

VICTOR ATIYEH
July 28, 1993
Tape 50, Side 2

C.H.: This is an interview with Governor Victor Atiyeh at his office in downtown Portland, Oregon. The interviewer for the Oregon Historical Society is Clark Hansen. The date is July 28th, 1993, and this is Tape 50, Side 2.

In the last session we were talking about the Investment Council and the buy-out of Fred Meyer by KK&R and the council investing \$178 million in it and Roger Meyer the council's long-time chairman. And he had been somewhat involved in that issue and the council discouraged members from getting involved with potential investment opportunities, and Bill Rutherford the state treasurer was also connected to those issues. And you were talking about this. I think we sort of ...

V.A.: I think I covered that base pretty well in regard to Roger. Roger had done such a really magnificent job. Oregon's retirement investment council really is well-known^d all over the U.S. for their performance. And Roger was a full-time volunteer. You know, it comes to the point of actions speak louder than words. His actions doing everything he could to make this investment for the state of Oregon as profitable as possible over a long period of time is very clear of where his loyalties were. And so I think you used the word appearance, and of course appearance is something to be considered.

But to destroy or take away that talent, which is free talent, is awful expensive if you were to hire it, to take away that talent on the whole matter of perception didn't weigh well on my scale. If I had any doubts that he was trying to enhance

himself - and he doesn't really need to, you know, as I said earlier - he's got a lot of money, he doesn't need any more money - that Oregon was going to be a beneficiary of his talents as long as we could have him.

C.H.: Along those same issues in the 1984 campaign, Bill Rutherford accepted \$7,000 from KK&R which had done more than \$500 million of business for the council, and then later Rutherford leaves that post of ~~secretary of state~~ ^{STATE TRUSTS OFFICER} [sic] to accept a position in New York. Is there any problem with that kind of transaction?

V.A.: I would say that in terms of receiving money I don't think Bill could have been bought for \$7,000, but I would still say it's marginal. I was not happy with the fact that Bill left while he was still in office. I appointed him. I presumed that he was going to stay there and perform his function. I wouldn't say it's illegal or anything of that kind. I think that it was a disappointment to me. I wasn't angered by where he went or how he got there, just the fact that it earned some controversy. I appointed him and he was elected but then he left before his term of office was over.

So it was in this case not a matter of being suspicious of some evil lurking somewhere in the shadow. It was just a matter of personal disappointment.

But again I want to restate I think what you said in the tape the last time. In terms of appointing people and our ability to appoint people, to me somebody that is knowledgeable about the subject and now of course we're on finance. But we get into matters that relate to human resources of all kinds. We have all kinds of boards and commissions in Oregon. We're asking people to volunteer, to give their time, and if I were to appoint

people that are in that field, and that's the area they keep talking about. Oh well, he's in that field and therefore this is bad. To me it isn't. I want the experience and knowledge of somebody that knows how to deal with those subjects. And if we somehow make it more difficult, these volunteers don't have to volunteer. They don't make any money on this deal. They get a per diem.

C.H.: Isn't the criticism not so much that the person is in the same field but they might be using the state as a way of lining their pockets in the future. Not during that time, but setting up a set of circumstances in which they could benefit as soon as they walk out of that door.

V.A.: I think we did talk about this off tape. But let's talk about it on tape. I was a governor. I traveled, into Japan, Korea, Taiwan, Hong Kong, China, traveled to Saudi Arabia, Egypt, Syria and Israel. I met a lot of people, new people. When I left office, I did not get back into the family rug business. I went into international trade and consulting. Now here I have these cards that I gather, business cards, people that I had met, that I know, and they know me, and so I'm using that in terms of a business. Is that bad? What kind of a law would it be that says that once you leave office you can't go to a field that you happen to know? In my case, at my age, I couldn't restrain myself for something brand-new, I had to go with something that I already knew. I use that as a personal example. I don't it's wrong, I don't think the people think it's wrong. Nobody's really criticized, at least to my knowledge. But that's the kind of thing. Okay Vic, you can do that, but Joe over here can't. Now how do you make that kind of separation? I mentioned to you the legislature earlier, and you said but they're only one

of thirty or one of sixty or one of ninety, if you will. And yet it's almost unspoken. Lawyers like to run for the legislature because they know that their name will get know and they'll get clients. Other people been in the insurance business go in there.

The one area in which I'm sure you don't do it for potential business is in the retail business. We're selling something. There's always that threat. As a matter of fact, people would call up and say well I didn't like the way Senator Atiyeh voted so I'm never going to buy a rug from you. So retailers are very touchy people, but they don't go in there for that reason. Okay, just say there can't be any lawyers there. You know, even teachers are public employees. They are public employees. And they're voting for basic school support. They're voting for changes in the laws that would relate to education. Now that doesn't obviously line their pockets, but maybe make their life a better life. I don't find that wrong. I'm just saying that where do you divide the line? How do you peg it? Now you come up with easy answers, you know, well we've got to keep him from doing it for a year or whatever. But it's more complex than that, and where do you draw the line? And how do you define that line that you're drawing?

C.H.: Because it's difficult, does that mean that a line shouldn't be drawn?

V.A.: No - Yes, in this case.

C.H.: In this case.

V.A.: In this case. Well, everyone really should have an opportunity to serve and it should not be a presumption that they're doing it for self-interest. What I told you about lawyers and - that's all speculation, maybe, valid speculation,

but nonetheless speculation. And our system should be open and no one should be denied the opportunity to serve and we shouldn't look behind why are they wanting to serve. They're there, it's an open system and to try to - Way back in our tapes we were talking about, you know, if you don't trust me, don't vote for me. This would be a more aware electorate. You keep passing laws. I'm going to vote, but still protect me from those people. You know what I'm saying? Wait a minute, that's not the way it works. You should be the protector, not some law out there to protect you from whatever mistake you might make at the polls. And so I'm getting back to what I consider the ideal and I'm still going to persist in it, still going to hang with it, that the greatest protection is the electorate.

C.H.: Isn't that just the point in that when you're talking about legislator or governor, that is the greatest protector, the polls. And yet when you have somebody like Roger Meyer who seems to be a very ethical person, but someone in his position, not necessarily him, but somebody that could be appointed by somebody else to a position that's not elective obviously and then has control over a half billion, billion dollars of -

V.A.: First of all, it must be understood, and I think we did say this, he is not the one that does it all by himself.

C.H.: Right. He's the head of a council.

V.A.: Right. And there's others that have to vote on it. Let's look at it again. The state treasurer - of course we talk about Rutherford, who's appointed. ^{THAT} ~~Denny Ram~~, he ran and won his election. But I appointed him just prior to the primary. I make the appointed, or a governor does. Well, let me say I appointed Roger and Roger did something very unethical, clearly unethical. Well now, who's to fault? I'm the one that appointed that

person. We go through this process, it's rather front page news, where Clinton is making his appointees for advice and consent and then something is found out about it. Now that injures the president politically more than obviously the appointee. Because something unethical was found out about the person that he was nominating, and so there is a source of responsibility that is the governor who makes that appointment. So they don't get off scott-free, and certainly the elected official who is now persuaded by politics has got to be very careful about what they do. And I was never one, and we talked about it last time, to say well wait, that was Roger's fault or Jim's fault or - no, I mean I'm saying I'm the one that's responsible. I'm the one. All of this sounds very ideal, idealistic, and I have to agree that I am that way, and I don't consider that bad, but that's the way I am. And I say okay, this is the way the world should be. I know it isn't. I know that I am begatting some frustration in the process, but that's the line that I believe in and I'm going to follow.

And again, to be pushed around by some perception against what I consider to be good judgment or something that will benefit the state of Oregon, I'm not going to yield to that. I'm going to go for what I think is going to be best for the state of Oregon. Some people may like it, some people may perceive it wrong, but the fact is I think it's best for the state of Oregon. It's very simple.

C.H.: Since we're talking about this, it might be interesting and I don't think that we've really talked about it as a separate subject, just as individuals, and that's the appointment powers of the governor. When I go through the Senate and House journals and things like that, it's just amazing the number of

people that I see that are appointed. It must be one of the main impacts that a governor has.

V.A.: That's right. I've said that, I've said that from the stump if you will. In talking about who're you electing and what do they do, and I've said that the people - the people - really don't realize how significant the election of a governor is. Because the governor is going to appoint people, and what kind of people is that governor going to appoint? And these people, incidentally, they write the rules and regulations. The legislature passes a law and then rules and regulations follow that. Yes, they're done by agencies, but oftentimes approved by these various boards and commissions. So what you really have is a non-elective legislative body. That's what you really have. And yes, this is a very important thing that's very much overlooked by the electorate, certainly in terms of a governor. And it's a very important thing that a governor does. I appoint something like 800 people a year.

C.H.: I was wondering how many. And how many boards and commissions?

V.A.: Oh, I can't remember. We talked about the sunset laws which don't work, and Governor Roberts cleaning out the attic on boards and commissions, which was spending a lot of energy and time on something that, well, it just wasn't warranted. But when I set up my office - we really had a very good system. For the very first time. Computerized. We were making appointments. Governor Roberts is way behind, Goldschmidt was way, way behind on making appointments. We read about Clinton now, he's way behind on making various appointments. It's a very complex thing and you need to work at it very hard. I had good people. Shirley Woodrow, who was my first assistant for execu-

tive appointments, and then her husband was transferred back to Colorado and then she commuted for a little while, but she finally left. I held on as long as I could because she was very good. ^{EDE} ~~Lenny D.~~ Schmidt followed, and it's a complex system. We had it on computer. We knew when the seats were up, and then you accumulate names of people that are going for that position or were interested in that position. It's a very complex piece of business. And then you compound that. Oftentimes there's legislation that says here's a board and commission and some have to be from Central Oregon and Eastern Oregon, or the valley.

C.H.: How do you do it, mechanically? How do you make those appointments?

V.A.: Well, these are requirements that you have to do. Half of it has to be - if it's a Republican, let's say nine members, five would have to be Republican and four Democrats. Sometimes there some that have to be farmers and you know, they pass these but it's not indiscriminate. So that adds to the complexity of what you have to do.

C.H.: Who do you rely upon to make those decisions? Because you can't possibly know a specific Democratic farmer in Malheur County that ...

V.A.: No, that's where your assistant for executive appointments. But then they would come in and they'd have set appointments just to do that piece of work, and then we would have these different individuals and - in this case she - does all that research, and so there is. Sometimes I can recall it seemed to me that some of them said a certain one or two had to come from labor, and so we had to wait til they made the recommendation. But they would come in with one recommendation. And I'd say no, no, no, no, this is not going to work. You give me

three. I want to make the appointment, I don't want you to make the appointment. Because if they come in with one, they're making the appointment. I said it's my responsibility, not yours.

C.H.: And didn't that happen over Fletcher?

V.A.: Oh yeah, every once in a while they try to do that. I said, absolutely not, I won't go for this. I make the appointment, you don't make the appointment. But anyway, it's complex. That's why I say when - actually we set up the computerized system, I don't know why Goldschmidt and Roberts were so slow in the process because we set up the computerized system, and it was really very sophisticated and well done. It's not an easy job, but back to your original premise. It's a very important job, and it's something that I don't think people fully appreciate. The governor appoints - this is a little bit different - judges. District court judges, circuit court judges, appeal court judges, supreme court judges. Those are very important. I mean, when you make those appointments, they're there, and they're very significant appointments to make. And we go through that process.

So you see, there's a lasting effect of whatever a governor does. Only rarely - Goldschmidt did it - but only rarely does a new governor come in and kick everybody out. I mean, it's such an immense task that if you do that, I mean, you'd be forever catching up. But Goldschmidt in many major areas has kicked everybody out, or most everybody out. But it's just an ongoing - I think almost on a weekly basis I'd meet with my assistant for executive appointments for we could keep up to snuff.

C.H.: When you first took office, didn't you rescind or nullify in some way ...

V.A.: No, we just took things as they came along.

C.H.: I thought when you first took over that there was something with a whole bunch of executive appointments or something that you had done to clear the table.

V.A.: Oh, you're talking about executive orders. That's different. That would be something that I would write and say this is my executive order, and these were Bob Straub's executive orders. That was a matter of really getting rid of - I say getting rid of all of them - we did rescind them all and then we wanted to review each of them, and we reinstated some and didn't reinstate others. That's different. That's an executive order. That doesn't involve all the people in executive appointments, that's different.

C.H.: Is there anything more about your appointment powers that you'd like to talk about.

V.A.: No. There are other quiet things that happened. I don't recall if we talked about it. We may have. That is the power to pardon and parole. We did when we got talking about Samples. And also the extradition process. Now again these are things a governor does that isn't very evident. Well, those are the major things. There are a lot of things the governor does, but those are the major things.

C.H.: Well, going on to some of the other activities that happened outside of your legislative involvements during the last part of your second term. One of the major things according to the news media, and I think you've alluded to this as well, was the Columbia Gorge protection plan. That was a big project of yours.

V.A.: That was.

C.H.: And you didn't receive a lot of credit for it, did you.

V.A.: No. No, the bombastic one is the Friends and all the rest, they got the credit for it. Did I cover that in the sense about the veto of President Reagan? Yeah, I did. I remember saying that there's very few times you can say I can take credit for. That began actually in 1979. That was one of the things I wanted to achieve. And it wasn't concluded until 1986. I have a little note of things that I kept. I have a note in my own handwriting what time Congress - there was a majority vote in Congress for that bill. I've got a little handwritten note of my own. It's in my files here. It was important to me. Sometimes it's difficult. I still believe, though, that it's amazing what you can get done if you don't care who gets the credit. And sometimes I wish I could get credit for some things, but the fact is that the important thing was to achieve it. See, if I'm out aiming to get credit for something, I think that takes away a little bit of the fervor for doing it. I'm doing it for me. I'm not doing it for what I consider being a much, much larger because, in this case the protection of the Gorge.

C.H.: I notice in the paper it said "While Senator Hatfield was widely credited with carrying the Columbia Gorge Bill and securing the reluctant President's final approval, Atiyeh's efforts went generally unrecognized.

V.A.: Well, that's true, but actually Mark didn't and I told you the story of ~~Collings~~⁷ and Baker. Just laid it on the line. I've never asked for anything. No, you haven't. This one I want. Just flat out. But that's not to take a nickel's worth away from Mark Hatfield. This was not an easy thing to get through Congress and Mark Hatfield, you know, if Mark Hatfield

hadn't gotten it through Congress I wouldn't have gotten my shot at it. Obviously the important thing was for him to get his job done before I could get a shot at it. So he did a marvelous job.

C.H.: How closely did you work with Washington governor John Spellman on this?

V.A.: It was actually the agreement by Spellman that really moved this down the trail. It still took about three or four years after, maybe three years after, but I finally got his attention and I finally got him to agree and we signed a document that would lay down the principles for the protection of the Gorge and we agreed. At that point, now we drew in all of the Washington Congressional delegation along with the Oregon Congressional delegation and that's what you needed. You needed the Congressional delegation to work together.

C.H.: What happened when the new Washington governor Booth Gardner came into office then?

V.A.: Well this was already moving on track. I mean, we had gotten it going. Booth Gardner was very sympathetic to the because, but the main thing was to get Spellman who wasn't that particularly interested. And I don't mean he didn't like it, the fact is that he was in Olympia and the population was in Seattle and you know not as many - we've got our largest center right on the Columbia River and on the Gorge. They've got their largest center at the northern part of Washington. So they were less interested in the Gorge than we were as Oregonians. So we had to get their attention and we had to get their interest and it took a while to do that, but we finally got Spellman to agree on the set of principles, and that's when it started really moving.

C.H.: What was Senator Packwood's involvement?

V.A.: Well, he was supportive but I think that between them they kind of choose up and who's the lead on this, and in this case it was Mark Hatfield.

C.H.: Packwood introduced a bill for getting the National Park Service involved in supervising the area. Was that part of the Columbia Gorge plan?

V.A.: I don't recall that particular detail. I don't recall that.

C.H.: Are you happy with the way it turned out?

V.A.: Yes. Yes. In the sense that I wanted to protect the Gorge. I use that word rather than preserve. When you preserve means you put it in a jar. That there were people living there, they had a right to live there, they should have the right for economic opportunity, but very much like land use planning - and we did have it on the Oregon side - was that only certain things should happen so far out from the border. And that's what's going to protect the Gorge and protect the beauty of the Gorge.

C.H.: And that was achieved.

V.A.: That was achieved.

C.H.: There still seems to be some problems that they're trying to iron out but that's a pretty small ...

V.A.: Well, Washington is still restless. You see, they don't have the same thing like we do with the land use planning. So there's some people up there that are still pretty restless about the whole thing. But the fact is that it's still moving along and it's happening and they're constructing a Gorge interpretive center over the Skamania and Stevenson - and incidentally it's a beautiful spot where they've picked to do that - and I know that, well, I have several grandchildren. But let's take the youngest, who is 15 months, 16 months old, that he and his

children and his children's children, I mean, they're going to have this beauty that I have. That's pretty nice.

C.H.: It must make you feel good then you really contributed to this.

V.A.: Yeah. Yeah. You bet. I feel good about that.

C.H.: Well, among other things that were going on at the time, the army plan to use Umatilla depot for storage and disposal of weapons. That was an issue that wasn't as big as some of the other things that were happening at the time, but where did you come down on that issue?

V.A.: The disposal or storage of weapons didn't bother me too much. What really bothers me and even does today is the nerve gas. They have leaking cannisters there - I've been there. I've been in these igloos. And they will be disposed of and they will be incinerated, and in the meantime we have to protect them as much as we can. But just in terms of weapons or munitions, that doesn't bother me.

C.H.: We're you satisfied with the way they were going about it?

V.A.: Oh yeah. The location of those igloos and the security is all very, very good. But as I say, the nerve gas. We had an incident, I don't recall, but they were removing gas masks that had some small, very minute, very hazardous material, and they were going to take them I think to Nevada or somewhere to dispose of them. And that was quite a mission and we were pretty well posted on it and ...

[End of Tape 50, Side 2]