pro-

duce, until the second phase is built sometime in the future.

Loutrom said "another thing thrust" is expected in the spring or early summer when the plant adds production of two 31-foot Ciera models.

Loutrom oversaw the start up of Bayliner's plant in Salisbury, Md., two years ago. He said that factory experienced "phenomenal" growth, hiring about 220 people in 17 months.

"I don't think this plant will grow that fast, but I think within 24 to 36 months, we'll have 250 people working here — all local people," he said.

The pleasure-boat industry has

slumped slightly since 1988. Bayliner is expected to build 46,000 boats this year, compared to 51,000 for the 1989 model year.

But the company in the coming decade expects to serve steady domestic markets and benefit from expanding foreign demand. The Roseburg plant's capacity and location make it ideally situated for the 1990s, Loutrom said.

Domestically, marketing in the next decade will follow the demands of the babyboomers, who at forty-something will want to trade up to the midyacht models that Roseburg will produce.

"Our demographic studies and our market intelligence says that

that's our market, ages 35 to 55," Loutrom said. "They're the ones who can afford this particular style of boat and they're the ones who are active with families."

"This market is less price-sensitive, so the marketing of the larger boats remains more stable."

Meanwhile, the company has experienced huge growth in foreign markets in the past three years. Bayliner has built market networks worldwide, including in the Pacific Rim.

In the past three years, the company has seen annual foreign sales climb from \$10 million to \$75 million. "We just don't see any ceiling in sight," Loutrom said.

# Governor tries patching ties in 'middle of nowhere'

By Rick Atty  
Bend Staff Writer  
1/9/90

Like a cowboy setting out to mend fences, Gov. Neil Goldschmidt today rode into Bend — a place he described four years ago as the "middle of nowhere" — to deliver the first of four 1990 "State of the State" speeches.

On the eve of the address, his friends, political advisers and critics agreed it was no coincidence that he journeyed to Central Oregon for his first major speech of the election year. But they also agreed that, thanks in part to the efforts of the governor and his relationship with Central Oregon, the region no longer can be accurately described as the political equivalent of the state's south fork.

In the summer of 1986 Goldschmidt made perhaps his most memorable political gaffe when he initially rejected a proposed Bend debate between himself and his Republican opponent, Norm Fennell. "Let's do these debates where they will do some good," he blurted. "Quit pretending a debate in the middle of nowhere... is a real debate."

Two weeks later Goldschmidt made a hasty trip to Bend to apologize for the remark. Standing before reporters and ignoring Fennell supporters who carried signs that read, "No More Low Riders," Goldschmidt said, "I am

sincerely sorry. The last two weeks have been painful ones for me. If you want to know how painful, it is not easy to dialogue a size 11 foot from one's mouth."

Most of the resentment over the remark has softened, thanks to Goldschmidt's nimble political footwork in the years since. And many Central Oregon political and business leaders believe that the "middle of nowhere" crack has paid political dividends for the region.

"I think it's been one of the best things that has ever happened to us," said Don Probst, Bend Chamber of Commerce manager. "It's kept us in the forefront of his mind, and it's been valuable to us in terms of having more influence in state government."

Tom Thoren, chairman of the Deschutes County Board of Commissioners and a Goldschmidt appointee to the state Land Conservation and Development Commission, said Central Oregon has enjoyed more influence in the current administration than in any other in recent history.

The list of Central Oregon appointees to major policy-making boards in the Goldschmidt administration is impressive. The governor named Bend businessman Mike Haller to chair the Oregon Transportation Commission, named Linda Barlow of Bend to the Oregon Fish and Wildlife Commission, chose Jan of the Seventh Mountain manager Warren Kling to chair the Oregon Tourism Council, appointed Deschutes County Juvenile Director Dennis Maloney to the Children and Youth Commission, and picked several other Central Oregonians to sit on statewide boards and advisory committees.

"I think there is some lingering recognition of the 'middle of no-



In 1986, Goldschmidt traveled to Bend to apologize for campaign remark.

where' remark, and he wants to demonstrate he did not mean what he said," said Thoren. "In the process he has recognized the many creative people we have here and important things we are accomplishing."

Haller, a longtime Goldschmidt friend and supporter, said the governor and Central Oregon have benefited from each other's

ideas and energy. Deschutes County was the first to embrace Goldschmidt's regional strategy program and among the first to get moving on his Children's Agenda. Goldschmidt planned today to focus his address on youth issues, and Haller said it was appropriate that the governor chose Central Oregon for this speech.

"Bend is a growing, important

part of the state and a leader on many of these issues," said Haller. "It is very appropriate that he begin with a speech in Bend."

State Rep. Bob Fickard, a Bend Republican, believes that politics and the fact that this is an election year have more to do with Goldschmidt's choice of Bend as the site for his first address. "He knows that (Attorney General) Dave Frohnmayer has a real presence east of the Cascades. Goldschmidt really wants to be known as something other than a guy from Portland."

Still, Fickard acknowledges that Goldschmidt has "lavished a lot of attention" on Central Oregon, and he also agrees that the attention is deserved.

"We have some really talented players in this community, and Bend is the hub when anyone comes east of the Cascades," he said. "You just can't ignore that."

Meanwhile, an informal survey of half a dozen Bend residents Monday found that most hold no grudges against Goldschmidt for the "middle of nowhere" remark four years ago.

"You can't hold that against him forever," said Walter Davis, who is retired. "He's still a big-city guy, but he's been around here enough the last few years that he at least knows that this isn't the middle of nowhere."

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## The Register-Guard

ALTON F. BAKER, Publisher, 1927-1951  
ALTON F. BAKER, Editor and Publisher, 1951-1968  
ALTON F. BAKER, Editor and Publisher, 1968-1987

ALTON F. BAKER, Editor and Publisher, 1927-1951  
ALTON F. BAKER, Editor and Publisher, 1951-1968  
ALTON F. BAKER, Editor and Publisher, 1968-1987

### An Independent Newspaper

The Register-Guard's policy is the impartial publication in its news pages of all news and statements on news of local, national and international importance, and to provide a forum for the expression of views on public issues. It is committed to the highest standards of journalistic integrity and to the development of a constructive community policy. A newspaper is a CITIZEN OF ITS COMMUNITY.

## Push Head Start

Talk about timing. The top stories on Page One Wednesday dealt with 1) the most recent national assessment of students' reading and writing skills, and 2) Gov. Neil Goldschmidt's proposal that Oregon become the first state to make Head Start available to every eligible child.

The test results in the first story were not very encouraging. But no single change in the education system could do more to improve such results in the future than the one Goldschmidt endorsed — making school education universally available to the disadvantaged.

The National Assessment of Educational Progress periodically tests samples of schoolchildren ages 9, 13 and 17. The latest results, based on tests taken in 1988, showed white students at all three age levels doing only about as well as their counterparts in earlier years, striking back to 1971. On a graph, the item tracing average scores are virtually flat.

The tests showed significant improvement in the achievement of black and Hispanic students, however. On the assessment's 500-point scale, black high school students scored 53 points lower than whites in 1971, but only 28 points lower in 1988. Hispanic students scored 41 points lower than whites in 1971; the first year their results were available, but only 24 points lower in 1988.

According to The New York Times, some of the 24 members of the national assessment board that supervised the tests "said they believed the older age group had benefited from the emphasis that preschool education programs like Head Start have placed on teaching young children to read."

"Archie E. LaPointe, executive director of the National Assessment of Educational Progress," said the "lasting effect" of early intervention and compensatory programs, and the success that students had in reading at an early age, was even more dramatic among black and Hispanic students."

This furnishes more evidence to support Goldschmidt's theme that Head Start should be expanded to all eligible children.

Head Start is a federal program begun in 1965 as part of the War on Poverty. It is augmented here by the virtually identical Oregon Prekindergarten, created by the 1987 Legis-

lature. Both furnish educational, health and social services to low-income three- and four-year-olds. The children normally attend class half a day, three or four times a week. A strong effort is made to involve their parents.

Head Start and Oregon Prekindergarten now serve roughly 13,000 children at an average cost of \$1,200 per student per year. Some 15,000 children qualify by family income level.

As the governor noted, that means there are approximately 11,000 three- and four-year-olds in Oregon who are not getting Head Start in Oregon and who need it. They need it because it builds self-esteem; they need it because it helps them think, reason, and speak clearly; they need the health care and mental health services it provides.

Adding 11,000 students to the Head Start rolls would cost about \$13 million a year. Goldschmidt proposes to take \$20 million of that from lottery funds; the rest would come from federal matching funds and other state money. He will ask the Legislature to refer to the people a constitutional amendment authorizing this diversion of net lottery proceeds, now dedicated to economic development.

Would that be wise? In the past we have urged that lottery funds be spent for discrete, one-time projects or operations rather than regular, continuing services. The reason is that lottery revenues are essentially unpredictable and may drop unexpectedly in the future.

Nonetheless, the state's economic recovery has nearly reduced the need for pure "economic development" dollars in the state budget. Other needs have become more urgent as recognized by the Legislature's willingness to divert large amounts of lottery revenue to prison construction, straining the definition of economic development to fit.

If the voters approved an amendment dedicating 20 percent of lottery money to Head Start, there could be no objection that the money was being misused. And if the tax were given first claim to available lottery revenue, the chance of a future shortfall would be minimized.

Under those circumstances, the plan would be almost as sensible as it is sound socially and educationally. Therefore, our reaction is: Go for it.

## THE DAILY ASTORIAN

An Independent Newspaper

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## Governor's idea is absolutely correct

Gov. Neil Goldschmidt's proposal to fund Head Start programs for all Oregon children whose families fall below the federal poverty line is a bold step and it makes very good sense.

When the governor launched his children's agenda some two years ago with a speech to the Portland City Club he struck a resonant chord. People across Oregon declared their willingness to help improve the lot of children. Now in another State of the State address Goldschmidt has proposed that we use state lottery money to fund as much as \$35 million per year to match federal money in order to fund Head Start programs for all children whose families live below the federal poverty line.

If this came to pass, Oregon would be the first state to take so bold a step.

Legislators and others will raise questions about the propriety of using state lottery funds to fund Head Start programs. Goldschmidt's funding scheme will not go down easily with many of those people.

But we like the boldness of

the governor's idea. It is high time that we refocused our energies and our public resources on children. If we have any hope of stemming the tide of crime and drug addiction in this country it will lie in our ability to reach young children. That making Head Start a universally available program is absolutely the right thing to do.

Clatsop County's Head Start program only is able to serve about 17 percent of children who are eligible to use it. Increasing the funding of Head Start programs statewide would boost the number of children and families who could benefit from this service.

If we hope to turn things around in this country we must start with young people, and the younger the better. As the governor said in his 1988 speech we must "become stewards of the child."

Head Start is a proven method for giving young children what they need to succeed more of it, not less. We like the governor's idea and applaud his bold stroke. Let's do it.

## Argus Observer

Editorial comment

## We'd better do something

Oregon Gov. Neil Goldschmidt has proposed that some lottery funds be used for children. His plan would see lottery profits used to fund an expanded state Head Start

school when they come tired, cold, or hungry to class? The importance of success in school is to the year 2000.

Albany Democrat-Herald

## Goldschmidt plan for kids is welcome

We applaud the proposal by Governor Goldschmidt to dedicate a portion of lottery funds to help young Oregon children get a better start in life.



Head Start gives society head start on problems

## OPINION

Editorials

Get a good start on education

## How not to need prisons

Now that we're on the way to building prisons to catch up with the backlog, let's quit the madness.

No more prisons! This country already has the third-highest incarceration rate in the world behind South Africa and the Soviet Union.

Figures show that every dollar spent on Head Start saves \$ later by reducing costs for prison, welfare and other social services. Prisons, on the other hand, to

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TUESDAY, FEBRUARY 13, 1990

## Neil: The farm boy

A governor who took office known mainly as a big-city mayor may well be noted in history as an agricultural governor. Neil Goldschmidt stands as a personal example of how much the city and the countryside belong together.

If he continues to bridge the urban-rural gap that saps the strength of Oregon, he will have made a monumental contribution to his state during his single term.

In Goldschmidt's administration: The Department of Agriculture emerged from a backwater of state government to a role of prominence in promoting Oregon's farm products and assuring their quality.

Successful trade missions paid off in foreign sales with the promise that they are but the beginning of grander markets.

A close ties between the department and the College of Agricultural Sciences at Oregon State University maximized the strengths of both institutions.

The marketing arm of the department was moved to the World Trade Center of Oregon to flex the state's agricultural muscle in international trade.

Further reorganization advanced the cause of food safety,

but in a way that is not just a mindless rejection of all chemicals. Understanding the importance of some pesticides and fertilizers at appropriate levels is part of the effort, as is helping to certify their use by farmers.

The state played a role in developing the Wheat Marketing Center and its export lab that will enhance exports of Oregon products.

The Oregon Comeback, hallmark of the Goldschmidt administration, would not have succeeded without an agricultural comeback. And that meant finding markets and uses for the products Oregon farmers grow in abundance.

Whether or not the big-city mayor set out to give agriculture particular priority, he assembled the team under the leadership of Bob Buchanan and Bruce Andrews, supported its dynamic endeavors and deserves credit for a marked success of his administration.

On one of the state's most divisive issues, field burning, Goldschmidt has been viewed skeptically by both sides. But if he succeeds in finding a middle ground that will save both the grass-land industry and the airshed of the Willamette Valley, he would truly cap a record as a bridge-building governor.

JAN 17 1990

Allen's P.C. 14-100

## New child prevention program 'Great Start' plans kickoff in Curry

By HOWARD LAMERIE  
Pilot Staff Writer

Planning has begun for the Great Start program in Curry County, part of Gov. Neil Goldschmidt's Children's Agenda.

The new program's purpose is to provide services, with significant prevention or early intervention aspects, for children between the ages of 0 and 6.

"Great Start does not come to you in the form of a detailed blueprint. In some ways it is an experiment," said Gov. Goldschmidt to the House Ways and Means Subcommittee last June.

"It is based on hard evidence that communities across the state... are making creative, effective efforts to help their children."

The governor went on to state the program's principles: "Provide state support to local efforts and become a partner in those efforts."

"Encourage and empower people to take ownership of the problem, and"

"When it comes to helping children, earlier help is better help."

prevention, as well as child care, early childhood education and development, and pre-kindergarten programs.

The Legislature created the program last year, budgeting \$5 million for the current biennium. Curry County is eligible to receive at least the basic grant of \$25,000. Money is apportioned based on the number of children in the county.

Last month the Curry County Board of Commissioners took the first steps for the county by appointing a member to the newly reorganized Youth Services Commission.

They will have their first meeting next week, at which time services provided by public and private agencies within the county will be reviewed.

County representatives on the new Children's Services Commission included Health Director Barbara Floyd and Commissioner Dave Werschul.

"What's exciting is recognition by government that it's time to start on prevention," said Floyd.

"We don't just have to spend money on new prisons — we can do some prevention by paying attention to people's needs starting with the prenatal."

Werschul added, "If it works right, it's a great structure for grassroots participation on the needs of our children."

# The Register-Guard

ALTON F. BAKER, Publisher, 1957-1981  
ALTON F. BAKER, Editor and Publisher, 1957-1981  
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An Independent Newspaper  
The Register-Guard's policy is the impartial publication of all news of local, state and national importance. On this page, the editor offers their opinion on events of the day and matters of importance, endeavoring to be candid but fair and helpful in the development of constructive community policy. A newspaper is a citizen of its community.

2/15/90

## Wanted: a new hero

Who will be higher education's champion, now that Neil is gone?

The question would have drawn laughter on the campuses as little as two months ago. Few then considered Neil Goldschmidt a great friend of higher education. And nobody expected him to be "gone" by now, in the case of declining to seek re-election is governor.

Nonetheless, in mid-January, Goldschmidt came to Eugene to deliver one of his four "State of the State" addresses. In it, he committed his administration to the advancement of higher education. He backed the words with a promise to include in his recommended 1991-93 state budget \$50 million for faculty salary improvement above the cost-of-living increases expected for all state employees.

That made an impact on even the skeptical. And from the perspective of higher ed, it made all the more ironic Goldschmidt's announcement a month later that he would not be a candidate for re-election.

He's not resigning, of course. He will submit 1991-1993 budget recommendations that presumably will include the promised request for salaries. But he will not be around to fight for that request during the 1991 legislative session. And his successor will be free to alter, ignore or even oppose it, as he or she sees fit.

Register-Guard reporter Harry Esch questioned the putative major party candidates Monday. Attorney General Dave Frohnmayer, a former University of Oregon faculty member who is expected to be the Republican nominee, said he is "extremely supportive" of requests for faculty salary improvement. He made several other sympathetic statements but declined to name "precise dollar figures." The expected Democratic candidate, Secretary of State Barbara Roberts, wouldn't accept a call. An aide said he was "just not ready to get on that issue."

Frohnmayer won that test by de-

frault. But both will have time to develop their thoughts more fully as the campaign progresses. We hope both will decide to give the issue the kind of priority Goldschmidt had assigned it, and will come to share his estimate of the financial commitment needed in the next biennium.

If one of the candidates wants to be an instant hero, of course, he or she can tackle a more immediate problem: replacing the video poker dollars that were intended for faculty salaries this biennium.

The last Legislature authorized video poker, with the proceeds split between faculty salaries and mass transit. Local governments' strong opposition to the game caused the Oregon Lottery Commission to abandon efforts to start it. As a result, higher education is short \$12.5 million (up to \$25 million was dedicated, but only half that amount was actually anticipated this biennium). The loss represents about a quarter of the biennium's faculty salary improvement funds.

Chancellor Thomas Bartlett will ask the state Board of Higher Education Friday for authority to ask the Legislative Emergency Board for up to \$10 million in replacement funds. The higher ed board has every reason to say yes; the Emergency Board will find plenty of reasons to say no, or "not that much." Goldschmidt has said he will support a request for at least \$5 million.

If the Emergency Board rejects this request, the system may get one more chance — in an expected special session of the Legislature devoted to workers' compensation. Persuading the legislators to act on an unrelated matter such as higher education salaries would be difficult, but not impossible.

Either way, the system of higher education could use support from the pair of able politicians who want to run state government when Goldschmidt says goodbye. This is a moderately prickly problem for the candidates. It is also an opportunity for leadership.

William Raspberry

## Head Start: A Program That Works

Oregon's Gov. Neil Goldschmidt (D) has proposed a program to improve education, interpersonal behavior and employability, while reducing drug abuse, crime and welfare dependency. It is called Head Start.

He might also have come up with some high-sounding name for his legislative cure-all, but it wasn't necessary. The program already has a name: Head Start.

What Goldschmidt proposed, in his recent state-of-the-state message, is that Oregon extend the Head Start option to every child who needs it. He would pay for it by amending the state constitution to earmark 30 percent of the state's lottery dollars for Head Start.

The result, he said, would constitute "the most significant — the most effective — anti-drug, anti-crime, pro-education strategy" in America.

Goldschmidt's proposition came late in an address devoted largely to touting Oregon's recovery from its early 1980s recession, the worst since 1932. But, as he noted, not all of Oregon's citizens are sharing in the new prosperity. Drugs, crime, child abuse and parental neglect still plague thousands of families who languish beyond the reach of economic recovery.

"I propose that we take a stand for the children in the shadows — the ones ill-provided and ill-equipped to learn and prosper," he said. "There are approximately 11,000 3- to 5-year-old children who are not getting Head Start in Oregon and who need it. They need it because it builds self-esteem; they need it because it helps them think, reason and speak clearly; they need the health care and mental health services it provides."

"That more than all that, they need their parents to be advocates for education. That is what Head Start does best: it involves the parent. By getting these children ready for school, we free our teachers to do the job they were trained to do — educate children for life."

It's a wonderful idea, although it does contain a couple of flaws. The first is that it is too modest.

Washington Post

It is true that the usual way of measuring Head Start's reach is to compare the number of children in the program to the number of poor children between the ages of 3 and 5. (Currently, Head Start serves about 450,000 of the 2.5 million children in this category — fewer than one in five. But nothing in the legislation mandates that participants be at least 3. Eligibility runs from birth to full-time school attendance, and numerous studies indicate that the long-term benefits are greatest for the youngest children — principally because it reaches parents at a critical time in their children's lives.)

The second, more serious, flaw is that Head Start is a federal program with strict federal regulations covering everything from cleanliness and safety to standards for food. The rules, not subject to state modification, require that each Head Start center have its own social worker and nurse, that it be community based, that it make regular assessments and that 10 percent of its enrollees may come from parents above the poverty line. (That last rule obliges a percent of Head Start youngsters to be trained for employment on Head Start teachers without having their eligibility for the program.)

Thus, while there is nothing to prevent a state from instituting a Head Start-like program, there is nothing to guarantee that a state-initiated program would include the quality protections required by the federal legislation.

The best way of doing what Goldschmidt has in mind would be for the federal government to undertake a vast expansion of Head Start, now funded at a relatively modest \$1.4 billion a year.

Still, until the administration gets over the notion that we are spending lavishly on our children's education, Goldschmidt's proposal is worth copying.

American's love Head Start, because they know that it works. Not only does it get youngsters ready for academic success, but it also socializes them and develops their values, while involving parents in their children's education. But it does even more than that. By building self-esteem and school success, it reduces the likelihood that poor youngsters will grow up to become jobless, hopeless wards of the welfare system.

As Goldschmidt put it, adoption of his proposal would be "the biggest economic development decision Oregon is ever going to make. We are going to put our money where our values are." He said, "We will reduce the number of drug abusers. We will reduce the number of dropouts. We will stop the endless need for more prisons. And we will be the first state in the nation to do it."

But with any luck at all, not the last.

## Goldschmidt impresses D.C. with savvy lobbying skills

903

By FOSTER CHURCH

WASHINGTON — Last November, Oregon Gov. Neil Goldschmidt passed through Washington, D.C., for a quick tour that included most of the usual stops for a person in his position: congressional offices, a fundraising reception to which some of the city's most prominent socialite-politicos were invited, a magazine interview.

But there was a significant difference in his itinerary that suggests the kind of governor he has been in dealing with the federal government and the challenge that his replacement will have in matching him in Washington.

Goldschmidt is deeply interested in two bills now before Congress affecting log exports. One would ban export of logs from federal lands, the other would allow states to ban export of logs grown on state lands. On an earlier visit, he testified before the Senate Banking Committee. On this visit, he spent an hour with committee staff members.

When governors visit Washington, they usually associate with name performers — senators, members of Congress, Cabinet secretaries and agency heads. Staff members are just background figures who maintain a respectful distance during these meetings.

Foster Church covers politics in Washington, D.C., for The Oregonian.



CHURCH

For a governor to take the time not only to acknowledge staff, but also to talk to them — and with them — for almost an hour, giving the state's point of view and soliciting their opinions, was considered extraordinary.

"Certainly in my experience it is unusual to have that happen," said John Walsh, minority counsel to the Senate Banking Committee. "He made quite a favorable impression, both in terms of having a grasp of the issues and his willingness to dive into the detail and to persuade people who would be influential with the members in dealing with the issue."

Walsh is quick to note that he did not like the bills, particularly the one that gives states authority to regulate export of logs.

"But I found him candid and forthright about flaws in the strategy and wants on the legislation. He was pushing his agenda, but he was quick to admit where the flaws and the shortcomings were."

It is doubtful that Goldschmidt persuaded Walsh to use his influence to persuade members to back the log-export measure on the committee. But he did accomplish a classic turn that the professional lobbyist knows well: If you cannot turn around your critics, at least dull the edge of sharpness with which they oppose your issue.

Goldschmidt went to the place that the smart lobbyist heads for, recognizing that members of Congress are already stretched to their limits and rely on information prepared by staff to make decisions. The staff member is the fastest and best conduit to a member's ear.

Whether the log-export bill makes it out of committee, passes the Senate and moves through the House —

while undergoing possible opposition from the Washington state delegation — is still in question. But Goldschmidt's tactics were impeccable.

From the beginning of his 1985-86 campaign, Goldschmidt made development of a federal agenda a top priority. As he moves into the last year of his governorship, not everyone agrees he achieved his goals.

"There was no trouble shooting," complained one staff member, who was disappointed with Goldschmidt's leadership and follow-through on some

### Goldschmidt's asset in Washington has always been an understanding of the way things work.

Issues. "It was always trouble, and he shot."

Lobbyist James Beall saw another Goldschmidt, however. Beall's clients include shipbuilding interests, Greenbrier Leasing Corp. and the Lower Columbia Region Naval Task Force.

"We thought it was fantastic to have a person of his background serving in a state position, because he understood the value of the federal government," he said.

Beall also noted that Goldschmidt brought into the governor's office two staff members who also understood the federal process: Gail Achterman, who had been a lawyer for the Public Lands Division of the Interior Department, and Tom Imeson, a former aide to Sen. Mark O. Hatfield, R-Ore.

It also was Goldschmidt's idea to hire Norm John-

son from Oregon State University and set him to critiquing Forest Service plans for the state's national forests.

"What happened was that Norm Johnson became an independent authority on the methods and the contents of all those forest plans," said Doug Marker, an aide to Rep. Peter DeFazio, D-Ore., who was deeply involved in last summer's timber summit. "So when we were sitting around at the summit asking if we could do something, the Forest Service would say we could do it, and Norm Johnson said we could not."

The governor backed a pioneering plan to develop a research base for the Oregon metals industry, matching state, industry and federal money.

This was a completely new approach to dealing with science and technology issues," said Norman Eder, a lobbyist for the Oregon Graduate Institute. "To my knowledge, there had been no governor's office cooperation in dealing with these issues in the past."

A similar biotechnology initiative has had less success, but backers of the plan are still working on it. Goldschmidt's asset in Washington has always been an understanding of the way things work. As a former transportation secretary, he was comfortable at higher levels of government. His approach to staff members suggests that he knows the city from the ground up.

The standard used most often to describe Goldschmidt's success in Washington has been to compare it with the past governor.

"It's a night-and-day difference" is the most common phrase. No mean accomplishment.

His successor will determine whether it's just dawn or whether the sun sets again for Oregon's federal agenda.

## Fond farewell from 'nowhere'

903

By Pat Moser

When Neil Goldschmidt ran for governor two years ago he campaigned in Eastern Oregon with his foot stuck in his mug.

Curly Top, it may be recalled, said he would announce his candidacy in the Oregon media capital of Portland instead of "in the middle of nowhere" in Eastern Oregon.

Since then, this corner of Eastern Oregon has forgiven him for such an insensitive gaffe. He bought our affection with Oregon Lottery profits.

Through his regional strategies program, The Gov. has put more than \$1 million in Umatilla and Morrow counties as industrial development grants. That is more money than any governor has sprinkled in this desert.

With that money as leverage, Hermiston whisked Harpac Foods Inc. out from under the nose of Walla Walla and the Tri-Cities. Some of the money also helped Bill McClannahan's Oregon Dehydration Inc. plant get started at McNary. It has lugged Continental Mills Inc. new plant from Spokane's grasp to Pendleton. And it is paying for the equipment for

Editor's Notebook

By Pat Moser

the two counties' fresh produce plant west of Hermiston.

Before the money began to flow this way, Goldschmidt had been considered a big L in P-H-and, in the worst Willamette Valley sense of Liberal. Well, not any more.

Out along these dusty byways folks are lamenting the passing of Goldschmidt. The reason is clear. With Goldschmidt in office Eastern Oregon had its Salton ducks in line.

Umatilla County had become a conglomeration of Goldschmidt's administration. He needed a strong ally in the Legislature to wage his Oregon Connect, build prisons

and rejuvenate state programs. He found him in State Sen. Mike Thorne of Pendleton, who wields the power of the purse as co-chairman of the Joint Ways and Means Committee.

The governor grabbed Bob Buchanan of Milton-Freewater to head the Department of Agriculture. Impressed with Buchanan's work on trade and other economic issues, Goldschmidt boosted him to the top of the state Department of Economic Development. From that department the Lottery money flowed into the regional strategies programs.

Finally, he hired Jill Thorne, the senator's wife, into his Executive Department inner circle as his appointments secretary.

Probably the only other time Umatilla County sat so close to statehouse power was in the early 1970s during the Tom McCall era when then-Rep. Stafford Hansen, R-Hermiston, headed the House Ways and Means Committee and Irvin Mann of Seaside was

secretary of agriculture. Later Hansen ran the Executive Department of then-Gov. Bob Sruhan.

Suddenly, Umatilla County's position in Salem faces an uncertain future for the most humane of reasons — a marriage in trouble. With Goldschmidt declining to run for a second term, the voters will be choosing between Democrat Barbara Roberts, the secretary of state, and Republican Dave Frohnmayer, attorney general. Neither have said anything at this early date about regional strategies and Lottery money of economic development.

Mike Thorne will remain in his powerful role in Salem, but his wife and Buchanan may be cleaning out their desks come January. That could be the end of our one-term Golden Age in Salem.

When the governor leaves, we lose," said Hermiston attorney George Anderson, who has headed the Umatilla-Morrow County Regional Strategies Committee.

It is ironic that Goldschmidt, the most downtown Portland of governors, is going to miss so much by those who live "in the middle of nowhere."

## Goldschmidt economic push needs to continue

As the dust settles after Neil Goldschmidt's announcement that he won't run for re-election, one thing that dawns clearly on some in Eastern Oregon is the economic activity going on over here and elsewhere in the state during his administration. It is economic growth that we Oregonians need to keep pursuing, regardless of who is the next governor.

This editor has a conflict of interest on this topic because his wife works on Goldschmidt's staff in Salem. But some things need to be said anyway.

A recent newspaper editorial from Central Oregon remarked on how Goldschmidt has worked to help that area's economy. A similar comment came out of Astoria. Talk to some of the economic development officials in Umatilla County — Port of Umatilla and community groups — and they say Goldschmidt's efforts have been good for jobs and the economy.

Goldschmidt ran in 1980 on the theme that the economy of Oregon needed to be sparked in order to keep young people from leaving and to allow the state to function better. It would be inaccurate to credit his work for all the economic growth happening in Oregon.

But the fact is that Goldschmidt has placed economic development No. 1 and has in place an effective team of growth specialists including Milton-Freewater's Bob Buchanan, who heads the state Department of Economic Development. Lots of things have been happening in Eastern Oregon: Nispac vegetable processing in Hermiston, Continental Mills announcement for Pendleton, the lottery-funded fruit and vegetable cooling facility near Hermiston, greatly increased marketing of Oregon farm products by the state Department of Agriculture and expansion of Eastern Oregon Correctional Institution, which is aimed at public safety but also helps the economy. This editor hears other projects with jobs are "in the pipeline."

Officials of Umatilla County also helped bring about these projects. But the fact is economic development has come at a far, far higher rate than during previous administrations.

A stronger economy makes so many things possible: jobs, income, keeping more young people and older workers in Oregon, helping reduce drinking and family abuse and unemployment payments, increasing state tax revenue which pays for State Police, state colleges and universities and dozens of other state services.

We Oregonians need to continue these economy-building efforts, no matter who the next governor is.

## EDITOR'S NOTES

## THE GOLDSCHMIDT ERA

A lot of people are convinced the three primary concerns of elected officials are re-election, re-election, and re-election. But Gov. Neil Goldschmidt has confounded that view by putting family concerns first and electing to just say no to another campaign.

It is both refreshing to see an elected official who realizes the fate of the Free World doesn't depend on him remaining in office, and sad to see the high profile nature of the governorship exact such a severe personal toll on someone so obviously dedicated to his job as Goldschmidt.

While we have at times disagreed with the actions or inactions of the governor and his occasionally disorganized approach to administration, no one could fault him on the vitality he brought to the office. Oregon's image has gained a good deal from his term in office.

In terms of more substantive accomplishments, several are worth noting.

•His first legislative session was regarded as one of the most productive ever, in terms of producing legislation important to the business community. This included a new corporation law, environmental legislation, federal-state tax reconnect, tort reform, state funding for the Oregon Convention Center, increased gasoline taxes to fund roads, and a new Forest Practices Act.

•The school safety net proposal which Goldschmidt helped get approved by the state's voters now at least keeps schools open at current funding levels when voters turn down levy requests.

Even though the voters turned down Goldschmidt's proposal for updated school tax bases throughout the state, this idea could well surface again in a couple of years if the voters turn down any new taxes.

•Goldschmidt gained legislative approval for about \$90 million in higher education facilities.

•He also worked with the Legislature to gain approval for construction of \$70 million in badly needed prison space.

•Goldschmidt moved to set up a structure to give the state some input into the drafting of national forest plans, which is perhaps the state's most important economic issue.

### Go Out On A High Note

•In his first legislative session, Goldschmidt got a plan to improve the workers' comp system passed. Perhaps because of this, the governor underestimated the need to reform the system further in the last legislative session. He has now moved to correct this mistake by naming a business-labor committee to work out a series of reforms by mid-April. (A couple of good models for this reform can be found in the story on page 33.)

Workers' comp is an issue that has festered in the state's economy for the last 10 to 15 years. We hope the governor, despite being a "lame duck," can push needed reforms of this system through a special legislative session. It would prove to be an impressive capstone to his accomplishments in office and an important boost to Oregon's economy. In fact, since he is not running for re-election, it might be easier for Goldschmidt to take the political heat over this always volatile issue.

•Goldschmidt spent a good deal of time on an ill-defined "children's agenda," but finally put the issue into focus with his recent proposal that the state significantly expand its funding of Head Start through use of lottery funds. This is an excellent proposal, and we hope Goldschmidt's successor follows through on it.

At best, most business people consider government to be a nuisance, and at worst a serious impediment. But politicians with vision and the ability to inspire others can also do something no business person can: make us both feel good about being part of a larger community and take action to improve that community. Neil Goldschmidt has that talent, and Oregon has benefited from it.

ROBERT L. HILL  
Editor

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## Goldschmidt to push for on-demand drug treatment

By HOLLEY GILBERT 4/6/90  
of The Oregonian staff

Gov. Neil Goldschmidt, speaking at a public meeting of his gang task force, said Thursday that he would introduce legislative proposals to ensure on-demand drug treatment for youths and pregnant women and full enrollment for all Oregon children eligible for Head Start.

Currently, only about 3,000 of the state's 15,000 children eligible to participate in the low-income education program were enrolled in Head Start, Goldschmidt told a meeting of the Governor's Gang Task Force in Northeast Portland.

"Enough of this baloney," he said. "Every child who's eligible ought to get it."

In an unusual move, the task force met in an open community meeting to air concerns about gangs, answer questions and discuss anti-gang tactics. Also present were members of the community-based Youth Gangs Task Force, Multnomah County District Attorney Michael Schrunk, U.S. Attorney Charles Turner, Portland Police Chief Richard Walker and Mayor Bud Clark.

Programs such as drug treatment and Head Start could be weapons in the state's battle against gangs — a fight no one was willing to say the community was winning.

"I don't think we're winning this war," said Dan Noelle, deputy chief of the Portland Police Bureau. "Maybe we're not losing, to a certain degree, but I'm not seeing a great decline" in violent gang activity.

The initial goal of ridding the city



Black United Front leader Ron Herndon (left) talks with Harold Williams (center), the chairman of the Coalition of Black Men, and Charles Myrick.

and state of powerful California gang members has largely been accomplished, Clark said.

"But now that we've stripped away the front lines, we encounter something even more disturbing — our community's own children who have taken their places and perpetuated the myth of gang glory," the mayor said.

Alberta Phillips, a spokeswoman for Christian Women Against Crime, said the gang lifestyle has sifted down in Portland to where young women are having babies by gang members.

"The young ladies have learned to play with their own babies before they learned to play with dolls," Phillips said. "They are tough, hard and indifferent."

Phillips said she challenged the community to start a group home for teen mothers and young women on the fringes of or involved with gangs. A "sister home" should be established to provide a stable atmosphere in which girls could live for 12 to 18 months, go to school and get started with their own children.

To the applause of the approximately 100 in the audience, Phillips

also said a "major social center" was needed in inner Northeast Portland so youths would have an alternative to gangs and crime.

Phillips admitted the center would be expensive, but said that if it is not built, "we will pay a greater consequence."

Sharon McCormack, chairwoman of the Youth Gangs Task Force, said a safe-home program for youths, the House of Umoja, must be expanded. The county can no longer rely on the foster-home system to care for troubled youths because gang violence can spill into those homes, she said.

# Youths' frank talk outdoes governor

By JOAN HERMAN

Of The Daily Astorian

Oregon's governor drew an estimated 200 Rotarians and their guests to a luncheon forum Monday, but a group of five Clatsop County teenagers stole the show.

The students — Chris Newman, Darla Anderson, Tracy Roberts, Natasha Freeman and Steve Barnard — captivated the audience of community leaders with their frank talk about five major problems facing youths and the community. The Astoria Rotary forum was at the Red Lion Inn.

The problems and concerns the youths identified — a lack of recreation, the use of drugs and alcohol by youths, teen sexuality and pregnancy, the high school dropout rate and teen suicide — are not unique to the North Coast, but are found throughout Oregon, Gov. Neil Goldschmidt told the audience.

The students are members of a youth advisory committee to the Clatsop County Youth Services Commission. "They give us a perspective that we would not otherwise have," commission Chairwoman Paula Brownhill said.

The five problems the students talked about Monday were identified during a workshop of 60 of the county's youths, as the major issues facing youths on the North Coast.

Of those issues, the youths placed a lack of recreation at the top of the list of social problems facing teens in the county, said Freeman, a Knappa High School student. That problem is closely linked to the other concerns, such as drug and alcohol abuse by



The Daily Astorian—KENT HERN

Warrenton High School senior Steve Barnard spoke on the problem of teen suicide. Barnard held a portrait of a friend who committed suicide last fall.

Some examples might be an athletic club; school-versus-school intramural sports; a teen club where youths could have

TEENS NEED AND want well-publicized, age-group-appropriate recreational activities that are free of drugs, alcohol and cigarette smoke, Freeman said.

plays, talent shows and concerts; and mentor programs. Teens also enjoy and are willing to volunteer their time to community service

projects, Freeman said.

One teen who turned to drugs was Mark David Ray, said Barnard, a Warrenton High School senior. Holding a framed photograph of Ray, Barnard told the audience that his friend committed suicide last fall.

"I ask myself why would someone that young, with so much future and so much potential — why would they want to end their life?" Barnard asked.

"Something should be done early before you get to that point," he said. "I miss Mark."

Teens receive mixed messages about substance abuse, said Newman, a Seaside High School student. Some television commercials tell teens not to do drugs, but beer and other alcohol commercials glamorize substance abuse, he said. Youths also see their parents drink and model them.

Sixteen-year-old Darla Anderson faces another challenge: motherhood. When the Clatsop Community College student fell in love, she worried about getting birth control and having her parents find out she was sexually active. Instead, she became pregnant.

Anderson decided to keep her daughter, who is now 1 year old, and is working toward her high school diploma at the college. She struggles with finding good child care, and she can't afford it, anyway. Teen parents need support and help so they can pursue their education — and their dreams, she said.

Anderson's voice broke when, at the end of her short presentation, she thanked her mother "for always being there."

Astoria High School senior Tracy Roberts spoke about the fifth major problem: the dropout rate.

Seventy-three percent of Oregon children entering first grade will not graduate from high school, Goldschmidt said. "I don't care how you label it, it's a dropout problem."

PART OF THE problem is that teachers get burned out with their jobs, so students get bored with school, Roberts said. "Is there a way we can boost morale for teachers to make it more interesting for students to learn...?" she asked.

Goldschmidt later responded "yes" to Roberts' question. "The teacher talent is there," the governor said. "The administrative talent can be trained and put there."

But the dropout problem and other teen concerns are not the sole responsibility of the schools, but of everyone, Goldschmidt said.

"Fundamentally, what we need is people who are going to have to decide that kids are going to go to the top of the list (of priorities)," he said.

"The good news part of this is that what is happening in this county is really quite remarkable," said Goldschmidt, referring to organizations such as the county Youth Services Commission, which has galvanized community members to work on finding solutions to the problems.

"This is for us a model county in the state," Goldschmidt said. "You are in this county the hope of this state."

The Oregonian

## METRO

SECTION

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WEDNESDAY, APRIL 18, 1990

### \$15.1 million anti-drug plan unveiled

Gov. Neil Goldschmidt's approach concentrates on education and treatment in coming to grips with substance abuse in the state

By DAVE MOGAN

Of The Oregonian Staff

SALEM — Gov. Neil Goldschmidt offered a \$15.1 million anti-drug proposal Tuesday, emphasizing drug treatment and education to battle the state's substance abuse problems.

The package includes a broad variety of

programs ranging from drug prevention projects to law enforcement and corrections funding.

"We are beginning to handle the symptoms of the drug epidemic, but the war against crime won't be won by handling only the symptoms," Goldschmidt said. "We have got to attack the source, we have got to begin preventing drug use and drug abuse."

Goldschmidt said he would present the anti-drug package to the Legislative Emergency Board next month for approval.

The proposal would add little money to drug fighting efforts. Only \$1.1 million of the \$15.1 million is new funding that would come from the state's general fund, said Robert Jackson, Goldschmidt's criminal justice coordinator.

The rest of the money comes from federal



Gov. Goldschmidt

"We have got to attack the source... to begin preventing drug use and drug abuse."

grants and existing state funding, Jackson said. For example, Goldschmidt's package included \$1.2 million in federal funding for the Oregon National Guard's anti-drug work. The Department of Defense announced that funding Dec. 8.

In a news conference Tuesday, the governor highlighted several parts of his proposal, including:

- Providing \$3 million for additional drug and alcohol treatment programs for addicted children and pregnant mothers who can't afford treatment.
- Expanding substance abuse treatment programs for prison inmates, juvenile offenders and other criminals with another \$1.5 million.
- Providing \$1.7 million to implement a new state law requiring all schools to adopt drug policies, plans and curriculums.

Goldschmidt said he believed the proposal broke new ground in that it included anti-

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METRO/NC

### Drugs: Governor says progress made

Continued from Page C1

drug programs from various state departments, instead of addressing those areas independently.

The package included proposals from the departments of Human Resources, Education, Corrections, State Police and National Guard.

"By pulling all of these programs together we can get a better picture of the array of weapons at the disposal of state government and ensure that our drug control efforts are comprehensive and cohesive," Goldschmidt said.

Goldschmidt said he believed Oregon has made progress in fighting its drug problems during the past three years.

Asked for examples of that progress, he cited police efforts to push California gang leaders out of the Portland area, increases in community and parental awareness of the drug problems facing youth, and increased legislative attention to drug-related problems.

Goldschmidt said he did not know if his proposal would work to cut the state's drug problems. He stressed, however, that simply improving drug-addicted criminals without any substance abuse treat-

ment has been shown to have little effect.

In addition to calling for a broad range of government initiatives in fighting the state's drug problem, he said parents, churches, businesses and community groups also need to get involved.

"We have come to understand that there is no single answer, no miracle cure for this drug epidemic," Goldschmidt said.

Goldschmidt said he hoped his proposal would "jump-start" the state's anti-drug efforts, noting that several of the programs were "high-priority investments that have gone unfunded for lack of financial resources."

He conceded that even his proposal to make drug treatment more available for pregnant mothers — one of his top priorities — was only a "down payment."

Goldschmidt first proposed in January making such treatment available to all pregnant mothers who need it. While he estimates that more than \$5 million is needed annually to provide that treatment, his proposal suggests adding only about \$1.3 million at this time.

His proposed package includes \$3 million for prevention and education programs, \$4.5 million for

#### AT A GLANCE

Here are major provisions of Gov. Neil Goldschmidt's \$15.1 million drug control plan and its costs, announced Tuesday.

- Expand drug treatment programs with the aim of making treatment available to every addicted child and every pregnant woman who cannot afford treatment. Costs \$6.1 million.
- Expand community alternatives to prison, including drug and alcohol treatment. Costs \$1.5 million.
- Provide money so that schools can adopt a drug education curriculum, as is already required under state law. Costs \$1.7 million.
- Provide money for Oregon State Police and local police academies to purchase new equipment for their operations. Costs \$2.27 million.
- Double Oregon National Guard funding for drug operations. Costs \$1.3 million.
- Work to limit unemployment benefits for persons discharged for failing or refusing to take drug tests. Costs \$6 million.

drug and alcohol treatment programs and \$4.5 million for criminal justice funding.



## Workers' comp reform shows the way

## Oregonians join together

Monday was a day to go down in our history books.

Not only did the Legislature in one day give Oregonians one of the best, and certainly the most-improved, workers' compensation systems in the nation, but it also showed how well groups can put aside their differences for common benefit.

Labor and management worked together to draft the bill, and Democrats and Republicans came together to approve it — all to repair a system that had become a disservice to the state and to the workers it was supposed to protect.

Oregon put up with an expensive disgrace for decades. It was a tribute to good will above politics that lawmakers were able to agree so readily on a complicated issue that has defied correction for so many years.

The workers' comp reform bill that the House and Senate approved Monday will restore the original intent of the ideal. The ideal is that workers deserve a safe place to work, that they would rather be productive than laid up with injuries or enmeshed in legal red tape, and that both labor and management should settle their problems face to face with as little cost to either side as possible.

Oregon's old workers' comp system made this unlikely. It was a system that cost employers more and paid injured workers less than most other states in the nation. It was a system that failed to promote safety in the workplace and that delayed rehabilitation of workers and restoration of jobs. Besides, its high cost staggered Oregon businesses and discouraged outsiders from coming here.

Small wonder that no one liked our workers' compensation system except those who prospered from it.

Despite the commitment of all sides to reform, legislators made compromises that might reduce the effectiveness of the bill. There was no reason but politics, for example, to back down and restore a portion of the power that chiropractors have had in the past to treat injured workers and to authorize lost-time payments.

Still, the measure has enough good points to allow it to show how much it can improve the workplace and the state's economy. If we have agreed in granting too much to

Success in at last reforming workers' compensation gives rise to the hope that Oregon can solve other long-standing problems as well.

chiropractors — or too little — we can change later. The point is that we have a much better vehicle now, one that will serve employer and employee well without a massive overhaul.

Success in at last reforming workers' compensation gives rise to the hope that Oregon can solve other long-standing problems as well. Gov. Neil Goldschmidt, whose address to the special session was a swan song of sorts, praised the bill for the expectations it raises.

If we can reform workers' comp, what would it take to solve other long-standing problems?

The answer is to appeal to what Goldschmidt called "the obligations of citizenship."

He made this appeal when he gathered business and labor together in the governor's mansion to draft the workers' compensation reform measure. He made this appeal to Republicans and Democrats when he called a special session.

Now he has us believing the same message about the obligation of citizenship today and tomorrow to work on a long list of other problems that have defied answers for so many years or decades.

Goldschmidt places school financing — which voters will consider in an advisory measure next Tuesday — at the top of the list of obligations.

But there are many other issues that will rise to take the place of workers' comp or school finance as problems. And they could be solved the same way, with good will and with respect for the best interests of all citizens.

The special session proved that this ideal works. Legislators can go home with the thanks of the state for a good job in quick order.

## Dig up roots of drug-crime

Police sweeps such as the one that recently netted 21 gang members in Portland clip drug-related crime at the street level. But Gov. Neil Goldschmidt's \$15.1 million anti-drug plan digs below the surface, to the roots of the drug-crime epidemic that is tearing at Oregon's good life.

The governor's package, unveiled April 18, focuses on education, prevention and treatment of substance abuse, key ingredients in any long-term solution.

Despite its cost, the governor's proposal is less a plan for spending than a plan for changing the way the battle is being fought.

The State Youth Gangs Strike Force and the Portland Police Bureau's Gang Enforcement Team were armed with eight state and 14 federal warrants charging cocaine distribution and possession and weapons violations when they spread out through Portland April 13. Their sweep reflected the cooperation and coordination that Goldschmidt wants to see adopted by all agencies and jurisdictions in the anti-drug fight.

His package is a necessary step to follow Oregon's investment in more prison cells and law enforcement. It pulls together programs and proposals from the state departments of Human Resources, Education, Corrections, the Oregon State Police, the Oregon National Guard and the

Executive Department. It taps new and existing — mostly federal — anti-drug funds and reaches out to local governments and their programs and proposals.

Various agencies, governments and citizen advisory groups were asked to take a broad look at anti-drug programs and proposals with an eye to building partnerships and sharing funding to make the most worthwhile programs work better. Some other programs will receive less money.

Paramount on the governor's list of worthy programs are drug- and alcohol-treatment services to drug-addicted children and pregnant women and young mothers who can't afford treatment.

Goldschmidt thoughtfully includes \$75,000 for monitoring the effectiveness of various policies and programs. But he may need more for adequate, independent and objective evaluations.

"We can make arrests all day long, but that won't cure the violence that results from deep, social problems," observed State Police Lt. Bernie Glusto, spokesman for the State Youth Gangs Strike Force. "The solution is another generation away."

While continuing to attend to today's public-safety needs, Goldschmidt wisely is positioning Oregon for tomorrow's solution.

## Goldschmidt in overdrive as time runs out

Gov. Neil Goldschmidt talks fast, as if he has nowhere to move the words.

But it isn't the words he's worried about. It's the time. And he knows he doesn't have enough.

"There's always things that aren't going to get done," no matter how long you're in office, he says, his voice cutting in and out over the car phone. He's somewhere between Portland and Salem, on Interstate 5 as it slices through the Willamette Valley hills. The car, and he, are in overdrive.

There's a pause. Besides, "three years does not a generation make."

But three years were all Goldschmidt had to make his mark. In 1987 he took office, riding high on promises of

reform, which directs state money into local development projects. But progress has been halting.

When it comes to the Regional Strategies program, Goldschmidt preaches patience. But, that temperament in short supply when speaking of other issues — particularly timberland.

Goldschmidt is tired of what he sees as environmentalists' relentless push to tie up the region's forests. "It's not all environmentalists," he qualifies, but "some extremists" who refuse compromise.

"Do you think this is the end of it?" he asks, referring to a recent study that recommends that millions of acres of land in Oregon, Washington and California be managed for the preservation of the spotted owl. "It's just the latest . . . There'll be more and to it if Congress doesn't do something about it."

Goldschmidt wants Congress to step in, gather up all the statutes governing forest management and mold them into a comprehensive package. That way, the timber companies will know where they can cut — and when.

Forest management is only one of the resource issues the state faces. Conflicts swirl around water rights, farming methods and land development as well. All need attention and resolution if the state's growth is to continue.

There's more. Education, for one thing. Goldschmidt made the issue a critical component of his Comeback campaign, but he has had a hard time putting intent into action. Task forces continue to struggle with ways to improve financing sources for the state's grade schools and to come up with a plan to coordinate a discount network of community colleges, colleges and universities.

Transportation is another concern. "You can't manage growth by limping along" with inadequate infrastructure, Portland in particular finds itself careening toward gridlock. "We can either go the way of Seattle, or we can go the way we need to," channeling money into more roads and mass transit, says Goldschmidt.

But Goldschmidt won't be around to add his influence to whatever political maneuvering might be called into play. Not as governor, anyway. Where will he be? He insists he's done nothing to find a new job and won't until late in the summer, when his duties as governor begin to wind down.

"I've not had one conversation with a business or law firm or organization," he says. "Not one."

When he does begin looking, will he limit his sights to Oregon? Not necessarily, he hedges. "But I'd like to stay."

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## EDITOR'S NOTEBOOK

Gail Kinsley Hill

an Oregon Comeback. Earlier this year, he announced he wouldn't run for re-election, a decision brought about by the collision of his public and private life.

He leaves behind a tangle of questions about the success of his energetic plans to push Oregon into economic prosperity and onto stable financial ground.

But Goldschmidt, with typical aplomb, isn't rattled by concerns about unmet expectations. To his mind, the progress is palpable. And the issues revolve around future deeds, not past misdeeds.

The key now is to keep Oregon's economy humming, says Goldschmidt. During the last several years, the state has grown at a healthy rate, and the governor is worried that complacency might brake the momentum. "We need to keep pushing," he says.

In particular, it's the cities and counties outside the Portland area that need the helping hand. "It's not in Oregon's best interests to have most of the growth occurring in the three counties in Portland," says Goldschmidt. "To keep Oregon psychologically and economically healthy, everyone has to be sharing."

Easier said than done. Some areas, such as Central Oregon's Bend, are hopping, but others continue their search for stable financial footing. Goldschmidt has tried to provide that toehold with his Regional Strategies pro-

## Mahonia plan worked

Oregon's workers' compensation reform law is a grand political and governmental achievement. It will rejuvenate a sprawling, decrepit system that overcharges employers and undercompensates injured workers.

Political credit must go to many players: To Gov. Neil Goldschmidt, for conceiving the strategy of bringing management and union representatives together in Mahonia Hall — and keeping others out. To the business and labor leaders themselves, who stood by the essence of the plan they worked out despite the howls of pain and protest from chiropractors, trial lawyers and dissembling unions. To "Kit and Kabz," the leaders of the Legislature, who marched ahead fearlessly and kept the troops in line. And finally, to the troops themselves — the Republicans, who voted for reform unanimously, and the vast majority of Democrats, who had to defy major allies and campaign contributors to do the right thing.

All deserve congratulations, along with others who worked behind the scenes to get this task accomplished.

How was it possible, after so many years of inability to repair a system that all objective observers had condemned? Part of it was timing. The 11th-hour failure to agree on some big improvements during the 1989 legislative session provided a momentum of disappointment. SAIF Corp.'s decision to drop the coverage of 10,000 small businesses heightened the sense of crisis. And the governor's decision not to seek re-election released him from some otherwise inhibiting pressures.

The conceptual key that turned the lock was the realization by the two groups most directly affected — employers and organized labor — that they had a strong mutual interest in reform. Both had more to gain from producing a major overhaul than from fighting each other and thereby perpetuating the status quo. That realization enabled the Mahonia group to proceed with the kind of give-and-take required for successful collective bargaining.

In the euphoria of the one-day legislative session that adopted the reform package, Rep. David Dix, D-Eugene, who performed admirably in the workers' comp battle, wondered whether this might set a precedent for the other big, intractable problem facing the state — school finance reform.

We'd like to think so. But the two are not alike. The big burden in workers' comp has always been getting something through the Legislature, where a committee-bound process makes it easy for narrow, well-funded interests to block complicated measures. Reform was finally achieved only by going around the Legislature via Mahonia Hall.

The great obstacle to school finance reform is not the Legislature but the voters. They have seen many plans on the ballot but never one they liked well enough to approve. No one has yet discovered the key to that lock.

But that's a problem for another day. Today, the state should celebrate its new and dramatically improved plan for dealing with job-related injuries.

McCrae honored  
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East

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## State awards money for Pendleton site

By STEVEN BROWN  
of the East Oregonian

SALEM — The state has put up nearly \$800,000 to help build roads and make other improvements in preparation for a Continental Mills plant to be built in Pendleton this year.

The money, \$590,188, was awarded to the Port of Umatilla by the Oregon Economic Development Department from a special lottery-supported works fund.

The Port owns the Pendleton Industrial Park where Continental, headquartered in Kent, Wash., will build its plant to produce wheat-based baking mixes. The park is adjacent to the Eastern Oregon Correctional Institution.

Gov. Neil Goldschmidt approved the award Thursday morning, paving the way for road, sewer, water and storm drainage improvements and a railroad spur to serve Continental Mills. "We knew it was a good

## Regional water supply project funded

By WIL PHIBNEY  
of the East Oregonian

HERMISTON — Funding from the state to study a regional water supply project in western Umatilla County is extremely timely, considering newly designated critical ground water areas, officials said today.

The Oregon Economic Development Department announced Thursday that \$44,497 in regional strategies technical assistance money has been approved for the initial stages of the project.

State funds must be matched by local and private funds to complete design work. Mike Wetzel, the Salem/OKED office said.

The project, which as envisioned would provide water to agricultural lands from a pipeline to the Columbia River, is expected to help the greater Hermiston gain access to a reliable water supply, an obstacle to future growth of the agricultural industry.

"We're obviously delighted," Bill Peterson, Hermiston city manager and

Stanfield, county fair awarded grants.  
Page 3A.

chairman of the water committee for the Hermiston Development Corporation, said. "We've been working at this so darn long. It's an ultimate necessity for this region."

Peterson said Hermiston area promoters have been working since the mid-1970s to develop a regional water supply. The expected des-

ignation of Stage Gulch as a critical ground water area, joining the Butter Creek and Ordinance regions, is further impetus to find alternative supplies, Peterson said.

"The study is extremely timely. The conditions have changed substantially since the studies done in the mid-70s," Peterson said. "We simply must finance some alternative water scheme and, hopefully, this money will sort out exactly what that scheme is."

See Water / 2A

are the first company to build in the industrial park and part of the money helps us to set up, but it also helps all future additions to the property.

The port is scheduled to open bids on the infrastruc-

ture installation May 14 and the contract will be awarded a short time later, Daggett said.

The port and the City of Pendleton joined forces in applying for the economic development funds. While

half of the \$500,188 is in grant form, the city and port will share in repaying the balance.

Repayment is based on 5 percent interest with annual payments over the next 20 years.

The public works fund is financed by the Oregon Lottery and is designed to help cities construct or expand businesses in return for assurances that one new job be created for each \$20,000 awarded.

Continental Mills will create 44 new jobs in Pendleton, more than required under the funding requirements.

"It's very expensive for a city like Pendleton to extend infrastructure services and that's why this fund was set up — so that communities that don't have services won't suffer," said Yvonne Addington, manager of community development programs for the Economic Development Department.

# Mandates squeeze states

Neil Goldschmidt has sent his successor a gloomy message: Don't count on much discretionary money.

The incumbent governor didn't put it quite that way. What he said was:

"The next governor of this state will submit a 1991-93 budget requiring roughly \$5.5 billion in general funds. Of that amount, we project today that about \$5.3 billion will be required to fund just existing programs and new federal mandates.

"If our revenue projections hold... there would be only about \$86 million to allocate to the range of problems and opportunities facing Oregon, from children and corrections to economic development and higher education. This assumes we set aside an ending balance no larger than last biennium's.

"Eighty-six million dollars isn't nearly enough to repair the damage of the past or prepare Oregon for the future."

This bleak assessment was based partly on a new estimate of 1991-93 general fund tax collections. The state economist's latest forecast shows a little over \$5.3 billion. The amount has been revised downward by \$135 million since the last forecast — in March — because of expectations of slower employment growth. The projection anticipates timber industry job losses as a result of new federal forest plans, but does not incorporate further losses that would result from added requirements to preserve the spotted owl. The slower job growth would still exceed expected national averages, however.

The other factor at work, on which Goldschmidt focused in a press conference, is the rapidly rising cost of federally mandated programs.

This old problem is growing rapidly worse. As one example, Goldschmidt cited the federal government's decision to mainstream handicapped students. When the program was approved, the feds promised to pay 40 percent of the costs. "Today they are paying less than 15 percent," the governor said. Most of the financial burden — more than \$90 million this biennium — is being borne by Oregon taxpayers through local school property taxes.

"We are projecting that the state's costs due to federally mandated De-

partment of Human Resources programs will go up next biennium by over \$100 million, from \$129 million to more than \$240 million," the governor said.

Most of these programs have fine purposes. Goldschmidt acknowledged as much: "I do not argue with the general goals... I argue with the details. I argue with the logic that says those in Washington, D.C., are better equipped to determine Oregon's problems and its spending priorities. I believe Oregonians would make different choices." Every governor would endorse those sentiments.

This is a serious problem. But there's not much hope for any relief in the immediate future. The federal government is running a big deficit and neither Congress nor the president is inclined to offer more generous support to the states, even for programs commanded by the federal law. The history of the past decade has been one of shrinking federal support and a shunting of financial responsibility off to the states.

Unless the federal deficit disappears or members of Congress are stricken with a sudden attack of uncharacteristic sympathy, the mandate overload will not be lightened soon. That fact, combined with Oregon's 1991-93 economic outlook, means that the next governor will not enjoy the kind of general fund revenue growth that enabled Goldschmidt to make dramatic improvements in a variety of state operations.

EDITOR'S NOTES

## DELIVERANCE

Last September, when this magazine started a four-part series on workers' comp with a cover story titled "Recipe for Disaster," we said spiraling medical costs, growing red tape, and the financially unstable position of the S&H Corp. made it imperative that some "drastic changes" be made in the worker's comp system. Now, those changes are about to be made. The recent special session of the Legislature enacted what is expected to be the most significant reform of the workers' comp system not just in years, but in decades.

Some of the most important sections of the new law are described in a story on page 11. But some of the people behind those changes deserve special recognition.

First, thanks to the governor. Many in some of the Democratic Party's usual constituencies see this measure as taking away some of their rights. Thus, it took political courage and acumen for Neil Goldschmidt to shepherd the reform process, first by appointing the business-labor committee that wrote the new law, and then by helping make sure it got through the special session. Through this leadership, Neil Goldschmidt has put the crowning touch on an impressive list of Oregon Councilback accomplishments.

Thanks also to the legislative leadership of both parties, but particularly that of the Democratic Party—Senate President John Kitzhaber and Speaker of the House Vera Katz. They held enough of the Legislature's Democrats in line to secure passage despite some intense lobbying by affected pressure groups, such as the chiropractors and workers' comp attorneys.

### The Committee

The members of the employers-labor committee deserve thanks for struggling over a couple of months to write the reform package. The committee's leaders, who played pivotal roles, were State Representative Bob Shiprock, who is also an official with the Oregon State Building & Construction Trades Council, and Ross Duinell of United Grocers in Portland.

Other members of the committee were Mark Davidson of Safeway Stores, Clackamas; Ron Egge of M.P. Plumbing, Clackamas; Iv Fletcher, head of the Oregon AFL-CIO; J.D. Hutchinson of Hoffman Construction Co., Portland; Tom Lovdahl of Teamsters Local 206, Portland; Ed Redman of WTD Industries, Portland; Jeanine Meyer Rodriguez of the Oregon Public Employees Union, Salem; Chris Short of the International Woodworkers of America Local 3-261, Coos Bay; Dan Simmons, head of the state Department of General Services; Steve Stock of the Oregon AFL-CIO; Cecil Tibbitts of the American Federation of State, County and Municipal Employees; and Lisa Trussell of NORPAC Foods, Stayton.

Fletcher deserves special mention. Because of his position, his continued support of the measure was key to its passage by the Legislature. Fletcher wrote an editorial in *The Oregonian* supporting the measure a few days before the special session. One political insider said the lobbying against the measure became so intense in the final days that Fletcher's wife even received threatening calls. It takes courage to remain steadfast under such pressure.

One other group and individual also deserve mention—Associated Oregon Industries (AOI) and its workers' comp expert, Karl Frederick. Reportedly, Frederick and Fletcher were instrumental in putting together the idea for the employer-labor committee. And of course, Frederick and AOI have been pushing for years for the kinds of changes that have finally been made.

Lacking to the future, it's expected some of the interest groups that have had their ox goaded the most by the reform package will attempt to repeal it in the next Legislature. Thus, it will be important to elect legislators and a governor who will promise not to do that.

It can also be expected that should the repeal fail, interest groups will try to gradually change the law to benefit themselves. That constant and gradual erosion of the workers' comp system was what got us into our current situation.

These efforts to revert back to the old system must be resisted. What is important now is to get the new law up and running and see if it can deliver its anticipated benefits.

Robert L. Hill

ROBERT L. HILL  
Editor

# Goldschmidt brings cheer graduation program at Wamic

By Gerald Erichsen  
of the Chronicle staff

Four years ago, at the age of 10, Melissa Schlager of Pine Hollow could not have imagined that the man she was sitting next to on a plane would some day speak at her grade school graduation.

That the man — Oregon Gov. Neil Goldschmidt — did speak at the Wamic Grade School graduation last night indicated that his well-publicized Children's Agenda was more

than a political slogan. The governor appeared in his element, bantering with the graduating eighth-graders during his informal graduation speech, and his time at the graduates' reception was spent more with the students and youngsters there than it was with those who were old enough to vote for him.

Melissa and Goldschmidt met quite by accident during his campaign in 1986. Melissa was traveling home alone in coach to Portland after a summer camp in

next to the governor-in-be. They had an amiable chat, and before they got off the plane he gave her an autographed campaign brochure.

It wasn't until a few days after she got home that she realized the significance of her encounter; she barely told her parents about her traveling companion. But as she soon realized, after talking with friends and seeing Goldschmidt repeatedly on the television news, that she had met somebody famous.

governor, and last October she decided to invite him to speak at the graduation. "He was a nice guy," she recalled. "We needed a speaker, so I just thought he seemed like a good person to be a good speaker." To jog his memory, she sent with her request a photograph of herself and a photocopy of the signed campaign brochure.

The governor's aides have told Melissa's mother, Connie Schlager, that when the governor received the request he

Cont. . .

## Goldschmidt speaks in Wamic

From page 1  
lterally couldn't contain his excitement. It took until December to get the scheduling in place, and the trip to the Wamic event scheduled in a two-day swing through Eastern Oregon.

The governor was everything a grade school graduation speaker should be — funny and warm, with a few words of wisdom thrown in. When he was handed a Wamic sweatshirt as a gift before his speech, he immediately took off his suit jacket and donned the sweatshirt instead.

The governor then talked to the students rather than at them. "I told Melissa if this is boring you're going to be so humiliated," he opened, adding that he came because "I was struck by the wonderful letter she wrote."

He proceeded to tell how he realized that some students from a small county school, "country bumpkin" as he called it, were "jokes of the city slicker" variety. He brought out a small pumpkin and said he had learned before the economy about the students and cracked jokes with them about what he

the adults that talked about you think each of you as special. Above all else, he said, the students should grow up to treat other people fairly. He recalled that as a boy in Eugene he belonged to one of only 50 Jewish families in the community but was treated fairly, and it made a difference in his life.

"We need you to understand that you can help to make this a fairer world," he said.

As it turned out, the students didn't find Goldschmidt boring, and Melissa wasn't humiliated.

FRIENDS—Little did Melissa Schlager (left) know that her amiable chat with Neil Goldschmidt several years ago would lead up to the Governor's visit to Wamic. The two met while Goldschmidt was campaigning and he readily accepted Schlager's invitation to come and speak at her eighth grade graduation at Wamic Wednesday night. With the two is Schlager's mother, Connie. (Staff photo by Gerald Erichsen)



THE DALLES CHRONICLE, THE DALLES, ORE.

JUL 14 1990

Allen's P.C.S. Est. 1988

## Children's Agenda

# Final boost by Goldschmidt

GOV. NEIL GOLDSCHMIDT may be the out-going governor, but he's leaving a message for his successor: a proposed budget that includes a \$68 million boost in spending for the Children's Agenda.

He also leaves behind some heavy-duty legislative support for the idea; in fact, key leaders helped draft the funding proposal.

Goldschmidt has taken some criticism over the Children's Agenda, in part because it has had such a broad focus and doesn't — by its very nature — produce immediate results. Those are exactly the two reasons we believe the Children's Agenda is important — it gets lots of people involved doing lots of things that will produce long-term benefits for the state of Oregon.

Still, the new package is more focused. It concentrates on helping pre-school children get ready for school, and helping young children already in school make a success of their education. Those first few years of heavy-duty learning are terribly important; the Children's Agenda seeks to make sure that Oregon's children make the most of them.

SPECIFICALLY, THE PLAN calls for some expensive things and some inexpensive items. The biggest chunk would expand the successful Head Start program, aimed at four-year-olds and their low-income families. Other big ticket items are funds aimed at smaller class sizes for lower grades and no-waiting drug rehabilitation for children and pregnant women.

How much will the 1991 Legislature be willing to pay for? That depends on who gets elected and particularly how much pressure there is for a bigger state share in paying for basic education. Remember, new Superintendent of Public Instruction Norma Paulus has pledged to lead an army of volunteers to Salem in January to make sure schools get a fair share.

No matter what the budget pressures, we think it's important to keep the spark alive in some Goldschmidt programs like Children's Agenda, Great Start programs for pre-school children, and the Oregon Progress Commission, aimed at improving the overall education of the work force. Why? Because they represent Oregon's future, the best investment we can make.

Hillsboro, OR  
(Washington County)  
Argus  
(Cir. 2xW. 13,831)

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## Panel selects kids' programs

A task force recommends distributing \$395,000 in state funds to 12 local groups to provide a variety of services in Washington County for children less than six years old and their parents.

The money comes from the state "Great Start" program, part of the Children's Agenda promoted by Gov. Neil Goldschmidt.

Program goals are "to insure that all children under the age of six years experience healthy growth and development so that they reach first grade ready to learn and to help all parents of (these) children provide (them) with an optimal upbringing."

The Washington County Great Start Task Force solicited proposals in four categories and received

responses from 18 organizations seeking more than \$1 million in grants.

A special review panel evaluated and ranked the proposals and recommended 12 to the task force, which met Monday night in Hillsboro for a public hearing on them.

The task force recommends three child care and development grants, two health care grants, two mental health grants and five parent education and support grants.

Next, the recommendations go to the county's Community Children and Youth Services Commission. It holds a public hearing at 8:30 p.m. Thursday at the Wolf Creek Highway Water District headquarters, 130 SW 17th, Beaverton.

Whatever the commission adopts will be sent to the county board of commissioners for approval before being sent to the State Community and Youth Services Commission.

A county spokesman said she hopes the process can be completed so the programs can get started by Sept. 1.

Here are the grants forwarded to the CYS commission by the task force:

- Child care and development
  - Washington County Community Action Organization, \$60,014, to provide "child care broker" services. Among other things, they will teach parents how to locate a good provider and also give some child care scholarships.
  - West Tuality Child Care, \$38,102, to recruit and train bilingual child care workers to serve low income Hispanic families.
  - Northwest Child Care Institute, \$5,000, to conduct training workshops for child care providers.

County spokesman Diane Stata says workers who receive advanced training are more likely to stay on the job.

### Health

• Healthy Start, \$60,000, to provide perinatal care (prenatal, delivery and postpartum) services for more than 700 low income women;

• Washington County Health and Human Services Department, \$30,701 to hire a teen mother home visiting nurse.

### Mental health

• Boys and Girls Aid Society, \$30,000 for its Court Appointed Special Advocates (CASA) program, targeted at victims of abuse.

• The state Children's Services Division, \$22,000 for a family sex-

abuse treatment program aimed at children between the ages of three and six.

Parent education and support

- Community Youth Services of Washington County, \$45,000 for teen parent programs in Forest Grove, Beaverton and Tigard;

• International Refugee Center of Oregon, \$20,330 for a family support/parent education outreach program;

• The Children's Services Division, \$10,525 for a parenting program;

• Oregon Human Development Corp., \$10,000 for another teen parent program in Hillsboro;

• Shelter/Domestic Violence Resource Center of Hillsboro, \$2,000 for parenting skills instruction.

## THE DAILY ASTORIAN

An Independent Newspaper

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## Astoria has its own children's agenda

A splendid program for Astoria children will have an encore performance this week. It's called "Moon, there's nothing to do!" This program offers fourth- through eighth-grade children a range of classes. It was the brainchild of two Astoria women, Virginia Laughery and Rosetta Hurley, and it draws upon the instructional talent of local people.

We do not know whether Laughery and Hurley were inspired to put this program together in 1989 by the Children's Agenda of Gov. Neil Goldschmidt. But it is one of the many new citizen-generated programs that respond to the wisdom of what the governor has been preaching. Another such program is the camp for sexually abused girls that was founded by Margaret Frimoth. That camp will make its third appearance this year.

You may have noticed last Friday that Gov. Goldschmidt is urging the next Oregon

Legislature to increase spending on Children's Agenda programs by \$68 million over two years. We are all for it.

But money only does so much and we will be losing the Children's Agenda's most important ingredient. That ingredient is Goldschmidt. We are convinced that his jawboning has done as much as anything to focus Oregon's attention on the need to do much more to rescue children.

New and enhanced programs from state government are important. But there is so much more that we here in Clatsop County can do. We have only begun to harness the human riches in our retired population for the benefit of young children.

This is a labor that we must not abandon. As Gov. Goldschmidt has said, we will build more prisons. But if that is all we do those prisons will always be full. We must save the children.

# Great Start program under way

By KATHLEEN MONJE  
Correspondent, The Oregonian

7/24/90

EUGENE — Lane County launched its state-financed Great Start program Monday, announcing what child-oriented agencies will share \$277,661 to expand their services.

The county's program is one of the most comprehensive to be financed through the Children's Agenda, said Vickie Stott, regional director of the Oregon Community Children and Youth Services Commission.

"It achieved every imaginable goal that Governor Goldschmidt had in his head," Stott said. "This is what the Children's Agenda's all about, that everyone in a community take responsibility for their children."

Lane County's is the sixth program to get under way, she said. The plans of nine more counties also have been approved for participation in the \$5 million state plan, which is aimed at helping local agencies better care for children's needs from prenatal until the age of six.

The 10 committees of the county's youth development commission took a "really careful, analytical look at what's needed," outlining effective long-term strategies for keeping the agencies going and coordinating their work, Stott said. "That's particularly where Lane County is ahead of the game."

An example of that coordination comes from the Lane County Relief Nursery and Aslan House, a counseling agency. The relief nursery will get \$65,525. That money will allow the nursery to take some families off a waiting list of 250 abused, neglected or at-risk preschool children and put them into the nursery's therapeutic program and accompanying parents' educational programs, said Jean Phelps, agency director.

The parents of relief nursery preschoolers also will get help in the form of \$9,000 worth of therapy from the Aslan Counseling Center, which will use the money to provide free, professional counseling, said Marilyn Kline of Aslan House.

Some agencies will use their share of Great Start funds to expand their services. The \$20,000 that the Association For Retarded Citizens of Lane County is to receive will make it possible to expand a respite care program for the families of children with disabilities, said Executive Director Pam Ring. The expansion will take the program to city of Florence for the first time, Ring said.

Parent Partnership, Ltd. of Cottage Grove will put its \$19,217 to work educating and providing support to teen-age parents of preschool children. Other agencies sharing the grant are Kids & Kin, which sponsors the Great Start program, the parent-educating Birth to Three, the Row River Parents Club, Willamette High School in Eugene and the Florence Area Coordinating Council.

# Oregon moving up

The latest report from the National Association of State Universities and Land-Grant Colleges confirms that Oregon is bolstering its support of higher education — but still has a long way to go.

The association publishes a comprehensive annual report of state tax appropriations for the operating costs of higher education. One caveat: The figures include two-year community colleges as well as four-year colleges and universities. That's unfortunate in Oregon's case because the two types of institutions have totally different funding arrangements here. But the numbers are still useful.

The latest report covers appropriations through 1989-90, the fiscal year that ended June 30. Oregon's higher ed appropriations for that year amounted to \$143.96 per capita, or \$9.61 per \$1,000 of personal income, the two most common measures. That made Oregon 34th in per capita spending and 32nd on the other scale. California ranked seventh and 19th on the same two scales, and Washington 18th and 26th.

Nationally, the association said 1989-90 was a good year. Total higher education appropriations for the 50 states rose by 7.5 percent above the previous year. That was "larger than the one-year percentage gains in five of the previous seven years."

The most encouraging news, from an Oregon perspective, is contained in the table showing increases or decreases over the past two years — that is, between fiscal 1987-88 and 1988-89. During that period, this

state's appropriations for higher education rose a respectable 13 percent. That was as good as or better than gains in 22 other states, and placed Oregon near the national average of 14 percent.

Another table furnishes a less encouraging perspective on a broader span of time, during most of which Oregon's support for higher education slipped relative to that of other states. During the 10 years between 1979-80 and 1989-90, Oregon appropriations increased 73 percent. The national average increase during this period was 106 percent. Only four other states recorded gains smaller than Oregon's over the decade — Wisconsin, 70 percent; South Dakota, 65 percent; West Virginia, 59 percent; and Louisiana, 58 percent.

However much concern these figures cause, it's possible to draw consolation from the fact that the grass is always browner in at least some spots on the other side of the fence. Massachusetts, for example, which rode the Reagan defense buildup to an economic high during the early 1980s, showed a 159 percent gain in higher appropriations over the full decade. But in the most recent two-year period, the state had a 9 percent decrease in this category — the only minus number among the 50 states.

The trend in troubled Massachusetts is down and heading lower. The trend in Oregon is up. The question is whether it can be sustained, and raised to the level necessary to recover from the painful declines of the past.

Register-Guard  
7-24-90

## Oregonians telephone for state help

A couple of years ago, Gov. Neil Goldschmidt made good on a campaign promise by setting up a toll-free telephone line to his ombudsman office. And Oregonians are using it.

The Governor's Citizens' Representative Office recently reported a 215 percent increase in the number of Oregonians receiving assistance through the office in 1987 and 1988, compared with the previous two-year period.

The office, created by former Gov. Tom McCall in 1969, helps people who have concerns about state agencies, and informs the governor of public ideas and opinions. Citizens also can write to the representative office.

Citizen Representative Sarah Johnson said the office opened nearly 12,000 cases in 1987 and 1988, compared to less than 4,000 in the two previous years. Another 3,700 calls came from people who expressed opinions or requested specific information, Johnson said. The actual number of calls and contacts may be far greater than the numbers reported, she said, because one case opened may reflect 1,000 calls, as in the issue of field burning.



**ACTION**  
Sally Christensen

Issues handled by the office include a complaint by a Southern Oregon business that it was being forced out of business by what seemed unusually high worker's compensation rates. When the Citizens' Representative Office asked the Department of Insurance and Finance to investigate, it was discovered that the company had been misclassified and grossly overcharged.

On a more personal level, friends of the mother of a child with cerebral palsy contacted the office because the child needed surgery that the mother couldn't afford. The mother, a widow on Social Security benefits who did sewing to supplement her income, had never asked the state for help and didn't know what was available. The office steered her to Adult and Family Services, where she received help through the medically needy pro-

gram. Using interns and volunteers, the office makes it clear to those who call that its services are a last resort. Citizens should first work with available agencies and follow grievance procedures already in place. The office steps in only if all else fails.

Those wishing to contact the representative office may write: Gov. Neil Goldschmidt, State Capitol, Salem 97310; or call (800) 322-6115 during regular working hours.

Oregonian  
10/24/89

## THE DAILY ASTORIAN

An Independent Newspaper

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8/14/90

## Goldschmidt has given a boost to 'nowhere'

The longtime Oregon political analyst Russell Sadler usually has a keen sense of what's going on in Salem. But we must take great exception to one of Sadler's favorite arguments. Sadler says that Gov. Neil Goldschmidt has ignored those of us to live outside metropolitan Portland. Goldschmidt has been governor of Portland, says Sadler.

Sadler is not merely wrong in this instance. By accepting that generalization he has missed one of the defining characteristics of the Goldschmidt administration. You might remember Goldschmidt's derogatory comment about "nowhere" during his 1986 campaign. Because Goldschmidt entered state government after being mayor of Portland and because metropolitan Portland is the dominant force in Oregon's economy, you would have expected the governor to pay inordinate attention to the metropolis of the Willamette.

Not so. In two extremes of the state — the North Coast and Eastern Oregon — the governor has been highly visible and beneficent. Last week we saw one more example of the governor's attention to the wider state economy. During a visit to Astoria he announced a \$30,000 economic development grant to the Seaford Research Center recently for Astoria. The center planned was a \$1.15 million federal appropriation. The governor's commitment of funds was terribly important because the state must share with the federal government in costs of construction.

On this same visit the governor announced a \$74 million six-year improvement and restoration program for Oregon state parks. Speaking at Fort Stevens State Park, Goldschmidt presented a check for \$25,000 to Craig Tutor, regional state parks director. They money is from the regional strategies fund and will be used on the North Coast.

State parks are largely in the outlying areas of Oregon, not in the metropolitan center of population. And Goldschmidt noted during his visit to Fort Stevens that we have badly neglected our state parks. "The last campground opened 20 years ago in Newport," he pointed out.

Contrary to Russell Sadler's verdict, all of this demonstrates that Neil Goldschmidt has given those of us outside of metropolitan Portland the tools we need to get our regional economies moving. The governor's contribution to the prospective Seaford Research Center was only his latest contribution in these parts. Just as significant was Goldschmidt's decision to invest some money in the dredging of an entrance to Tongue Point for the purpose of establishing an auto import facility.

Sadler might persist in perpetrating a fiction about Neil Goldschmidt being the governor of Portland. But the facts simply do not bear out that analysis. More than most recent governors, this one has grasped the potential of the entire state, not simply the population center.

## Opinion

8/10/90



## Value-added approach brings economic gains

The possibility of a pasta plant in Pendleton once again illustrates that value-added agriculture will play an increasingly important role in the long-term economic health of Umatilla and Morrow counties.

But the project also shows that economic development is more than just touting our natural assets and expecting businesses will see the light and flock to the area. If we are to focus on value-added agriculture as a means to stabilize and diversify our economy, we must show a willingness to offer incentives to those companies seeking to locate near raw products.

That's why the Pendleton City Council made the right move Tuesday night when it set in motion the procedure that allows K-C Pasta to secure a low-interest loan from the state to help finance construction of a plant in Pendleton. The city will prepare an application seeking a \$500,000 loan from the Oregon Community Development Block Grant program, which receives its funds from the Department of Housing and Urban Development. K-C Pasta would be responsible for repaying the loan.

If approved, the loan would help K-C Pasta put together the \$2.6 million needed for start-up of a plant that would employ 43 workers within two years. The company wants to use flour milled from durum wheat at the Pendleton Flour Mills to produce a pre-cooked lasagna noodle than can be reheated in sauce. The company hopes consumers will be attracted to this new product that eliminates one step in the preparation process.

You don't have to be Italian to figure out that Pendleton is a natural for pasta production. We have growers producing durum wheat and an existing plant — Pendleton Flour Mills — with the ability to deliver the key raw materials for pasta. It doesn't hurt that the Flour Mills is considering adding a durum wheat milling facility to supply pasta producers on the West coast.

Our central location in the Northwest and access to truck, rail, river and air transportation is also attractive to those companies looking to move finished products out of the area. We can also provide new businesses a good work force and a community that offers a high quality of life.

But touting our natural assets is the easy part. Companies are also looking for incentives. States and towns not willing to respond will end up losers in the economic development battle.

Sometimes that means that towns interested in keeping their economies healthy — interested in good schools, thriving downtowns, and effective local governments — must gamble now and then on a business proposal. Towns more interested in moving forward rather than sitting back must at times take a calculated risk that a prospective business — when offered government loans and incentives — will succeed, expand, and become a valuable, stable member of the community.

Pendleton is that kind of town. A lot of people have worked hard to bring the pasta project this far along. Pendleton Flour Mills managers have worked closely with K-C Pasta, the Round-Up City Development Corporation has helped piece together the project, the Port of Umatilla is offering 4 acres of land next to the rising Continental Mills plant at the Industrial park, and the city has offered its "enterprise zone" incentive package.

The beauty of the value-added approach is that it allows Umatilla and Morrow counties to enjoy the economic benefits of producing finished products instead of merely shipping raw products to other communities. It offers economic stability through diversification.

It's gratifying to see that emphasis on value-added agriculture continues to bear fruit. The Pendleton City Council's vote Tuesday keeps the ball rolling in the right direction.

Baker Democrat  
Herald  
AUG 29 1990

## We're tops again

Baker County should feel mighty proud that it has qualified for the largest per-capita share of Regional Strategies funding in the state for the second consecutive biennium.

Gov. Neil Goldschmidt has authorized \$195,000 of Regional Strategies money to help fund Baker County's tourism projects in 1989-91.

Of \$16.7 million of Regional Strategies money available, Baker County's per capita allotment was \$12.75 compared to \$6.08 for the rest of the state.

In the 1987-89 biennium the county received \$450,000 out of a \$25 million pot. The county's tourism strategy at that time was geared toward the Oregon Trail Interpretive Center.

Baker County's Regional Strategies allotment will either partially or fully fund six tourism projects this time around. The projects are intended to complement the interpretive center by helping to extend visitor stays in the area.

The money will be used to help develop the Sumpter Valley State Park, improve Hewitt Park at Brownlee Reservoir, build an overlook into Hells Canyon off of the Wallawa Mountain Loop Road, develop

turnouts along the Elkhorn Drive Scenic Byway, develop and implement a marketing program that will include an investor incentive package, and give downtown Haines a face lift.

One project for which funding was cut by the state involved interpretive signs outside and inside buildings in Baker City's historic district. We're sorry that happened, but research already has been done to make implementing the project fairly simple if funding can be obtained in the future, whether through a third round of Regional Strategies, or through private funding locally, or perhaps with a grant.

With Gov. Neil Goldschmidt nearing the end of his term, Tuesday's announcement of Baker County's Regional Strategies allocation serves to remind us of how Baker County has benefited from the Goldschmidt administration. We have a new 160-bed minimum security prison, architects are designing the Oregon Trail Interpretive Center and now funding has been allocated for tourism projects to help the county further reap the benefits of increased tourism.

# Norpac coming to Hermiston

## Summer jobs to-hit 200 for vegetable processor

By Pat Moser  
Editor

See additional story on Page 2.

Hermiston landed the \$9 million Norpac vegetable processing plant, beating out five other locations -- Kennewick, Walla Walla, Milton-Freewater, Pendleton and Boardman.

Gov. Neil Goldschmidt announced the new plant in Hermiston Monday morning.

"You made the whole state proud," Goldschmidt told local government, farming and industrial development leaders.

The past two weeks, Norpac had narrowed its choice of sites to Hermiston and Kennewick. By winning the Norpac sweepstakes, Hermiston kept in Oregon a native-born company.

Within three years the 100,000-square-foot plant is expected to employ 40 year-round workers and 200 during the packing season for an annual payroll of \$3 million.

The plant is to be built south of Hermiston, just west of U.S. Highway 395. Negotiations are under way on two side-by-side sites, which are across the highway from the Airport Road intersection. The plant will be built on one of the sites.

Norpac President Art Christiansen said construction is to begin this summer with the walls and roof completed by September. The plant is expected to be operational by next April, he said.

The first year the plant is expected to process asparagus, peas, lima beans, onions and carrots.

Christiansen said Hermiston was picked because of its strategic location near the dry-land farming areas for peas and beans, and irrigated farming for the other crops.

Norpac field representatives will meet with growers during the next three weeks to line up crop contracts. Christiansen said it will take about 7,000 acres to produce the 17 million pounds of produce to run the plant the first year.

Christiansen also said the state and local incentives made Hermiston an attractive location.

Generally, the Port of Umatilla will buy the plant site and give it to Norpac. The state has provided a \$500,000 grant and a 20-year, 5 percent loan of \$1 million to the city of Hermiston for water and domestic sewer lines, which will be given to the company.

Joe Burns, Hermiston Development Corp. president, said that the non-profit corporation is giving Norpac a cash grant, though he refused to state the amount.

The Hermiston plant will be Norpac's sixth processing operation in Oregon and first one outside the Willamette Valley. Norpac had \$180 million in gross sales for 1988, compared to \$135 million three years ago.

Hermiston's will be the first plant Norpac has started from scratch since it built its original one in Stayton in 1928-29. Since then Norpac, a cooperative of 250 growers, has acquired plants from other companies.

The mother plant in Stayton is Norpac's largest. Norpac also operates two distribution centers in Salem and one in Stayton.

The Hermiston plant represents an expansion of the cooperative's output. None of the Hermiston production will replace the foods that are produced in the Willamette Valley plants, Christiansen said.

"We are a market-oriented cooperative," Christiansen said, "not a production-oriented one. That means the Hermiston products are already sold."



NEW PLANT -- Norpac president Art Christiansen announces the reasons his company picked Hermiston. Listening, from right, are Hermiston Mayor Bill Neuffer, Gov. Neil Goldschmidt, and state Sen. Mike Thorne. D-Pendleton. (Photo by Pat Moser)

## The Register-Guard

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The Register-Guard's policy is the impartial publication in its news pages of all news and statements on news. On this page, the editors offer their opinions on events of the day and matters of importance, endeavoring to be candid but fair and helpful in the development of constructive community policy. A newspaper is a CITIZEN OF ITS COMMUNITY.

10/8/90

## Goldschmidt's 'platform'

The best state plan of the gubernatorial campaign has been put forth by a man who isn't running -- Incumbent Gov. Neil Goldschmidt.

Because he isn't running, nobody is paying much attention to his recommendations for 1991-93. That's a mistake. What he's saying has more substance than anything offered so far by major party candidates Barbara Roberts or Dave Frohnmayer. Either would do well to pirate large chunks of his program.

In broad outline, Goldschmidt is saying that the crime debate is over. The long-range plan to build needed prison cells is in place. All the next Legislature has to do is provide the money to keep the construction going, and beef up the human side with more probation and parole officers and more money for community corrections services.

This gives the state an opportunity to turn its attention to its next highest priority, which Goldschmidt views as strengthening education -- from preschool through the postdoctoral level. He wants more and better early intervention for children in abusive homes. He wants an expanded Head Start program, aiming toward eventual coverage of 100 percent of the eligible population. He wants elementary and secondary school finance reform. He wants significant faculty salary improvement in the public colleges and universities. And he has great expectations that the Frisbee Commission report, due any day, will lead toward productive resolution of higher education's "Portland problem." Ultimately, Goldschmidt's goal remains an Oregon work force second to none in education and training.

All of those are worthy aims and hopes, even if some prove over-optimistic.

When he steps into the budgetary machine shop and starts talking nuts and bolts, the governor makes equally good sense. Here are three of the most important recommendations:

- Repeal the "2 percent kicker."
- Eliminate or ignore (by legally

exceeding) the statutory spending limit.

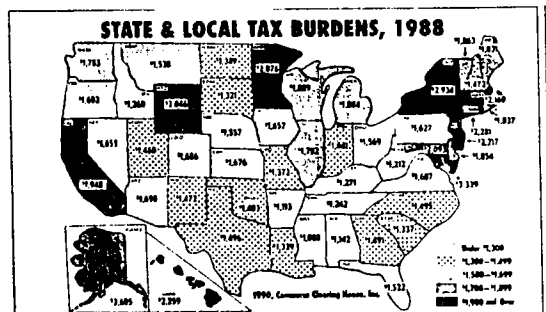
- Amend the constitution to allow gas tax revenue and other highway funds to be used for the Oregon State Police.

Unless the kicker is repealed, the state will have to rebate to taxpayers \$161 million that otherwise would be available for the 1991-93 budget, according to present estimates. This is not money gained by illicit means. It is simply revenue that unchanged taxes produced beyond what was predicted at the beginning of 1989-91. A system that penalizes the state for estimating conservatively when budgeting two years ahead is perverse and foolish.

As for the spending limit, state Executive Department figures show that it would not be possible to maintain current levels of existing services within the limit in 1991-93. But general fund revenues are expected to exceed the limit by \$755 million. Anyone who thinks the state should deny itself the opportunity to make some desperately needed program additions and improvements with money that will be available without any increase in taxes has no real grasp of the condition of state government.

Finally, the proposal to finance state police out of the highway fund instead of the general fund is commendable. It would return things to the way they used to be, before a 1980 constitutional amendment choked off all "highway-related" use of gas taxes. The highway fund is in good shape now, thanks to steady gas tax increases in the past several years. Shifting the state police budget to that fund would free up general fund money to cover dramatic increases in corrections operating costs that are accompanying the expansion of prison space.

These are all solid, sensible proposals. They would stand Goldschmidt in good stead if he were a candidate. Since he's not, they serve as a standard against which to measure the thoughts of those who are running.



### TAXES

#### Oregon's Tax Burden Drops

Bucking national trends, Oregon's per capita state and local tax burden decreased by \$10 in 1988 and was \$170 below the national average.

Oregon's per capita tax burden ranked 27th among all states in 1988, compared to 21st in 1987.

The per capita tax burden, calculated by dividing total state and local government tax collections by population, was \$1,642 for Oregon. The national average was \$1,772, according to a report from

tax and business law publisher Commerce Clearing House (CCH).

In comparison, tax burdens in all of Oregon's neighbor states increased in 1988. Washington's per capita tax burden was \$1,783, up \$86 from 1987. Idaho, which has one of the lowest per capita tax burdens in the country, posted an \$82 increase to \$1,260 in 1988.

A CCH news release announcing the tax burdens noted that not all tax revenue obtained by state and local governments comes directly out of the personal income of its residents. In states with sales taxes, for example, tourists pay taxes when they visit the state. Also, out-of-state property owners pay property taxes, and non-Oregon residents who work in Oregon pay Oregon income tax.



# Portland schools urged to join forces

□ A higher-education panel releases a long-awaited report on college resources in the metropolitan area

By BILL GRAVES  
of The Oregonian staff

The Portland area's 31 disconnected universities and colleges must join forces to build the stronger system of higher education the region needs to prosper, a governor's commission said Thursday.

"A prescription for failure is the status quo and just drifting along as we have," said Earl Blumenauer, a Portland city commissioner who served on the governor's panel.

The panel Thursday released a 52-page draft copy of a long-awaited report that urges public and private schools to pool resources and offer jointly what none could afford to offer alone.

Under the commission's plan, the college student of the future may take one class at Portland State University, another at Reed College and go to work in between, said John Faust, a lawyer and member of the commission.

Schools that individually could not offer a broad studies program on the Pacific Rim, for example, might jointly do so. Each could specialize in a language such as Chinese, Japanese or Korean, and share professors. Schools could coordinate academic schedules and calendars to make it easier for students to move among them.

In its most striking recommendation,

the commission says Portland colleges and universities should establish a Greater Portland Trust in Higher Education. Community members representing a broad base of interests would control the private, non-profit trust. The board could solicit major national foundations for money to launch joint projects.

The trust may be "key to whether what we are suggesting has continuing momentum," said Don Frisbee, chairman of the commission and of PacificCorp.

No one is obliged to carry out the report's recommendations, but commission members expect university leaders to see the need for change. Indeed, they already have.

In anticipation of the commission's report, presidents from eight Port-

Please turn to  
REPORT, Page A29

## PROPOSALS

The governor's commission makes four broad proposals to address its central theme of creating a vibrant community and academic partnership:

- Create a formal coalition of key academic institutions in the Portland area under the direction of a council made up of presidents of those institutions.
- Shape Portland State University into an urban grant university focused on urban interests in much the same way that land grant universities, such as Oregon State, serve agrarian interests.
- Launch a variety of collaborative projects among area academic institutions, such as a regional research library, more graduate degree programs and centers for community service, the urban environment, health policy, and management and international education.
- Create a Greater Portland Trust in Higher Education to encourage collaborative academic programs in the metropolitan area and to raise money to pay for them.

Sources: Governor's Commission on Higher Education in the Portland Metropolitan Area  
The Oregonian

THE OREGONIAN, FRIDAY, OCTOBER 12, 1990

METRO/NORTHWEST

## Report: Panel says PSU should play central role

Continued from Page One

land-area colleges and universities in June formed a council of presidents. The council has begun talking about creating a regional research library — one of the recommendations in the commission's report.

Because it spurred these developments, the commission has been more important than its report, said Thomas Bartlett, chancellor of the Oregon State System of Higher Education.

"The commission is the news," he said.

He and other university leaders agreed that the call for collaboration has been the most important feature of the commission's work. Judith Ramaley, president of Portland State University, said she also was pleased to see the report confirm her notion of her school's mission.

The report says Portland State should play a central role in area collaborative efforts. It also should

focus on serving urban interests just as land grant universities — Oregon State University, for example — serve agrarian interests, the commission says. PSU, for example, could extend social, research and cultural services to the metropolitan area much as Oregon State provides agricultural extension services to rural communities.

The report also recommends expanding the council of presidents to include more schools, including Clark College and the Washington State University campus in Vancouver. Ramaley wondered aloud whether the agendas of the presidents, the trust board and the board of higher education might conflict.

The three agendas, she said, "could line up and be extremely powerful like several lenses of a microscope, or be out of alignment and be very fuzzy."

The 11-member commission, appointed 17 months ago by Gov.

Neil Goldschmidt, conducted interviews and hearings with more than 2,000 Oregon residents and organizations. It concluded that Portland's colleges and universities must become more flexible and sophisticated to prepare an aging and growing student population.

With the exception of its community colleges, the area's higher education offerings are weaker than those in every other metropolitan area of the nation, Frisbee said. The report says the region's schools should offer more graduate programs in areas such as engineering, electronics, business, economics, journalism, advertising and public relations.

"We're miserable when it comes to doctoral programs," Frisbee said.

Portland also needs more educated citizens to address complex social needs, to guide urban growth, to sustain environmental quality and to strengthen cultural and community life, the commission said.

"In the coming decades Americans will shift from working with their hands to working more with their minds," the report says.

Carl J. Hosticka, associate vice president of the University of Oregon and a state representative from Eugene, questioned whether the area's schools could do very much without new resources.

"Telling people to do more with less is a refrain we've heard for 10 years," he said.

However, Robert Wise, executive director for the commission, said such efforts offer "the best hope we have for creating an international quality education program that is really focused on this place."

Although the report has gone through 18 revisions, it could be revised again after a public hearing at 3 p.m. Oct. 25 at the World Trade Centers in Portland. Two chapters of the report, one on participation and access and another on service to citizens, have not been completed.

# OPINION

## Editorials

### New compensation law

## State workers will gain

The return of \$20 million to 31,000 Oregon businesses by the State Accident Insurance Fund is a tribute to Stan Long and to workers' compensation reform.

SAIF was near collapse when Long took control about two years ago. From the edge of the abyss to its first dividend since 1984 is a notable feat. But he can't take all the bows. Gov. Neil Goldschmidt, the Legislature, and unusual cooperation between business and labor should get credit for producing a new workers' comp law that will give workers and businesses the best of both worlds: lower-cost insurance for businesses and safer working conditions and better benefits for employees.

The new law has had but a few months' tryout, not enough time to prove itself entirely. Long can forecast the prospects, however, and on the basis of what he sees as savings, he can justify a return of \$20 million to policyholders. Checks will range from \$10 to \$100,000, which is not spectacular relief but a good sign of the savings that will come from the semi-public SAIF and from private insurers as well. We have not heard from private insurers, but they undoubtedly also are benefitting and will make known their rewards to their customers, or risk losing customers to SAIF.

In the midst of the good news, some critics sound an alarm. They had good reason for alarm, though not to spread it. These critics said that SAIF's dividends were made at the expense of workers.

That's a natural response from special-interest groups that lost clout and business. If SAIF sees \$20 million in savings, where did it come from? Some lawyers and some chiropractors will say that it came from reduced payments to injured workers. We say that a big portion came from reduced payments to the legal and medical professions.

The history of Oregon's workers' compensation system shows that we are one of the most expensive in the nation, yet our benefits to injured workers are among the lowest. Someone in the middle is siphoning off the difference, and the new workers' comp law is aimed at plugging the leak.

We did it by streamlining an injured workers' filing and appeals mechanism, thus



Stan Long

Stan Long can forecast the prospects of the new law ... and on the basis of what he sees as savings, he can justify a return of \$20 million to policyholders.

reducing the need for long and costly legal procedures. We did it by tightening the definition of what constitutes an on-the-job accident, by requiring injured workers to get medical care from authorized medical doctors — though not the infamous company doctors — by aggressively helping injured workers to get back on the job, and by greatly expanding the state's accident prevention and safety program.

At the same time that the state made it easier to screen out unjustified claims, it gave badly injured workers more money.

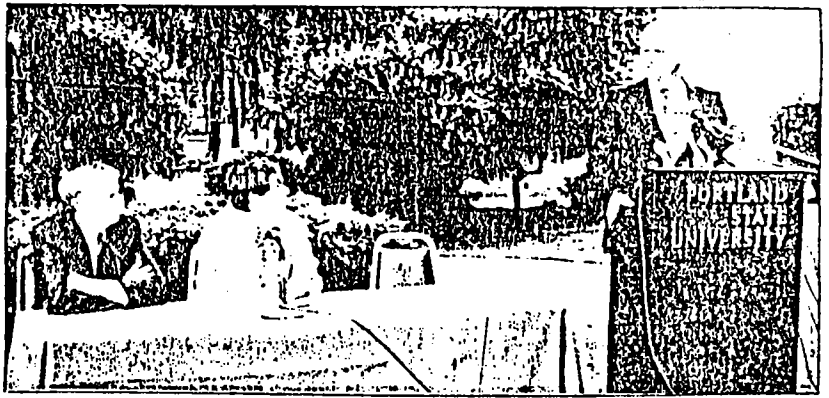
The proof of workers' comp reform will show up in two ways. One is how many businesses that left Oregon or refused to come here because of our high workers' comp costs now want to do business here. Improving our business climate is a worthy reason for reform.

But the best reason is improved workers' welfare. That's the best reason for workers' compensation in the first place. If it turns out that the new system results in unsafe workplaces and in workers who get inferior medical treatment or whose honest claims for help are rejected, then we will join with the critics in demanding change.

If it turns out that we hear only propaganda charges from special-interest groups that want their old privileges restored, we will join in fighting off a return to the costly and unfair system of past years.

From the reaction to Stan Long's announcement, the campaign against reform is well under way.

## Gov. Signs State Headstart and Educational Excellence Package



**GOVERNOR SIGNS EDUCATION BILLS** — Four bills relating to education were signed into effect by Governor Neil Goldschmidt on the Portland State University campus, July 16.

(Left to right) Vern Duncan, Oregon Superintendent of Public Instruction; Vera Katz, State Rep. (Dist. 10) and director of development for Portland State University; Governor Neil Goldschmidt.

Access Oregon

Coos Bay 2-2-88

## Can provide what's needed

AS PART OF his Oregon Comeback, Gov. Neil Goldschmidt asked for — and won from the legislature — authority to put some money into specific highways so that they can carry the traffic loads necessary to carry the economy.

It's an effort that recognizes transportation links, especially highways, are one of the most important aspects of the economic effort. It also recognizes that Oregon's highway improvement process simply nibbles away at problem highways piecemeal, instead of attacking an entire stretch with all the projects that are needed to bring it up to snuff.

"Access Oregon," as the program has come to be called, includes both Highways 38 and 42 in the initial proposal, both for the truck traffic they carry to the Oregon International Port of Coos Bay and the tourist traffic they bring to this entire stretch of the coast.

WE HAD TO laugh when we saw one complaint from the Willamette Valley that Access Oregon would create a two-class structure of highways in the state, those that qualify for special attention and those that don't. There are those areas off the interstate freeway corridors that have been making that argument for a couple decades. Access Oregon simply recognizes that there are some other areas of the state off the interstate system that need decent and completed highway links to participate in the economic recovery.

There will, to be sure, be a scramble by every region to get pet highways into the special program. South Coast officials would do well to make sure their endorsement of Highways 38 and 42 are faithfully recited at upcoming state hearings so that our needs are not lost in the clamor.

As tailor-made as this program seems for the long-standing needs on these east-west links for the South Coast, they need to be documented once more. This time the decision looks like it can be one that delivers what is needed, not just makes promises.

## Governor okays regional strategy without changes

Central Oregon's regional strategy to promote tourism and economic development has been approved to receive \$715,000 in lottery funds, making it the first tri-county regional strategy to be approved by Gov. Neil Goldschmidt and the first strategy to be approved without changes.

Coos County's strategy to improve port facilities at Coos Bay was approved about two weeks ago, but the one-county proposal was modified by the state several times, said David Lohman, deputy director of the Oregon Economic Development Department.

Central Oregon's strategy, however, was approved within 2½ months of being submitted because it didn't need any changes, Lohman said. "It was a strategy well thought through, well written and well put together right from the start."

Approval of the strategy was announced in a press conference Friday morning in Redmond.

The 13 strategy projects will use about \$2.4 million in local money along with the lottery funds to boost tourism and entice new businesses. Projects include the Welcome Center north of Bend, a tri-county media package and a community theater in Prineville.

Another \$17.5 million in state money to widen Highway 97 between Bend and Redmond and upgrade Highway 26 east of Warm Springs also has been approved as part of the regional strategy. However, the state Transportation Commission has the option of granting that money when it finalizes its Six-Year Highway Improvement Program this spring.

The money for the regional strategy will "start to flow" in about two weeks, when contracts have been signed between the state and cities in Central Oregon, said Lohman, who

## Oregonians telephone for state help

A couple of years ago, Gov. Neil Goldschmidt made good on a campaign promise by setting up a toll-free telephone line to his ombudsman office. And Oregonians are using it.

The Governor's Citizens' Representative Office recently reported a 215 percent increase in the number of Oregonians receiving assistance through the office in 1987 and 1988, compared with the previous two-year period.

The office, created by former Gov. Tom McCall in 1969, helps people who have concerns about state agencies, and informs the governor of public ideas and opinions.

Citizens also can write to the representative office.

Citizen Representative Sarah Johnson said the office opened nearly 12,000 cases in 1987 and 1988, compared to less than 4,000 in the two previous years. Another 3,700 calls came from people who expressed opinions or requested specific information, Johnson said. The actual number of calls and contacts may be far greater than the numbers reported, she said, because one case opened may reflect 1,000 calls, as in the issue of field burning.



**ACTION**  
Sally Christensen

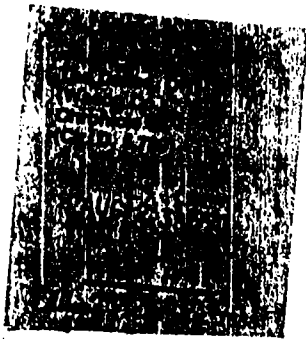
Issues handled by the office include a complaint by a Southern Oregon business that it was being forced out of business by what seemed unusually high worker's compensation rates. When the Citizens' Representative Office asked the Department of Insurance and Finance to investigate, it was discovered that the company had been misclassified and grossly overcharged.

On a more personal level, friends of the mother of a child with cerebral palsy contacted the office because the child needed surgery that the mother couldn't afford. The mother, a widow on Social Security benefits who did sewing to supplement her income, had never asked the state for help and didn't know what was available. The office steered her to Adult and Family Services, where she received help through the medically needy program.

Using interns and volunteers, the office makes it clear to those who call that its services are a last resort. Citizens should first work with available agencies and follow grievance procedures already in place. The office steps in only if all else fails.

Those wishing to contact the representative office may write: Gov. Neil Goldschmidt, State Capitol, Salem 97310; or call (800) 322-6445 during regular working hours.

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## Great Start funds given to agencies

By Gerald Erickson  
of the Chronicle staff

8/23/90

Three programs designed to improve the lives of young children were unanimously approved for funding by the Wasco County Children and Youth Services Commission.

The commission awarded a total \$30,000 in Great Start grants to two public agencies and one non-profit organization. Great Start is an outgrowth of Gov. Neil Goldschmidt's Children's Agenda and is designed to provide money for local governments to develop programs which help children, particularly those of pre-school age.

The three programs funded were:

— A child care resource and referral project to be developed by Columbia Gorge Community College in cooperation with government agencies, businesses and non-profit agencies interested in improved child care in Wasco and Hood River counties.

— Improvement and expansion of the Early Intervention Program operated by the Wasco Education Service District. The program, among other things, identifies children who are at high risk for developmental problems and helps provide them services such as speech therapy, early education, physical therapy and family counseling.

— Expansion of the Nurturing Program operated by the Mid-Columbia Child and Family Center. The program provides assistance to teen parents and their children with an aim of preventing child abuse and neglect.

The three programs had been the only applicants for the Great Start funds. Although their applications were submitted independently, the amount of funding the three requested totaled approximately the amount of Great Start funds available. The three requests had all been reviewed in detail by commission to make certain they would meet the aims of the Great Start program as well as meet the needs of local children.

Local goals for the children's programs were developed in part through a comprehensive survey of local children's needs. The survey found strong local needs for child care services, parent education, services to abused children or others with special needs, and medical or dental care. All those needs are addressed to some extent in the projects funded.

The funds will finance the projects through the end of the fiscal year on June 30, 1991, and the funding is subject to approval at a state meeting which will be held in September.

In other action, the youth commission endorsed a grant application being made by the Center for Living and the local office of the Children's Services Division. Ron Nelson, a commissioner and branch manager for the CSD, said the \$25,000 grant, if received, would help finance a "Recovery Demonstration Project." Teens

See page 2

## Great Start funds awarded locally

Living. The money will provide transportation for some children in the program as well as allow modest expansion of other areas.

For children up to age two, the program provides services including tracking of children with special needs, referral, in-home family education, and therapy. Additional services are provided for children ages three through five. The objective of the portion funded by Great Start will be to help children in the transition to the Early Intervention Program, helping to better indicate children with mild to severe handicaps.

granted funding as well as other goals of the commission.

Child care referral  
The college plans to develop a comprehensive database of child care providers; assist parents in finding and selecting child care and in maintaining quality care for their children; providing information in the establishment of child care services and provide training in child development topics; provide assistance to employers in developing child care services for employees; and provide the community with analysis and reports on child care demand.

From page 1  
recovering from drug or alcohol abuse — in many cases teens which are about to go into residential treatment or who are returning from such treatment — would get the benefits of living in a supervised group home. Up to four teens at a time could be served by the program, although at least 26 teens who could benefit have been identified in Wasco County. The program would serve Wasco, Sherman and Hood River counties.

The commission also agreed to form a legislative committee which would work with similar committees in Hood River and Sherman counties to keep track of and influence legislative issues affecting children. One of the area's two legislators will be invited to the September commission meeting to provide information about such issues.

Following is further information about the programs which were

### Nurturing Program

Children of teen parents are statistically at high risk for becoming victims of child abuse or neglect, and the Nurturing Program is designed to help break the abuse cycle. The program includes parent education and instruction in parenting with an emphasis on bonding. The program provides a support

Other activities  
The commission also indicates it wishes to take part in other programs which aren't funded through the Great Start.

Among the activities planned are broad distribution of the youth needs assessment, efforts to inform school board members and other local leaders of the needs of children, printing of a Parent Resource Directory in both English and Spanish, outreach to the business community on child care and economic issues, establishment of a child abuse prevention group, lobbying to make changes in child care provider registration and certification, and support to other organizations with programs or projects that benefit children.

## An investment in Oregon

# We must finance state parks

Gov. Neil Goldschmidt's announced support for a \$74 million, six-year program of state parks additions and renovations is a push in the right direction — even though it is hard to see where the money will come from to pay for it.

No new state campgrounds have been built in 20 years. And since voters removed the park system from the Highway Fund 10 years ago, most renovation and even much routine maintenance has been postponed.

Meanwhile, park attendance has continued to rise, with the predictable consequence that many of the most popular campgrounds are booked solid throughout the camping season.

Goldschmidt, unfortunately, was vague on where the money would be found.

State parks deserve a larger share of general fund money. Park systems in other states typically get half their money from general tax revenues, with the rest made up from fees and other sources. In Oregon, a mere 20 percent of park money comes out of general tax money.

Unfortunately, competition is likely to be stiff for general fund money during the 1991 Legislature. There are signs of an economic

slowdown, which may cut tax collections. And a possible voter-approved cap on property tax rates will put parks in competition with schools and others.

The 1989 Legislature did only half the needed job when it created an independent parks commission — without giving it the money to expand.

Other suggestions for ways to raise parks money have included an extra 5 cent, nonrefundable deposit on soft drinks, and a transfer tax on real estate sold in this state.

A citizen's panel considering park needs concluded in the 2010 Plan that Oregon needs an extra \$200 million in the next 20 years for expansion to keep pace with growth in park use.

Our park system, much of which was assembled between 1930 and 1950, is an important part of what former Gov. Tom McCall liked to call the Oregon experience. Without state parks, most people would be cut off from sharing in many of the state's natural treasures.

It is sad then to admit that we have so far failed to come up with a reasonable way to pay for them.

## *Oregon* 8-28-90 Income rising

**P**er capita personal income in Oregon grew 7.5 percent in 1989. The national average growth was 6.6 percent. That's good news. But it's offset by the fact that Oregon's per capita income remains well below the national average.

The latest figures were released by the U.S. Department of Commerce. They show Oregon with a 1989 per capita income of \$15,919, compared with a national average of \$17,598. Oregon's income was thus 90.5 percent of the average, which is not good, although better than preliminary figures indicating that the state had fallen below the 90 percent mark.

In 1979, Oregon's income was roughly even with the national average. The state slipped below the average the following year and fell to only 91 percent by 1984. The gap has remained about that size since, with Oregon's per capita income hovering at or near 90 percent of the national.

The new decade may mark a turning point. If the experience of 1989 continues, with Oregon's income rising faster than the national average,

the gap between the two obviously will close eventually.

In a way, it's a contest between who gets hurt the least by large negative factors. Some of the most affluent states will be hit hard by the downturn in defense spending, which gave them such a boost during the 1980s. Their experience will inhibit the growth of national average income.

Oregon is nearly immune on that score because of its lack of defense industries or installations. But the state faces its own economic ogre in the form of an ongoing transition within its major industry, timber and wood products. There, a multitude of factors are causing both employment and wage reductions.

It would be foolish to predict where Oregon might stand on this important measure of economic vitality by the end of the 1990s. But there is some reason to hope that, if its per capita personal income is not back even with the national average by then, it will be closer to 100 percent than 90 percent.