

M E M O R A N D U M

Result of a luncheon conversation with several business leaders who are responsible for large payrolls in Oregon. The attitude of these men was very good, showing a deep concern for Oregon. However, all were justifiably skeptical. Jokingly most of them said people of means simply could not afford to die in Oregon. However, this statement speaks rather soundly of the "soak the rich" attitude which apparently has prevailed in past administrations.

It was pointed out Workmen's Compensation, of course, is dynamite. One gentleman mentioned 200 hourly jobs may be lost to Oregon because of the tax structure. His industry is here because the trees are here, but the company is planning diversification and is not planning the diversification in Oregon mainly because of the tax and the attitude of public officials.

The air traffic out of Portland is third rate and is really quite an inconvenience to the traveling businessman. It was pointed out to them this is controlled by the airlines; however, their response was, "No Governor seems to want to be involved in the fight." When United took its non-stop to New York off the schedule, there was no public outcry from the Straub administration. However, a big deal was made when Pan Am closed its direct Hawaiian flight, because so many vacationers were inconvenienced. Again, this exemplifies an attitude of state government.

I enclose a document which shows only three states, Oregon naturally included, which tax overseas profits not brought back to this country.

Memorandum - 2

One of the gentlemen present heads a firm whose annual sales total well over one billion dollars. Approximately \$30 million are the total Oregon sales. It would make sense for this company to have corporate headquarters in Chicago. Their corporate headquarters has a staff of well over 200 people. They have no plans to leave Oregon at present; however, the Chairman said he will not be in this job forever, and if there is not an attitude change on behalf of treating business in a fair manner, certainly his successor will suggest a move out of this state.

Oregon seems to pride itself on having a lot stiffer requirements environmentally, etc., than the Federal standards. Other states which are obtaining payrolls away from Oregon are far more accommodating. A reasonable approach is what is asked, and once Oregon standards have been set, please don't change them. This apparently has been a serious frustration for a number of years.

All people present felt the State government's lack of backing for PGE is a disgrace; that the State government has not backed PGE in its fight regarding the frequent Trojan shut-downs. If there is a real danger, no one objects to it being corrected; however, this billion dollar facility is being pounded politically, and the people at the luncheon felt that an irresponsible reasoning has prevailed.

I mentioned that perhaps there may be an interest on the part of an executive in one of the companies represented who may wish to seriously consider the opening of executive secretary of the Oregon Department of Development, i.e., Dan Goldy's job. If anything develops from this I will let you know, or perhaps there may be a direct contact to the Governor's office.

Conclusions:

1. Should another meeting be called, they will only be satisfied if the Governor himself is present.
2. An early announcement by the Governor after January 8th to the business community that he is favorable to increasing payrolls here, and attracting new payrolls, and that he will attempt to have certain unfair laws changed, would be extremely helpful. Basically, I think much of what was said in the campaign by Vic should simply be repeated. When a person is in office, the words carry far more meaning than simple campaign rhetoric.
3. There was complete agreement that if a business was not already here, they would never establish corporate headquarters in this state under present laws; and it should be emphasized individuals make decisions, not industrial plants or buildings; it is the individual. No one in the room was greedy; they simply want a fair business climate.
4. No one present expected miracles. They realized it will take time to change attitudes. I think the people present are willing to give the necessary time and, as one so aptly phrased it, people really go where they are wanted, and I think this administration wants this type of business. A corporate headquarters is high payroll and non-polluting.