

Frohnmayr (Cont.)

small enterprise will have to go to 10 or 15 different state agencies and get mislead on the way and the state can do a lot more and a lot better job in terms of being user friendly. That is something that has been identified by the small business task force. It has never really been implemented. There is a lot the government can do by way of identifying barriers to access to financing. I'm not saying to get the government in the business of giving loans and grants because then you always run out of money and your accused of playing favorites.

Again, the experts have studied small business in this state and they have concluded that simple training programs in terms of how to read a balance sheet, how to do marketing, how to secure loans, how to manage your cash and inventory, those basic kinds of things that are the difference between success or failure for some small businesses."

Smoke Signals: "How do you get those people to be educated on what their options are? Your talking about having people understand terms such as being 'user friendly', how do you do that?"

Frohnmayr: "It's almost like a check list, what you have to do is make that available probably through the economic development department, to smaller enterprises that are just starting out.

Actually, in Oregon we have a pretty good record, nationwide better than 80% of the business fail in the 1st, 2nd or 3rd year, in Oregon we have a smaller rate of failure and we ought to do everything we can to reduce that failure rate even more by giving people the key information on what they need to watch for. We need to be able to warn them of what the danger signals are. And we also need to inform the people of those communities of what the opportunity signals are when they are first starting out so they have an opportunity to keep going."

Smoke Signals: "So the process basically consists of just giving signals and providing information and opportunities."

Frohnmayr: "Right, and also telling the agencies that your job is not just to say, no, that's not our department but to say, here's where the department is. We need to give them the telephone number and the name of a contact. And that's one thing that was discovered, recently when some of these agencies got together, is that they didn't know what each other did and part of the job is education within government, not just from the outsider."

Smoke Signals: "So when you talk about economic development for smaller communities you want to develop your strengths. And, you want to look to see what your strengths are, basically doing inventory of where your strengths are and then focus on those and go from there?"

Frohnmayr: "Right."

Smoke Signals: "Let's go next to the timber issues that are currently facing the state of Oregon and in particular, Western Oregon. We've got some people out in our community that are totally dependent on the timber industry and they are worried about what's going to happen with their future?"

Frohnmayr: "People have a right to be anxious! My job as governor will be to do everything I can to minimize a disruption in the timber industry. That means trying to guarantee some stability in timber supply and do that over the long run because only when we know what we've got are we going to be able to plan for it. But just lurching from government injunction to court injunction, that is no way to

manage our nation's forests and that's the way we are seeing things occur in Oregon right now.

What I want to see is a longer term basis to plan so we know in the long term where the supply is going to be. That would give us the basis to not end up with the timber companies bidding each other out of sight.

The ripple effects of this government's recession are being felt all through Oregon, not just in Western Oregon. We need to be able to work with the administration on a one-to-one basis. We need to be able to stand up and fight for Oregon jobs. One of the things I have said from the beginning, is that I'm not just going to play the hand I've been dealt. I'm going to try for a better hand for Oregon.

Everybody wants to see the kind of balance that deals with the human and the social and the economic consequences of this problem and doesn't just throw in the towel on timber families and timber dependent communities. And, I think it's obviously important for the Grand Ronde community, where a major asset that you have is timber and you have to recognize that after so many years of deprivation, finally having an asset that's really worth while (the Rsvervation Lands) and then not knowing if you will be able to use that asset, it's got to be terribly frustrating."

Smoke Signals: "Yes, that's kind of where we're coming from right now and I think we look to our future leaders for ways to go and paths to follow. And that's why we are interested to find out where you're coming from because if you are elected governor we want to know how it is that you are going to go and get that better hand for the State of Oregon. We want to know what kind of things are you going to do that is going to bring that better hand back to our people?"

Frohnmayr: "Well, one of the things obviously is to develop contacts within the highest reaches of the executive branch from the White House Staff to the President's personal knowledge right on down to the Secretary of Interior and the Secretary of Agriculture. Just last week I met with the head of the forest service, Dale Robinson, and I think it's important that we develop that kind of relationship from the very beginning. The second is, that this problem is bigger than Oregon. It is Washington, British Columbia, Idaho, Montana, and California too. And I think the chief executive of this state needs to develop good working relationships across party lines, that aggressively work with the governors of each of the affected states. Because together we have far more impact than just speaking in a solo voice."

Smoke Signals: "That kind of gets back to your networking with economic development. The more you network with people, the better you can develop."

It seems like what your talking about is the fact that there are 5 or 6 States that are going to be heavily involved in the decisions that will be made in the future and you want to network with those states and be in communication with them."

Frohnmayr: "Yes, and I believe that I am a consensus builder. I am a person who has built alliances across party lines when I was attorney general, so I think I have that ability to bring things together and speak with a regional voice."

Smoke Signals: "You have said that you talked with President Bush about this situation and you had made him aware of what we are facing and how come the people of Western Oregon and the Western States are so anxious about what's going to happen to their future, could you maybe talk a little about that and what you told him?"

Frohnmayr: "Yes, I would be happy to do that. I talked with the President first of all about the need to make decision on the basis of the fullest, possible evidence and I

don't think it was. I deeply regret that the Fish and Wildlife Service didn't hold an open hearing where people who are affected by this could see what the experts had to say. They could have come in and posed questions to the experts about whether they really had considered every possible alternative.

I also talked about the need to ban log exports from federal and state lands, so that we could process timber here. The administration has agreed to go along with that and I'm very positively impressed with that development.

I also talked about the need to form an advisory committee that would take a hard look at how we implement the Spotted Owl decision that has been made. So that to minimize the human, the social and the economic consequences.

I also talked to the president about the need to have continuing communication with the West and on job impact and the fact that sooner or later we have to balance so we can bring the human factor back into the equation."

Smoke Signals: "How do you think the President responded to that?"

Frohnmayr: "Well, when I met with him, the first thing that he said to me when I walked into the door was, 'How are the Timber workers feeling?' And I said, 'They are very anxious, Mr. President.' Which I think is a faithful reflection of anyone who's livelihood comes from timber or logging or mills or even industries or businesses that serve those timber communities. They are anxious and I think we need to respond to the real human concern about what an abrupt shock this decision is if we don't have time for transition into it."

Smoke Signals: "Let's move on and talk about the Peyote issue, because I know it's important. I think it's important for you to let people know, especially in Native America, what it is you feel about the Peyote issue and where you were coming from when you were participating in the Smith & Black vs. Oregon case?"

Frohnmayr: "The first thing is that this case was in no way a vendetta against the Native American people."

I had a case in which two people who were drug counselors at a drug and alcohol abuse center had essentially promised their employer that they would remain drug and alcohol free because they were supposed to be pure models for the people who were being treated at the Center. One of the individuals involved in this case was a Native American and one was not.

They both took part in the rights of the Native American Church, which is only one Church that uses Peyote. They were fired by their employer because they violated the work rules, and they then sought employment compensation benefits for engaging in conduct that would be illegal for anyone else in this country to engage in because Peyote is a schedule 1 substance under Oregon law. The law makes no exceptions for it's religious use or it's non-religious use. It is a hallucinogen and that's how it is recognized even by those who use it for religious purposes.

The State denied these men. The State said no tax benefits for the use of something that would be illegal for everybody else. And as you know the case went to the United States Supreme Court twice. We took it a second time to the United States Supreme Court because of the significance of that issue in two respects. One is, that this wasn't merely a criminal prosecution, that wasn't the issue, the question was whether or not these individuals would get special tax benefits or preferences where no one else in their shoes would be able to do that. It seemed to us to be dangerously close to being religious favoritism, if that were the case. The second reason that we took it up is that we have other religions claiming that the use of other drugs is equally protected for them. And that's not a theoretical issue in our

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