

January 1979

The News
CIRCLE

MONTHLY ON ARAB AMERICANS' AFFAIRS

P.O. Box 74637
Los Angeles, CA 90004

VICTOR ATIYEH
Governor of Oregon

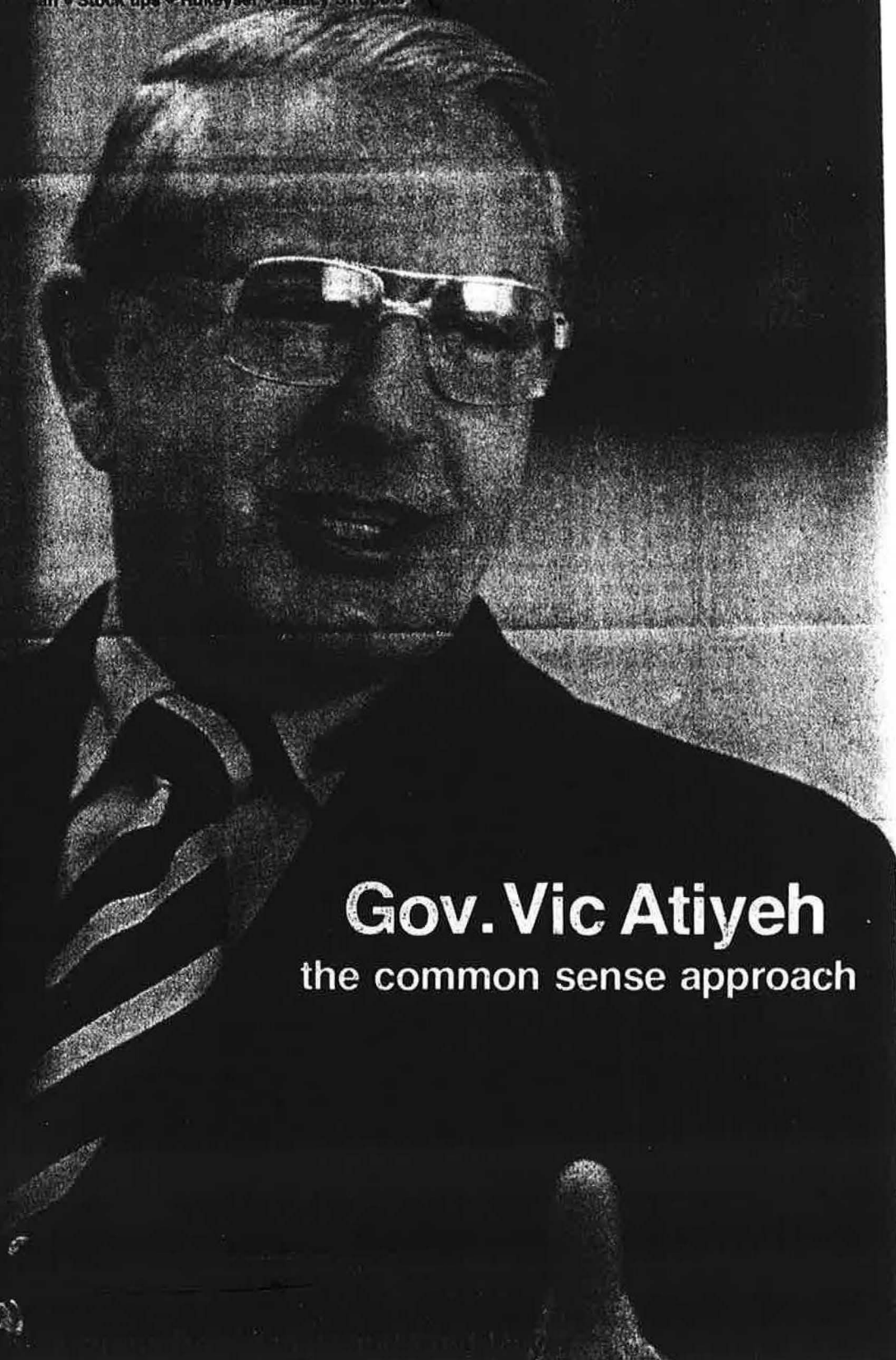
1000
Articles

This Week

Serving
395,663 homes by
guaranteed direct mail

Portland, Oregon • January 21, 1981

in • Stock tips • Rukeyser • Nancy Strope



Gov. Vic Atiyeh
the common sense approach

WIN money
from Nancy

Cooking basics
from Nancy Strope

Baker talks
about Portland's
wealthiest people

Jim Murray on football
hero Jim Plunkett

- Food advertising from:
- Fred Meyer
 - Safeway
 - Tradewell
 - Thriftway
 - Kienows
 - Family Market
 - Friendly Village Market
 - Fulton's IGA
 - Mark-It-Value
 - Strohecker's
 - Vermont Hills

CART Presort
U.S. Postage
Paid
Portland, Oregon
Permit # 461

POSTAL
PATRON LOCAL

All advertising effective Wednesday unless otherwise noted



GOVERNOR'S PILGRIMAGE — Oregon Gov. Vic Atiyeh (center) dances with villager in Amar, Syria, during ceremony welcoming governor to birthplace of his father, George Atiyeh, who left Amar for Oregon in 1900. All 500 residents welcomed the Oregon governor for his triumphant return.

Atiyeh resets time machine, goes 'home'

Alan K. Ota is traveling with Gov. Vic Atiyeh in the Middle East.

By ALANK. QTA
of The Oregonian staff

AMAR, Syria — When the black limousine finally squeezed its way around the last narrow curve in the road, the church bells began to ring and the ululating cries of the village women filled the air.

In 1900, George Atiyeh, the father of the future governor of Oregon, left here to go to a strange and distant place called Portland. Dozens of Amar natives would follow.

On Thursday night, George's son, Gov. Vic Atiyeh, returned "home" to his roots.

His cousin, Aniese Hadeed, 80, hugged the Portland-born governor and remembered Atiyeh's first and last visit 55 years ago to the birthplace of

The village lies in a grassy bowl just over a hill from the Krak des Chevaliers, a crusader castle dating back to the 11th century. It is nestled among groves of olive, fig and almond trees, about 90 miles north of the capital, Damascus, and 25 miles west of Homs, Syria's third largest city.

Traveling the final circuitous route to it was like traveling back another

More on Atiyeh going "home" on Page B2.

century. The one-lane road wound through the hills past Bedouin tents and steep terraced ridges covered with flocks of sheep.

When Atiyeh emerged from the car in a brown sult, wing tips and a State of Oregon tie, he was immediately engulfed. Six trumpets and three

tures of Atiyeh and Syria's President Hafez Assad.

At the home of his cousin, Aziz Atiyeh, gypsy musicians awaited, dancing wildly and playing on snake-charmer horns and hide drums. When Atiyeh finally sat down, he turned to his friend, Nofam Kasrawi, the Syrian-born vice president of CH2M Hill International of Portland, and quipped, "I never get treatment like this in Oregon."

The governor and his wife, his son, Thomas, 36, and 14 other Oregonians in his group sat around a long table loaded with freshly grilled lamb, olives and many bottles of arak, an anise-flavored Syrian white lightning.

The local dignitaries included a Bedouin chief and a company of khaki-clad policemen for Amar and the 40 other villages of the Christian valley.

Riyad Kasses, 23, introduced

gingerly on a quarter-glass of diluted arak.

It went on until 1 a.m.

Shortly after dawn Friday, Atiyeh was up for a walk through the village, sampling freshly baked pocket bread and trying to jog old memories.

"I remember this street," he said. "I remember the last time there was dancing in the streets, guns going off."

There were no guns this time, except for a young boy's BB rifle that he borrowed and fired in the air.

He walked slowly among the sun-bleached cement block houses with Dolores, tracing the parade route. "It's real affection," Atiyeh said of the villagers. "You can feel it. It's an experience you can have only once in your life."

"Not many Americans have it," he added, "I'm glad I did."

APR 15 1986

Allen's P. C. B. Est. 1888

Shows true colors

If Washington County ever needed a reason to oppose the scheme being pushed by Portland for a metropolitan governmental overlay, there's no need to look farther than the vote to locate the proposed garbage transfer station in the midst of the Sunset Corridor's high-tech development.

One of the strong selling points to electronics firms searching for plant sites has been the campus-like environment of the corridor. Gov. Vic Atiyeh knows well the value of this asset. He formed a task force to seek alternatives after the Metropolitan Service District Council singled out for garbage collection a 7.26-acre parcel on Cornelius Pass Road just north of the Sunset Highway.

Only Washington County members of the MSD Council, Bob Oleson and Richard Waker, were against locating the garbage station on the prime high-tech land. The council voted 8-2 to start the legal proceedings of condemnation on the site.

Governor Atiyeh was upset — as he had a right to be — when he learned of the vote. The MSD Council paid no heed to his warning that selection of the corridor for the garbage unit would most probably lead to prospective industry opting to locate elsewhere. Further, his words were backed by letters from representatives of high-tech firms.

There are those who put the governor's warning in a category of so much political talk. All of Oregon, not just the MSD, should give heed. No state's chief executive has been more consistent in the role of No. 1 salesman. And, few can lay claim to a recruiting success ratio the equal or better of Atiyeh's.

Many have tossed barbs in the governor's direction for what some might judge as perhaps too much enthusiasm toward sales excursions. None, however, can deny his effectiveness. He has played an important role. There is a potential for thousands of future jobs in new manufacturing facilities built or to be built by industries he has helped attract to the state.

Manufacturing employment provides the seed money for the economy. Oregon has added thousands of service-oriented jobs, but the dollars pumped into the state from the sale across the nation and throughout the world of products manufactured in Oregon is "new" money. Service payrolls merely churn those dollars.

The fact the Metro Council closed its eyes to the best interests of the state's economy is one thing. Another, is the fact the Portland-dominated council disregarded the resounding "no" voiced by the hundreds who overflowed a hearing on the location of the garbage station. The vote is a clear warning on the dangers metro-area government holds for Washington County residents and businesses.

Washington County might be one of Oregon's most heavily populated units, but it is no match for the combined vote of Portland backed by Multnomah and Clackamas Counties in a scheme of metro government.

If there's any question on what can be expected of a metro governmental body, ask the frustrated residents of Rock Creek and the leaders who have helped guide the Sunset Corridor to its status as an industrial showplace known and envied throughout the high-tech world.

'Atypical' politician's achievements often unnoticed

■ ATIYEH, from Page B1.

the campaign.

Even so, legislators say, there was closer consultation.

"He would bring us in and go over it, and we would have an opportunity to comment from the political and fiscal standpoints," Kitzhaber said.

"It was one of the high points of his governorship, having the political courage to reverse 20 years of opposition to a sales tax," Kitzhaber said.

But the ensuing campaign suffered from Atiyeh's late start, he said. In addition, the too-close involvement of Atiyeh's political campaign supporters created a "very poorly organized and run campaign" that was "in some ways an insult to the electorate." For example, the campaign featured a comic-book explanation of the sales tax plan, mailed to voting households.

The sales tax was resoundingly defeated.

"It would have been nice to have him on board from the beginning," said Ivan "Ike" Congleton, who last fall completed nearly 30 years as president of Associated Oregon Industries, "but it didn't make that much difference in the end."

Early this year, Atiyeh said his support for the sales tax was one reason why a poll taken after the measure's defeat showed that 40 percent of the public rated him negatively, compared with 46 percent who viewed him positively.

Not an 'arm-twister'

"I'm not what's called an arm-twister, which in . . . media . . . terms is considered a leader," Atiyeh said.

Atiyeh's style is to "hire good people and let them basically do what they felt was appropriate in the exercise of their own judgment," said Long, the Eugene attorney, who was appointed by Atiyeh to the Land Conservation and Development Commission.

"I've been on LCDC two years, and he's never asked me to do something, or not to do something, or expressed a view," he said. "He just appointed me to the commission and said, 'Go do the right thing.'"

"There's a balance point; there are instances where more control would have been better than less."

As an example, Long cited the 1982 dispute among state agency heads over the proposed transfer of \$81 million from SAIF, the semipublic workers compensation agency, to the state general fund. The transfer was eventually approved in special session to help cover revenue shortages.

A more activist governor might have quelled such debate within his own Cabinet before going public with the idea, Long said.

"I saw Vic do the opposite of that in the early days," Long said. Representing the city of Eugene, Long was about to square off in court against the state over the issue of field burning control.

"The governor himself intervened and got the agency to change its behavior and get out of court."

"But in typical Governor Atiyeh style, he wasn't involved in the negotiation."

By all accounts, intervening at all was atypical for Atiyeh.

Because of the governor's style, "the Legislature probably has exercised more control over more aspects of state government in his term than in Tom McCall's time," Long said.

In 1983, legislators even tried to cut the governor's own office budget.

"They wanted to starve him," Long said.

Atiyeh fought back at the time, but seems to hold no rancor.

"I'm not vindictive," Atiyeh said. "That's a giveaway in politics — You know, 'If you do this, I'm going to remember it.' You know, intimidate legislators."

Atiyeh is generally credited with superior knowledge of the details of state government.

"McCall and (Mark O.) Hatfield were more aloof from the process," said Richard A. Munn, director of the Department of Revenue, "while Atiyeh was much more involved in personally sitting down with agency heads and talking about issues in their budget."

Heard, the former Senate president whom Atiyeh named head of the Department of Commerce in 1983, said, "He has given me my head so I could manage the agency knowing what his priorities were."

Record cited

When he ran for governor in 1978, Atiyeh emphasized his record as an environmentalist. As a state senator, he served on the committee that wrote the state's clean air and clean water laws.

During the race, the timber industry withdrew its support for incumbent Bob Straub, endorsing Atiyeh in the hope he would keep roadless lands then under federal study from being designated as wilderness.

The RARE II study, as it was called, suggested new wilderness designation for about 750,000 acres of Oregon. Shortly after taking office, Atiyeh proposed just 60,000 acres of new wilderness. Congress eventually protected 1 million acres.

"He deserves high marks," said Congleton of Associated Oregon Industries. "He has been very supportive of the timber industry over the years."

That support continues into the current fight over old growth timber, symbolized by discussion of habitat preservation for the spotted owl. Atiyeh opposes any further reduction in the amount of land available to the forest industry, and he suggested a reduction in wilderness equivalent to any set-aside for owl habitat.

Atiyeh's contribution to the consensus on the 1980 Northwest Power Planning Act was not only a major legislative achievement in itself, but it also had conservation implications, according to John Platt, president of the Oregon Wildlife Federation.

"There wasn't going to be regionalization of federal electric power costs without a fish and wildlife program to mitigate fishery losses to hydro plants," said Platt, who was director of the Oregon Environmental Council in 1979. He recalled Atiyeh telling Roy Hemmingway, then the deputy public utility commissioner, to "go out and get a bill."

"And he did," Platt said. "The governor was a reluctant bride, but it was a recognition of political expediency in the need to get a bill."

Atiyeh spearheaded the drive to acquire the lower banks of the Deschutes River for public ownership, and his 1981 endorsement of a federal role in the Columbia Gorge reversed a previous position, lending support to the eventual federal legislation.

Andy Kerr, associate director of the Oregon Natural Resources Council, rates Atiyeh's environmental record as "mostly but not all negative."

"He came up in Oregon politics when timber was king," said Kerr.

Kerr said he believed Atiyeh's interest in the lower Deschutes stemmed from the time the governor had spent there fishing.

"Our frustration was, Vic wasn't everywhere in the state, and if he hadn't been there, you couldn't get to him."

On the gorge, "Atiyeh was not an advocate of strong legislation, and in fact was often an obstacle," Kerr said.

While the bill was awaiting signature on President Reagan's desk, Atiyeh said he called White House chief of staff Donald T. Regan and asked for the president's signature.

Atiyeh said he told Regan that although he had long been supportive of Reagan and never asked the president for anything, he was asking the president to sign the gorge legislation.

"I have to believe it had some effect; it was the only thing I'd asked for," Atiyeh said. "He said he'd carry that message."

While Sen. Mark O. Hatfield was widely credited with carrying the bill and securing the reluctant president's final approval, Atiyeh's effort went generally unrecognized.

"On the whole, we'd conclude he's been a supporter of land-use planning, and has made some very good decisions," said Richard P. Benner, staff attorney with 1000 Friends of Oregon.

He credited Atiyeh's first executive assistant, Lee Johnson, now a Multnomah County circuit judge, with establishing the Land Use Board of Appeals as a way of simplifying legal processes in land-use matters.

'Human resources' stressed

Although he bristles at any challenge to his credentials as an environmentalist, Atiyeh said an important achievement of his administration was shifting the focus of state government away from the protection of natural resources toward what he calls the nurturing of "human resources."

Under this category, he cites increased emphasis on prevention programs in the Department of Human Resources, jobs found by 31,000 welfare applicants or recipients under the controversial and mandatory "Jobs" program, and efforts to create more jobs through economic development.

In terms of impact on people, the biggest economic event of Atiyeh's term was the loss of more than 25,000 jobs in the forest products industry between 1979 and 1982.

Secretary of State Barbara Roberts believes Atiyeh's response to the unemployment crisis was "not as creative as we could have been."

"We continue to move in the same old way, cutting timber and shipping it, milling it and shipping it, instead of saying, 'What are new ways we can retool and be creative about the use of our quality timber?'"

She said that secondary manufacturing processes such as prefabricating houses and making other finished products would have kept more workers in the state.

"They left the state or are unemployed still or they're underemployed in Oregon or they're being the child-care person in their homes while their wife is a waitress," Roberts said. "That's what happened."

Speeding up land-use approvals and gearing up higher education to meet the personnel needs of Oregon's new industries were part of Atiyeh's economic development strategy, which has been one of the most visible activities of his administration.

Courted industry

Although his 1978 campaign included an "Oregon Industry First" plan to boost existing businesses and featured criticism of incumbent Straub for spending too much time courting businesses overseas, Atiyeh has focused on building relationships for Oregon around the Pacific Rim and courting new industry for the state.

There is little hard evidence of success in business recruitment, despite 10 trips overseas in eight years.

As specific results, Atiyeh named the Fujitsu plant and a major sale in Korea for Hanna Car Wash Systems of Milwaukie. His press office also cites a lumber export contract to Japan, an import distributorship for Chinese artifacts and deals to export saw chain, scrap plastic, doors and veneer to China, Japan and Korea.

In September 1984, Atiyeh and Fujitsu Ltd. announced plans by subsidiaries for two electronics plants in the Portland area. A \$30 million plant in Hillsboro opened last summer; a \$130 million semiconductor fabrication plant for Gresham is on hold pending results of the acquisition of another company by Fujitsu.

Atiyeh said at the time that the repeal of Oregon's unitary tax by a special legislative session earlier that year had greatly influenced Fujitsu's decision. Atiyeh had been among the backers of the tax's repeal, on the argument that it deterred multinational companies from locating in Oregon.

"In Japan, there was a whole lot of work that led up to that," Atiyeh said. "The same thing is true of all of these (trips) that will lead to something in the future."

In Korea in 1985, Atiyeh said he learned that Hanna had made a major sale but couldn't get an import permit to deliver the equipment.

"We talked to the American Embassy; they got on it. (Hanna) got

a huge order — a \$50 million order — because of that."

Most recently, Atiyeh announced plans by Japanese steelmaker Nippon Kokan K.K. to build a \$60 million silicon crystal manufacturing plant in Millersburg.

Of the other trips dating as far back as 1980, Atiyeh cited few specific results. Instead, he noted relatively intangible effects such as improved communications and familiarity between Oregon business people, and officials and trading partners in the Far East.

He said that meant valuable groundwork was laid that would pay off in announcements after he leaves office and in easier contacts for Oregon business leaders in the future, and he says his critics in the media misunderstand the process.

"As soon as I'd get in the airport, they'd say, 'Where's the beef?' and it doesn't work that way."

"We've taken a lot of people with us on our trips. Ask them. They've enhanced their opportunities. International trade between Oregon and the Far East has gone up annually."

Blake Hering, of the international trading company Blake Hering Co., added, "Our economy is predicated on the world economy, not the national economy."

Atiyeh has "been a better salesman for Oregon" than for himself, said Hering, who supported Atiyeh's campaigns.

"Vic has positioned us where we can be an exciting force on the Pacific Rim," he said.

Atiyeh has had mixed success with his other economic goal of nurturing existing businesses. Several large companies, including Evans Products, White Stag, Hyster Co. and Frederick & Nelson have curtailed or eliminated Oregon operations. But others, including most recently the Crown Zellerbach Corp. paper mill at Wauna and the Albertson's supermarket chain, have announced expansions.

"White Stag and Evans Products, that was one of those things ... in which you have a big corporate buyout," he said. "They don't tell you ahead of time."

Jobs saved

Seven hundred people still work at Gunderson Inc. of Portland, a former subsidiary of giant FMC Corp., partly because of Atiyeh's intervention.

In 1984, FMC had "just about written off" its Portland rail-car manufacturing operation that once employed 2,000 people, said C. Bruce Ward, a manager who ran the plant for 10 years.

With a closure imminent, Ward believed the plant could be returned to profitability and sensed a business opportunity. But he couldn't secure financing.

culture clash

Atiyeh revs up, Nike runs down

By STEVE JENNING

IT was an almost classic good news/bad news joke in Oregon.

The state was struggling hard to get out of one kind of single-issue economy, the eroding timber and wood products industry, and into another, high-tech jobs.

The problem was we were only half-successful.

While the rest of the nation was enjoying the greatest economic recovery in 30 years, Oregon in 1984 could say little more than that a 100,000-job loss beginning three years before appeared to have bottomed out. Other news was more disquieting. While those lost jobs in wood products and other high-paying industries were being replaced at least in part by the growth of new business sectors, those new jobs were nothing to write home about. According to a state legislative committee study, the substitutes primarily were in service industries — a euphemism for low-pay, non-union wage scales.

Oregon's economic future remains an open question. The Portland metropolitan area has seen rapid, dramatic growth in high-tech jobs. The rest of the state is still mired in an almost 1930s-level depression.

As for 1984, it yielded an unusual number of winners and losers. What follows does not represent a generally accepted list of the year's top business stories — only an inventory of developments that seemed to say something about Oregon in 1984.

I'M NO PUSSYCAT — So said Gov. Vic Atiyeh last fall to a roomful of Wasco County residents fearful of a Rajneeshee takeover. Macho bravura aside, Atiyeh, who had been hounded by criticism from business that he was a do-nothing governor, proved his mettle this year by firmly cementing commercial relations between Oregon and foreign investors, politicking for an end to unfavorable corporate taxes and generally doing his best to improve Oregon's longstanding image as a bad place to do business. Atiyeh was so effective, in fact, that political campaign ads in Washington criticized Washington Gov. John Spellman as palling by comparison. Spellman got beaten.

MAYBE THEY SHOULD MEET EVERY JULY — Atiyeh called state legislators together in midsummer to end Oregon's unitary tax, a levying method that had proved anathema to multinational corporations — in particular, the Japanese — and was seen as a significant roadblock to foreign investment in Oregon. To almost everyone's surprise, the Legislature did the right thing, quickly, and within weeks new plant projects were announced.

Oregon got some surprise support from the state legislatures of Florida and California, which respectively voted to enact and maintain unitary methods of corporate taxation. Kyocera moved from San Diego to the Portland area, and National Semiconductor Corp. decided for Portland over Tampa, Fla., as a result.

UNENLIGHTENED SELF-INTEREST — Major landowner Louisiana-Pacific gave \$35,000 to the state property tax limitation campaign, an initiative measure that nearly every other responsible business fought. The measure was beaten back in the November general election — narrowly — because it threatened to destroy or seriously damage most of the public institutions that make the state work. Perhaps L-P Chairman Harry Merlo, who gradually has been moving L-P operations out of Oregon, doesn't see the Beaver State as a long-term bet.

NO BUSINESS LIKE SHOW BUSINESS — It may be remembered as the worst year for pay television in Portland. One cable television system — Rogers Cablesystems in East Portland — had to go begging for contract relief from the City Council because huge debts threatened to sink the 4-year-old company. ON-TV, begun with much fanfare and a batch of hefty investments by well-heeled local businesspersons, had an even worse fate. It went into bankruptcy, and remains there, operating at a vastly reduced schedule of over-the-air fare that includes the bluest adult films in town.

CORPORATE AMNESIA — Victor Posner, Florida financier and alleged criminal tax evader, owns Evans Products now, instead of Portland's own Monford Orloff. Posner moved headquarters to Miami, closing down Evans' downtown Portland headquarters. This relatively recent example of the colonization of Oregon industry — Posner took control of Evans almost two years ago — may mean not only the loss of some jobs, but a disaster for the Portland

See **BUSINESS**, Page F4.

Steve Jennings covers business for The Oregonian.

METRO/NORTHWEST

Unfulfilled tasks shroud triumphs of Atiyeh's tenure

First of two parts

By ALAN HAYAKAWA
of The Oregonian staff

After nearly eight years of hard times in Oregon, it's difficult to remember the boom days of the late 1970s when Vic Atiyeh was elected governor.

And after the hard-fought 1986 governor's race, it's difficult to recall the Atiyeh who was re-elected in 1982 by a tremendous 61 percent to 36 percent ratio.

Victor George Atiyeh, who started his political career in the Oregon House in 1959, led the state through its worst economic times since the Great Depression, preserved basic state services, reinforced higher education, helped shape important state and national energy legislation and worked to diversify the state's economy by courting business around the Pacific Rim. A political career covering nearly three decades will end when the 63-year-old Atiyeh retires Jan. 12.

And Atiyeh says — somewhat defensively — that his successor will see much of the benefit of his efforts at economic development.

Lasting solutions elusive

But like his three immediate predecessors, Atiyeh struggled and ultimately failed to find a long-term solution to Oregon's school-financing dilemma and made only relatively minor changes in the state's tax system.

Although he generally has been a friend of resource-based industries and utilities, he has not made major changes in the state's environmental protections, and he has defended and strengthened some of them. He has not taken a major role in resolving labor disputes, and though not close to organized labor, has not attempted to reduce the scope of collective bargaining in the state.

"I've done what I said I was going to do in my inaugural address: to set a high standard in everything that I do," Atiyeh said recently. "I then challenged Oregonians to match or better that.

"I know I've done that; I've kept faith with them. I leave comfortable with that.

If Atiyeh is comfortable with his record, Oregonians seem deeply divided about his achievements, according to a recent poll conducted for The Oregonian. It showed 45 percent regarded his performance as governor as positive, while 44 percent thought it negative.

The public may not know much about his actual achievements, Atiyeh said, because publicizing them has not been important to him; it isn't his style.

"I'd like them to know," he said.

"I suppose there's still naivete after 28 years that the good and the right things should prevail in the world and that bad ideas should fail.

"I know that's not the way it runs, but this is the way it should run."

Atiyeh was born in Portland on Feb. 20, 1923, near what is now Lloyd Center. His parents were Lebanese immigrants from a village called Amar El-Hosn in what is now Syria. His father, George, was a rug merchant.

"Can you imagine how grateful I feel?" he said. "I've been governor of Oregon; there's only 31 others in the entire history of the state. That's one great honor."

Atiyeh played football at Washington High School and for the two years he spent at the University of Oregon. He declined an offer to play for the Green Bay Packers in 1944, choosing instead to run the family business after the death of his father. He married Dolores Hewitt, a high school and college classmate, in July 1944.

Their daughter, Suzanne, has a master's degree in fine arts from the University of California at Irvine and is married to artist Cody Bustamante. The Atiyehs' son, Thomas, has started a trading company called Atiyeh International.

Atiyeh said he has agreed to serve as chairman of the board of Atiyeh International as one of his activities after leaving office. He said he also planned to start a consulting business specializing in international trade. He said he would not return to active participation in the business his father founded, now known as Atiyeh Bros.

In Atiyeh's eight years as governor, Oregon has gone from the 11th fastest-growing state in the nation to one that has lost population in three of the last five years.

In the 1986 gubernatorial race, Norma Paulus delicately but firmly distanced herself from her fellow Republican, while Democrat Neil Goldschmidt rallied against "the same old Salem crowd" and tried to tie Paulus to Atiyeh by asking voters whether they wanted four more years of the same kind of leadership.

How did this happen to a man re-elected in 1982 by the largest plurality since 1950? And just what kind of leadership did Atiyeh actually provide?

Long record of service

A moderately conservative, mainstream Republican, Atiyeh entered the governor's office in January 1979 with an already thorough knowledge of state operations, based on 20 years in the Oregon Legislature. He had served three terms in the House and was halfway through his fourth term in the Senate when he assumed the governorship.

Times were good. Housing starts and employment were strong; the state was growing, and the boom had left the state treasury with a \$200 million surplus and predictions for \$400 million more in 1979-81.

Then the recession hit. Oil prices drove up inflation, which affected interest rates, which tore holes in the housing industry. At one point in 1982, the forest products industry had laid off more than 30 percent of its workers. State revenues declined sharply just as demand for social services was mushrooming and inflation roaring.

Despite strident criticism of state government during the 1986 campaign, Atiyeh is regarded by some government, civic and business leaders as having been exactly the right man to lead the state through those challenging times.

Where his predecessors in an expanding economy broadened the state's role in environmental protection and land-use regulation, Atiyeh focused on maintaining basic state programs and streamlining government machinery.

To his admirers, Atiyeh's has been the rock-steady hand on the helm of the ship of state.

"Perhaps in a period of severe retrenchment, perhaps the governor's attitude towards the fundamentals was one that stood all of us in good stead," said Hardy Myers, the Portland Democrat who was speaker of the Oregon House in the 1979 and 1981 sessions.

"Vic has been a good governor," said Gary Wilhelms, a Pacific Northwest Bell lobbyist who as a state representative was House Republican leader in 1979, the first Legislature of the Atiyeh governorship.

"Time will prove him to have been a better governor than certain people are giving him credit for now, but his low-key style has hurt him."

To his detractors, Atiyeh's has been the dead hand at the helm, merely maintaining the government and seldom finding new ways to meet the increasingly complex economic challenges facing the state.

"Vic will not be remembered as a vibrant leadership person," said Secretary of State Barbara Roberts, a Democrat. "That's not Vic's personality. He's quieter, less enthusiastic."

"I think no one would have been prepared to deal with the adversity of that economic time, but a little more innovative, dynamic kind of government might have moved some other people to action in a way that Vic could not."

When the recession hit, former Gov. Tom McCall's famous 1977 boast to outsiders — "Come visit... but for heaven's sake don't come here to live" — took on a haunting ring as the tides of new Oregon residents receded. Laid-off workers either left the state in droves or applied for unemployment and welfare.

Atiyeh prides himself on having kept the ship afloat, although he complains that his performance is being viewed unfairly.

"If I had McCall's eight years or the four years of (Bob) Straub or the four years out in front of Goldschmidt," Atiyeh said, "there's no question I would have been able to accomplish a lot more."

"I don't want to sound defensive about it, but what you get is criticism during the period when times are bad, and then when times become good, it's just the nature of things."

Tax controversies persist

In October 1978, Atiyeh was running for governor for the second time. He had beaten McCall in a three-way Republican primary, and he faced Straub in November, the Democrat who had defeated him in 1974.

On the ballot was a 1.5 percent property tax limitation called Measure 6, the first of many efforts to import California's Proposition 13.

Atiyeh endorsed the measure, as well as a competing tax cut drafted by the Legislature. If Measure 6 passed, he said, he would "clean it up" in the 1979 Legislature.

In November, Atiyeh won, and the tax cuts failed, but tax and budget issues would dog him through two terms.

In the arcane languages of tax policy and spending priorities, politicians encode their beliefs and desires.

Elected on a platform of tax reduction, over the years Atiyeh has proposed tax cuts — but he has also proposed shifts and increases. His tax moves would seem to reveal Atiyeh as a fiscal conservative, but one pragmatic enough to protect the basic structure of state government.

In retrospect, the state's financial difficulties were intensified by decisions made by Atiyeh and the 1979 Legislature.

Atiyeh presented the lawmakers that year with a plan to return about one-third of the projected \$600 million surplus to income tax relief and about two-thirds to property tax relief, said Richard A. Munn, director of the Department of Revenue.

The Legislature countered with a plan to give the bulk of tax relief to income-tax payers. A competition of sorts ensued over which tax relief plan was better.

The Legislature rejected Atiyeh's plan and voted its own \$705 million package into law. The governor later tried to put his version of the property tax limitation on the November 1980 ballot but failed to gather enough signatures on the initiative measure.

The huge tax relief plan included both a rebate and a permanent reduction in the state income tax rate, plus payment of up to 30 percent of property taxes for many taxpayers.

Meanwhile, the recession began. And parts of the plan continued into succeeding years, adding to the squeeze on the state as the recession caused revenues to drop still further.

"He worked hard on methods of giving that money back to the taxpayer," Munn said, "and then as soon as the session ends the (revenue) forecast drops \$150 million."

"I voted for it in 1979, but in retrospect it was an insane fiscal policy," said Sen. John Kitzhaber, D-Roseburg, now Senate president.

Atiyeh said not vetoing the tax relief package was the decision that haunted him most.

"I let this become law without signature. It was the only game in town in terms of any kind of tax relief," he said. "Probably what I should have done was veto the bill and call them back into special session."

"This is all hindsight, but I knew it was a mistake."

The steep tax cuts, followed by dramatic drops in tax revenues, led to a special session to cut the budget in 1980, the first of seven special sessions under Atiyeh. Most were convened to raise revenues and reduce state spending.

As a leader, a builder of consensus and a salesman for political ideas, Atiyeh is at his best in small groups.

Casual evaluations of Atiyeh's personal style — "couldn't sell ice to the Saudis" or "Caspar Milquetoast before large groups" — contain a kernel of truth but fail fully to capture the character of the man.

In person, Atiyeh is quiet but sincere, and he can be intense and forceful. Though he is not a fiery person, people who have traveled with him say he is quite effective in small meetings with foreign officials and business leaders.

Late in November, Atiyeh took the last of his "field trips," a series of journeys that have totaled a quarter-million miles around the state. He is proud of having visited every county fair, every city and nearly every community in the state.

This tour started with a morning appearance before several hundred members of the Oregon Credit Union League at a Jantzen Beach hotel, and he lived up to his reputation as a less-than-riveting public speaker.

Atiyeh told a well-worn, favorite story about an Oregon governor who charged a visiting colleague only \$2.50 for making a two-hour phone call to heaven from his office.

"Why so little?" asked the out-of-state governor.

The answer: "From Oregon it's a local call."

He also told an odd tale about a drunk who called Atiyeh from a jail in another state, asking to be extradited to Oregon. The point of the tale wasn't immediately clear.

And he welcomed the delegates to the conference, assuring them, "You can be a very constructive force... You have great credibility in the legislative branch."

Atiyeh left the convention to polite applause, lighted a cigarette with an elegant gold lighter — he smokes two packs a day — and stepped into his gray Lincoln Town Car, leased for him by the state. Oregon State Police Lt. Lon Holbrook, his driver and bodyguard for nearly eight years, chauffeured him on the cross-town ride to a meeting of the Association of Oregon Counties, a group with which he appeared far more comfortable.

The delegates applauded him warmly, and Atiyeh was moved by a plaque that read "in grateful appreciation from your colleagues in county government."

But Atiyeh showed the greatest warmth in greeting a gathering of foster parents at a Children's Services Division office. He seemed to understand the importance of the recognition to the volunteers being honored, and his sincere tone made the gesture more than empty ceremony.

Atiyeh and his wife, Dolores, are former foster parents, he said.

"You never know how much you do," he said. A pregnant teen-ager who stayed briefly with the Atiyehs ran away, and they lost contact with her for many years.

"I never knew what became of her, until I saw her at a Scout troop meeting, as a troop leader, with her own kids," he said. Then he believed he and his wife might have made some contribution to her life, he said.

In his private life, Atiyeh is a golfer and a fly fisherman, and he collects guns and souvenirs of the 1905 Lewis and Clark Exposition. His taste in art favors Western subjects, and he once held an exhibition in his ceremonial office for Oregon wildlife painter Rod Fredericks. He has been a Boy Scout leader for more than 40 years.

His working office in the Capitol is adorned with souvenirs and ceremonial gifts from his 10 trips abroad and his thousands of miles around Oregon. Three carved eagles, their wings spread, stand atop a desk behind the governor. One holds a small, gilded pistol in its talons.

Friend of higher education

Among the major beneficiaries of Atiyeh's governorship is the State System of Higher Education. The department took its lumps during the retrenchment of the first term, sustaining midyear cuts of 6 percent in 1979-81 and 9 percent in '81-83.

But in the 1983 Legislature, as Atiyeh's economic development strategy evolved, the state's colleges got a specially targeted boost.

In the past, Oregon's colleges have specialized in teaching and research that supported the state's major industries: agriculture, forestry and fishing.

Under Atiyeh, the schools have strengthened or added departments dealing with cellular biology, computer science, electrical engineering and international trade. The new educational activities are intended to complement and support the industries Atiyeh has been working to attract.

The general-fund portion of the higher education budget increased 8.5 percent from 1979 to 1981 and jumped 21 percent in 1983 and 17 percent in 1985, ending up at \$516 million for the current biennium.

In addition, lottery funds have been committed to four construction projects totaling \$33.6 million, the first construction in more than six years on state campuses, according to Executive Vice Chancellor W.T. Lemman.

Atiyeh's record on primary and secondary education is more controversial. After endorsing a 1.5 percent property tax limitation in 1979, he campaigned against subsequent versions of the measure, and this fall he castigated both gubernatorial candidates for not speaking out forcefully enough against Measure 9.

When voter rejection of school levies forces closures, as happened recently in Estacada, Atiyeh did not intervene, said John Danielson, senior lobbyist of the Oregon Education Association.

"He should be telling Estacada, 'You're doing the whole state a disservice; your problems are no worse than other parts of the state,'" Danielson said.

"The governor ought to say, 'If we're going to put Oregon on the road again economically, you're going to have to solve your problem.' The governor has not done that."

From the point of view of the teachers' union, Atiyeh was "heavily oriented toward tax limitation on schools," Danielson said. "That's where we ran at cross purposes with him."

The increase in spending for higher education, he said, was achieved in part at the cost of primary and secondary education.

The state's spending for basic school support, the portion it pays for the cost of educating each pupil, was at 40 percent in 1979 but has slipped since to about 29 percent, which in turn affected the amount of local levies, Danielson said.

"He was indirectly raising property taxes to keep from having to raise other taxes or cut state payments," he said.

MONDAY: Atiyeh's relationship with the Legislature has been stormy, and he has garnered mixed reviews on environmental issues.

Chickens Really the Answer to Grasshoppers?

Pendleton EO
8-1-79

8/1/79 EC-Pendleton

By VIRGIL RUPP
Of the East Oregonian

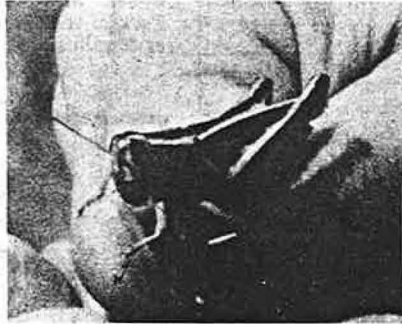
PENDLETON — Could chickens keep up with the grasshopper explosion that hit Eastern Oregon this summer?

The question arises because John Platt of the Oregon Environmental Council suggested that releasing chickens might be the best way to combat the grasshoppers.

SOME INTERESTING arithmetic shows up when you look at his suggestion.

First, how many grasshoppers could a reasonably hungry Rhode Island Red peck away in a day's foraging? Two hundred? Five hundred? A thousand?

For the sake of argument, let's give the chicken an unbelievable appetite. Let's say the chicken could choke a thousand hoppers a day into his craw and never get tired of the diet. (Even the Oregon State University Extension office agrees this is nearly impossible for a chicken to eat that many. For instance, a broiler chicken would consume about nine pounds of feed before it is slaughtered, the extension office says.)



CHICKEN FEED?

Next we have to figure out how many grasshoppers were out there. The infestation has to get up to 30 per square yard before anybody gets really worried. Two hundred per yard and more were estimated by state and federal officials.

LET'S BE CONSERVATIVE again and go with 100 hoppers per square yard. Now, 1.6 million acres were sprayed to combat the grasshopper plague. Calculating 640 acres per square mile, we come up with 2500 square miles. Now we're getting somewhere.

A square mile contains 3,097,600 square yards.

And we've agreed that a really hungry, big chicken could eat 1,000 hoppers a day, day in and day out for a month. That's equal to 10 square yards cleaned up every 24 hours.

So, that chicken in a month would eat the grasshoppers infesting 300 square yards.

Divide the 300 into 3,000,000, using round numbers, and we have 10,000. That's how many chickens we'd need for each square mile, right?

WE'RE GETTING CLOSE to an answer. Multiply 10,000 times the square miles, 2,500, and we have — 25,000,000. Yep, 25 million chickens.

And that, of course, is just for Oregon.

The U.S. Department of Agriculture says 17 states had grasshopper spraying programs this summer on a total of more than 7 million acres.

Yes, the mind boggles.

Anyway, that means the West would have needed more than 116 million chickens to combat the grasshopper plague on the same scale as the spray program.

The spray program wasn't all that successful, either — lots of areas never got sprayed and clouds of grasshoppers still rise when you walk through what's left of the grass.

Down on the Ukiah Ranger District of the Umatilla National Forest, District Ranger Dave Price said Tuesday that the grasshoppers have even killed young pine trees. Apparently that's all there was left to eat.

SO 116 MILLION chickens may not have been enough, even though that's a heck of a lot of Rhode Island Reds.

Environmental problems certainly would be a consideration in a project of this type. Just think —

□ 116 million chickens each eating 1,000 grasshoppers a day certainly would generate waste, right? How much? Two ounces of waste per chicken per day might be a reasonable guess.

So you could end up with 20.7 million pounds, or 10,375 tons of chicken manure every day.

□ What are you laughing about? This is serious. Right there we may have the solution to the nation's environmental problem. Chicken manure in

the right kind of cooker will generate methane, a gas that can run engines, power plants, heat homes, you name it. And, if we left it, the Extension Office says we'd have a soil problem because of the high nitrogen content of the manure.

□ Not only that, chickens lay eggs, right? If half the 116 million birds were hens, we'd have 58 million eggs a day — everybody in the U.S. could have several fresh eggs a week.

□ A whole new industry would be generated, following the chickens around to collect eggs and manure. Unemployment would vanish.

LET KIDS DO the work? Not on your life. Remember there are judges who say kids can't work in strawberry fields. Well, following these 116 million Rhode Island Reds around wouldn't be any job for a kid, and certainly the judiciary would step in to keep us straight.

□ Think of the environmental impact statements that could be written. That alone would keep many people busy and happy.

□ And when the plague ends, there'd be a chicken for every pot, with a goodly number left over.



CLAUDIA J. HOWELL/Oregon Journal

HAPPY CHIEF — Republican Gov. Vic Atiyeh is happy with his first two months in office, but Democrats, such as Senate President Jason Boe (seen in the background here), contend Atiyeh has gotten off to a rough start.

Atiyeh-Johnson team marriage of 'iron fist' and 'Boy Scout'

By DOUGLAS YOCOM
Journal Staff Writer

SALEM — Twice in the last week Vic Atiyeh has waxed ecstatic in public about how happy he is to be governor of Oregon.

"I'm delighted with the office of governor. Whoever invented the job has my utmost thanks," he told Republicans attending last weekend's Dorchester Conference.

This week Atiyeh has been governor for 60 days, and his performance so far provides some interesting hints about the type of governor he will be during the next four years.

Of the state's recent governors, Atiyeh may be the most technically qualified. He spent 20 years in the state Senate and is accustomed to working not only with the larger legislative picture but with the details as well. He shouldn't be a governor who will be embarrassed about his lack of preparedness when hit with a new issue.

But Atiyeh may be politicizing the governor's office to an extent not seen in years. The new governor appears as innocent as a Boy Scout, and that analogy isn't far off since he has served as president of the Columbia Pacific Council of the Boy Scouts. However, he and Lee Johnson, his executive assistant, play a tough political game. A Salem newspaper columnist recently called Johnson "the iron fist in the velvet glove." The Boy Scout image of Atiyeh shields a political cunning in the governor and his new administration that many Oregonians should see more of in the future.

Another observation is that Atiyeh is immensely popular within his own party. The governor appeared in a skit at last weekend's Dorchester Conference, and the Republican delegates appear to love Atiyeh more than any Republican in the state. Yet many Democrats distrust the new governor, partially because they disagree with his political philosophy.

One Democratic legislator, who asked not to be named, said he believes Atiyeh has a "hidden agenda" that hasn't been revealed. It consists of paying off campaign debts, particularly to private utilities. "He actually will move the state backward," said the legislator, "in a direction the people of Oregon wouldn't support if they knew what he was doing."

That distrust of Atiyeh and his still to be revealed energy policy was part of the reason the state Senate rejected W. Kelly Woods as acting director of the Department of Energy.

Both Senate President Jason Boe, D-Reedsport, and Sen. Ted Hallock, D-Portland, — neither the legislator quoted above, incidentally — said Atiyeh probably would have succeeded in winning Senate confirmation of Woods if the governor had presented his energy program, or at least an outline of it, earlier. As it was, some senators say they wonder if it won't be tilted toward nuclear energy more than they want.

Atiyeh said during the campaign that the Pebble Springs nuclear plant in Eastern Oregon "is necessary to meet the immediate growing energy needs of Oregon." And at least one representative from a private utility sat on his campaign steering committee last fall.

Hallock: "The appointment of Woods was far more important than any of us understood. It involved the role of the private utilities in his campaign . . . and if there is an untoward ability by them to influence the governor. His true colors are being revealed and he is a very conservative Republican."

Boe: "If the outline of his energy program had been there, three or four swing votes might have been changed and Woods would have been confirmed. Maybe before the session is over, energy may have become the key issue in this session."

So far in the first 60 days, it is Somebody 2, Atiyeh 0. He lost Woods' appointment, but he still may win a bigger fight if it turns out the Senate will be reluctant to reject any more of his appointments.

Senate Republican Leader Robert Smith, R-Burns, doesn't consider Woods' appointment a mistake.

"It may mean the Senate was experimenting with its new power. It may mean the Senate has had its pound of flesh. It experimented and won. I think the Senate will have a hard time rejecting his next DOE appointment," said Smith.

The second loss on that "Somebody 2, Atiyeh 0" scorecard involves the defeat of the governor's tax relief package, although whether he has lost that fight remains to be seen until the Legislature decides what it will do in the tax relief area. Atiyeh says he has hopes that the Legislature may turn back to his tax relief plan if the House and Senate can't agree on its own package.

(Continued on page 10)★

Atiyeh gets increase in salary

SALEM (UPI) — Gov. Vic Atiyeh is among some 22,000 state employees who received salary raises in their paychecks Monday, but the governor's 6 percent boost still has him far down in the ranks of salaries paid to state officials.

The governor's new salary of \$55,423 a year puts him only 67th-highest among state officials.

At the head of the list is Dr. Leonard Laster, president of Oregon Health Sciences University in Portland, who is paid \$89,136 annually.

The pay increases showing up Monday in paychecks for about two-thirds of the state work force are not really

considered new raises. They are part of a \$30 million-a-year salary restoration package approved by the Legislature for employees who took pay cuts to help last year's state budget deficit.

The governor's salary also is preceded by a host of university deans and some of his own state administrators. Even the governor's executive assistant, Gerry Thompson, is paid more than her boss. Her new salary is \$61,116 a year.

However, Secretary of State Norma Paulus and Treasurer Clay Myers do not earn enough to make the list.

Following Laster on the list of the top paid officials are: Dr. Robert Neerh-

out, interim dean Oregon Health Sciences University School of Medicine, \$84,044; Dr. Donald Kassebaum, OHSU Hospital director, \$78,186; Bud Davis, chancellor, State System of Higher Education, \$75,005; Dr. Louis Terkla, dean OHSU School of Dentistry, \$74,152; Paul Olum, president, University of Oregon; Robert MacVicar, president Oregon State University, and Joseph Blumel, president Portland State University, all \$72,528; and Dr. Joe Treleaven, administrator of the state Mental Health Division, Dr. J.D. Bray, assistant administrator of the Mental Health Division and Dr. William Brady, state medical examiner, all \$70,764.

Tax plan affirms Atiyeh ascendancy

SUNDAY DEC. 5, 1982

By FOSTER CHURCH
of The Oregonian staff

THE TAX PLAN that Gov. Vic Atiyeh announced Wednesday could be denounced by business, dismantled by the Legislature and rejected by the public. But it represents a bold move by an increasingly assertive governor. And, in the legislative chess game that will accompany the budget debate, it places the initiative clearly in Atiyeh's hands.

Atiyeh, who in past sessions has been noted more for a patchwork approach to taxation than for innovation, has offered a cohesive and revolutionary plan. His proposal to eliminate the 30 percent property tax relief program, freeze tax rates and allow a 5 percent annual increase in assessments will become the fulcrum for debate over the property tax issue. True, the property tax part of tax package is much the same as one he proposed in 1979, but it now fits into a larger context.

The major innovation in the package — his net receipts tax, actually a gross receipts tax on personal income — is a startling approach to taxation and state government finance. No other state imposes such a tax. It generally is considered a regressive measure at a time when most state governments are tending toward progressive tax structures — that is, toward a philosophy to levy taxes according to an individual's ability to pay.

Atiyeh's assertiveness is not a new phenomenon. Although he seemed to falter and engage in futile confrontations during the 1981 legislative

session and the first 1982 special session, he took firm control in the June and particularly the September special legislative sessions.

He constructed tax plans, consulted leadership and was firmly in command. His proposal during the September special session to tap the State Accident Insurance Fund Corp. reserve fund for \$81 million showed a willingness to take the lead and offer an innovative — and highly controversial — plan.

In a more theatrical setting — the campaign for governor — Atiyeh displayed a sense of assertiveness, and even truculence, in his encounters with state Sen. Ted Kulongoski, D-Junction City.

Entering his second term with this kind of personal momentum, Atiyeh obviously feels boosted by his overwhelming election victory. It was the biggest mandate any governor has received in 32 years. He carried every county and pulled down every newspaper endorsement — this for a candidate who in early summer was struggling to keep up with his opponent.

Immediately following the election, Atiyeh noted the effect that such a victory should have on his capacity to lead the Legislature. Whether the 90 individual egos that make up the House and Senate agree remains a question. But there is no doubt that Atiyeh perceives his strength — particularly within his own party — and will take advantage of it.

He holds two other advantages as well.

For one, the Legislature, after almost a year of intense debate over taxation, has become more sophisticated and knowledgeable about taxation — more inclined to reason together.

And second, Atiyeh appears to get along better with the legislative leadership than he has in the past.

Senate President Fred Heard, D-Klamath Falls, noted Wednesday afternoon that relations between legislative leaders of both parties and the governor had improved. "There is more of a

give-and-take feeling," he said. "I think we have all been in this so long that we see no percentage in cheap political shots. We have been able to grow with the governor in the special session."

The haze of sweetness and light that blurred the sharp edges of the governor's plan Wednesday already has begun to dissipate.

Business leaders do not like the plan. The net receipts tax is regressive, and some liberal Democrats may object.

But the exceedingly complex and delicate construction of the plan could make an attack on it difficult. It is balanced to appeal to a wide constituency.

— It benefits corporations handsomely by reconnecting Oregon to the federal tax code. But it protects state agencies and holds the line against grisly budget-cutting. The latter will appeal to liberal legislators.

— It eliminates the 30 percent property tax relief system. But it enlarges the Homeowner and Renter Relief Program and includes a commitment to freeze property tax rates and allow only a 5 percent annual increase in assessed valuation.

— Middle-income taxpayers will feel the effect of the net receipts tax. But the plan pays homage to middle-class concerns about crime by setting aside \$20 million for new prison construction and \$8 million extra for various police and investigative functions.

— The plan also will appeal to education constituencies by maintaining basic school support at current levels and setting aside money for economic development, and also allowing a freeze on college tuition.

The extent to which Atiyeh will compromise and be flexible remains to be seen. But he is in a better position than he has ever been to lead the state in all areas and to provide the vision which he has been criticized for lacking in the past.

Foster Church covers politics for The Oregonian.



CHURCH

On the road with Atiyeh

On Monday the boss sent me down to Coos Bay with Gov. Vic Atiyeh.

This was nice. The governor is a very personable fellow. I can recommend him highly as a traveling companion.

A comfortable travel assignment, of course, isn't why the boss keeps me around.

The boss can handle those kinds of assignments quite nicely himself. Characters like me, he hires for more difficult things.

The idea of Monday's trip was that the governor, who was giving an address to a convention of the Oregon AFL-CIO, might be in for a rough time with the labor folks because he'd vetoed just about every important bill they'd lobbied through the Legislature.

Also, the boss pointed out that flying down to Coos Bay with the governor would be good for me, a change in my scene from the doldrums of watching the Legislature pretend it's seeking property tax relief.

It sounded good, except to me. I know the boss also sends me off on these assignments for other reasons. He knows I don't like flying, especially in little planes. But I'm crafty too. I hide my fear so the boss can't get any satisfaction from hearing about it.

But back to the Coos Bay assignment itself. Before the governor's arrival at Coos Bay the situation had all the auguries for a lively political cuffing session. After all, a fourth of the 40 bills Atiyeh had vetoed were held dear by the AFL. The union leaders already had noted that the vetoes might be more than a little coincidental because the AFL en-



ron blankenbaker

dorsed Atiyeh's opponent, Democrat Ted Kulongoski, in their last election campaign.

In some states it would be reasonable to expect the governor to get his lumps from the labor delegates.

On the other hand, Atiyeh says he has no political plans for the future, and since he can't run for a third consecutive term as governor, what's to stop him from unloading on his labor audience? After all, most of the folks in the audience probably didn't lift a finger to get him elected.

In some states it would be reasonable to expect the governor to get his lumps from the labor delegates.

But this is Oregon. Politicians here, including labor politicians, are generally more polite than in some other places. And Vic Atiyeh is Vic Atiyeh, polite and mannerly whether he's talking to a labor group that by and large has never supported him or sharing a small airplane cabin with a political columnist who isn't always respectful of people in high office.

The 365 participants at the Coos Bay convention didn't drown the governor with applause but they didn't greet him with silence either. Traditionally, the delegates at these conventions show their respect for the governor by standing up when he walks in. They've done it for Atiyeh in the past.

When Atiyeh walked into the International Woodworkers' hall about 20 of the delegates stood and applauded. The rest stayed seated and didn't clap.

When Atiyeh spoke he deliberately stayed away from the sore subject of vetoes. A comment by the governor that if ever he was faced with right-to-work legislation he'd veto it drew a round of patty cake token applause. That wasn't too bad, considering the unlikelihood of his ever facing such legislation from a Legislature controlled by Democrats.

Following his appearance at the labor convention, the governor visited a nursing home for the aged, where he displayed a patience and charm with the patients that may well be the trademark of his governorship. He's a nice man.

Then it was on to a luncheon with a group his staff schedule showed as "labor friends." This luncheon could have been held in a phone booth but it would have been crowded. I counted a half-dozen labor folks there, most of them trade unionists from Multnomah County.

The Coos Bay visit ended with one of the governor's "media availabilities," a meeting with two Coos Bay reporters. The questions were the same ones the governor has already answered several times in Salem. But again he responded with the polite patience that is his style.

A colleague says I should mention all the legislators at the AFL-CIO convention drawing \$44 per diem for being in session, although in recess. I don't know what difference it makes, because the legislators at the convention would be eligible for their per diem if they simply stayed home.

But for the record, the legislators I saw at the convention, all Democrats, were Sen. Jack Ripper, who was at home because Coos Bay is in his district; Portland Reps. Shirley Gold, Dick Springer and Barbara Roberts, who is a candidate for secretary of state, accompanied by her husband, Sen. Frank Roberts; and Sen. Ruth McFarland, also of Portland, who is a candidate for congress in the 5th District.

Ron Blankenbaker is a Statesman-Journal writer.

Lobbyists

Continued from Page 1A.

Rounding out the top 10 were Ted Hughes and Associates, various clients, \$2,399; Pete Fleissner and Barney Speight, Oregon Association of Hospitals, \$2,233; Vern Mueller, Oregon Association of Broadcasters, \$2,200; Ozzie Rose, Confederation of Oregon School Administrators, \$2,077; and Bob Oleson, Oregon State Bar, \$2,000.

By law, lobbyists are required to name any person on whom they spend a specified amount — currently \$38, but subject to adjustment for inflation — on dining, entertainment and the like during a 24-hour period. Only five lobbyists reported such details. Several listed dinner expenses far exceeding the \$38 threshold without providing the required names.

Reynolds said the commission, lacking the staff for detailed checking, has to assume lobbyists have filed truthful reports.

Dave Barrows, who represents Oregon's savings and loan associations, reported taking eight legislators to dinner or providing them with tickets to professional sports events.

Barrows said he dined with Sens. John Kitzhaber, D-Roseburg, and Eugene Timms, R-Burns, and with Reps. Larry Campbell, R-Eugene, Ted Calouri, R-Beaverton, Randy Miller, R-Lake Oswego, Kip Lombard, R-Ashland, and Rep. Wayne Fawbush, D-Hood River.

Costs ranged from \$59.60 on Fawbush and his wife to \$79.95 on Kitzhaber and his date.

BARROWS SAID HE gave Seattle Seahawks football tickets to Rep. Bill Rutherford, R-McMinnville, and Portland Trail Blazers basketball tickets to Lombard and Timms and their wives.

Since 1975, when the Ethics Commission began requiring detailed lobbying expenditures, 76 legislators — half of whom are currently serving — have dined with Barrows, stayed in his cabin, or attended theater, sports or other live entertainment events at his expense. The tab during that time has amounted to \$8,385.

The legislators frequently have been accompanied on those freebies by spouses, dates or children.

The list includes Gov. Vic Atiyeh, Secretary of State Norma Paulus, Attorney General Dave Froese,

Atiyeh is a former director of the now-defunct Equitable Savings & Loan Association. Critics have charged him with trying to kill the state veterans' home-loan program, traditionally chief competitor to Barrows' savings and loan clients.

BECKY BELANGY, who lobbies on health care legislation for Kaiser Foundation Health Plan of Oregon, was the only other lobbyist who reported spending more than \$38 on more than one legislator.

She said she dined with Sen. Walt Brown, D-Milwaukie, and his wife and Sen. Bill McCoy, D-Portland, at Salem's Rodeway Inn at a cost of \$165.60; and with Sen. Frank Roberts and Rep. Barbara Roberts of Portland at Salem's Park Plaza at a cost of \$58.05.

She also reported dining with Diane Luther, staff administrator for the House Human Resources Committee, which handles health care legislation. Their tab was \$52.40 at D'Alessio's, also in Salem.

Other legislators mentioned by name in lobbyist reports were Rep. Norm Smith, R-Tigard, a dinner guest of Clark Jackson, who works for Northwest Natural Gas; McCoy, who was twice treated to dinner by Melvin Woods, of Eli Lilly & Co.; and Rep. Donna Zajonc, R-Salem, a dinner guest of her husband.

Ed Zajonc, director of the Division of State Lands, reported spending \$36 of his own money on his wife. He said in the report: "As the spouse of a legislator, we on occasion discuss politics over dinner."

EVEN BEFORE the 1983 session got under way, Barrows was courting legislative good will. According to his report, covering the last three months of 1982, he bought dinner for Sens. Tony Meeker, R-Amity, and Mike Thorne, D-Pendleton, and treated the pair to a Seahawks game.

He also reported taking Rutherford and Sen. Jim Gardner, D-Portland, to dinner and a play and springing for Seahawks tickets for a party of five Democrats — Reps. Fawbush and Rick Bauman, of Portland, and Reps.-elect Bruce Hugo, Scappoose, Robert Shiprack, Beavercreek, and Al Young, Hillsboro.

Meeker, who was in the same Willamette University fraternity as Barrows in the early 1960s, said

How the Lobby dollar is spent Total this year \$104,885



Top lobbyists and their tabs

Lobbyist: Client

1. Thomas Augustine: Oregon Credit Union League
2. Roger Bassett: Oregon Community College Assembly
3. David Bennett: Oregon Newspaper Publishers Association
4. Robert McKellar, Jim Wiles: Oregon Forest Products Trans. Ass.
5. Bill Moshofsky: Coalition for Responsible Spending
6. Ted Hughes and Associates: various clients
7. Pete Fleissner, Barney Speight: Oregon Association of Hospitals
8. Vern Mueller: Oregon Association of Broadcasters
9. Ozzie Rose: Oregon Confederation of School Administrators
10. Bob Oleson: Oregon State Bar
11. Gary Bauer, Doug Heider, Denise McPhail: Portland General Hospital
12. Gary O'Reilly: International Paper Co.
13. John Gervais: National Electrical Contractors Association
14. Jason Boe: Oregon Optometric Association
15. Don Barney: Oregon Public Ports and Portland Steamship Oper.
16. Robert Elliott: First Interstate Bank of Oregon
17. F. Richard Brown, Carl Talton: Pacific Power & Light
18. Joseph Blumel, Leonard Laster, Paul Olum, Robert MacVicar, Charlene Curry: state Department of Higher Education
19. Stevie Remington: American Civil Liberties Union of Oregon
20. Mike and Nan Dewey: various clients
21. Bill Bradley: Reynolds Metals Co.
22. William Cross: Oregon Restaurant and Beverage Association
23. Diana Godwin: Oregon Physical Therapy Association and others
24. Frank Brawner, Penny Morris: Oregon Bankers Association
25. Mark Nelson: Associated Oregon Veterans and others
26. Henry Speckman: Oregon Pharmaceutical Association
27. Keith Burns: various clients
28. David Barrows: Oregon Savings League
29. Joan Buck, Rob Douglas: Oregon Academy of Ophthalmology
30. Ray Gribbling, Gary Wilhelms: Pacific Northwest Bell
31. William Lathan: Western Manufactured Housing
32. Reginald Williams: Motion Picture Association of America
33. James Lawrence: Oregon Certified Public Accountants
34. Roger Martin and Associates: various clients
35. Spencer Hathaway: Amfac

Senate to vote Monday

Lobbyists rally a

By SUE HILL
Of the Statesman-Journal

The several hundred lobbyists at the Oregon Legislature usually fan

wave of ethics violation the 1981 Legislature.

The full Senate will on the product of the month of work

Business leaders unhappy with Atiyeh's style, substance

Charles Humble



In about 10 days, Gov. Vic Atiyeh will meet with a group of Oregon's top business leaders — a regular give-and-take forum with those who have traditionally been his strongest supporters.

But if it follows the pattern of a similar gathering in January — and signs are that it will — this will not be a pleasant experience for the state's chief executive.

In the five months since he won a landslide re-election victory over his Democratic opponent, Ted Kulongoski, Atiyeh's popularity among a sampling of Oregon's top business leaders has nose-dived.

The governor's performance — or lack of it — is the hottest political topic around the lunch tables at Portland's businessmen's clubs.

Certainly Atiyeh's problems with his business constituency stem from his tax plan that landed like a bombshell in December. But business leaders who agreed to discuss Atiyeh's performance said the problem goes beyond that. They point to the governor's relaxed style of leadership and question whether a state whose economic future seems to be on the line daily can afford to drift for three more years.

"I wouldn't nominate Vic for president of the chamber of commerce," one Portland businessman summed up.

This is the same business community that fueled his \$1.1 million re-election war chest. Blake Hering, a Portland businessman who helped spearhead the fund-raising effort, estimated that business was responsible for about half of the total. By contrast, Kulongoski received almost no support in the business community.

His critics chide Atiyeh most for an apparent inactivity on the big issues facing the state. His net-receipts tax plan was received courteously but given short shrift by the Legislature. By all accounts, it is considered a dead issue.

Lawrence Black, president of a Portland investment banking firm, pointed to his company's study that last summer cited the governor's role as crucial in generating a vibrant economic development effort.

"Oregon has an image as an anti-business state," he said. "The only way to change that is through a strong effort by the governor. As far as I know, nothing is happening. On that issue, he's not leading.

"People are looking to leadership," Black continued. "I find it difficult to say that he has (been a leader)."

Others are more blunt.

"He's too soft a man when you need a strong, dynamic leader," said Jack Saltzman, a Portland developer and one of the few business leaders who supported Kulongoski.

"He wants to be an administrator when we need a salesman, a promoter."

Saltzman said he fears that young people reared in Oregon will not stay and that the state will become second- or third-rate in terms of economic opportunity.

"He's just kind of sitting there," said a leader in the financial industry who asked not to be identified. "I'm not so sure he is a leader. We've got some real serious problems, and he doesn't seem to be searching for answers."

A Portland real estate executive returned to the ill-fated net-receipts tax plan, saying it was greeted with "total amazement" by the business community. "It's thrown everyone into a panic," he said, referring to it as a "let-them-eat-cake" sort of plan.

A retail executive, though sympathetic with Atiyeh's problems, couldn't help but wonder about the future of the state. "We're sitting back and slowly sinking and going nowhere," he said. "He's a nice guy; he's a decent guy; he's just not a gung-ho guy."

Ron Schmidt, whose Portland advertising and public relations agency handled Atiyeh's re-election campaign, was one of the few to lend nearly unqualified support.

"He just does not go out and toot his own horn," Schmidt said. "The discontent stems from the tax proposal. It came like a bolt. The impact was quite devastating."

Schmidt thinks the governor should play to his strengths — selling via a dignified, intelligent approach.

"Let's get him out," Schmidt said, remembering the successful McCall-administration road shows. "Visibility (for the state) is critical

now. Probably the single best thing the state could do would be to put him in a forum with any corporate head in the country. He could wow 'em."

The governor, as it happens, is in the Far East on a trade mission. Denny Miles, his press secretary, declined to comment on the businessmen's complaints.

Norm Winningstad, chairman of Floating Point Systems Inc., thinks Atiyeh should keep quiet, at least on the sales-tax issue championed by the business community. Atiyeh opposes a sales tax, which business favors as a way to offset high property and income taxes.

"He proposed something that would doom economic development," Winningstad said of Atiyeh's tax ideas, which he called "obsolete."

The corporate chief now worries that Atiyeh may flip-flop on the sales-tax issue and actually hurt its chances. "I hope he just stays out of it," he said.

Winningstad was one of those who came forward in a second round of contributions late in the fall re-election campaign. His business associates were stunned and hurt, not only by Atiyeh's tax plan, but also because they weren't consulted on its formulation.

"We're doomed to three years with an ineffective governor," Winningstad said. "If he would wake up, he would see the state is going into a descending spiral."

Even Hering, one of Atiyeh's closest associates in the Portland business community, sees room for improvement, though he generally defends the governor.

"There are a number of reasons for the frustration," Hering said. "This is the first real recession Oregon has felt. Oregonians by nature have been positive, aggressive people. Now those same people are negative.

"These are frustrations that have not been vented before," he continued. "Vic is honest and cagey, and sometimes that gets in his way. He's a manager of tremendous ability, but sometimes he doesn't move fast. This has been magnified by the fact that he's a lame-duck governor. He feels the pressure."

Hering said even he was bothered by the tax proposal and how it was handled. "That's directly opposite from how he usually acts," he said. "His tax program was absolutely out in left field."

But Hering thinks Atiyeh may be only playing a game of strategy with the Legislature by proposing a tax plan he knew had no chance. "He could be coming around on the sales tax," he added.

Hering thinks Atiyeh should do more leading, at the risk of less managing. "He feels strongly about managing the state and feels he will sell the state in his spare time," Hering said.

Schmidt has heard the griping among business people about the tax plan, too, but he senses some of the frustration is directed toward the Legislature.

"They are beginning to question if anything meaningful will come out of this session on the big issues," he said.

Meanwhile, the hand-wringing continues among the state's most influential business leaders.

"We went through years of strong leadership," a Portland executive said. "Everyone suffers in the shadow. But Vic's a disaster."

AROUND THE STATE

Government

Farewell To Governor Vic

Eight years ago, when Victor Atiyeh took over as governor, he said "things actually looked pretty good" in the state's economy. Ironically, Atiyeh, one of the most ardently pro-business governors Oregon ever elected, said he soon found himself "trying to pull the state out of an economic quagmire."

He commented, "You know what they say about the best-laid plans." Soon after Atiyeh took office Oregon's economy took a nosedive, resulting in the closure of businesses, thousands leaving the state and deflation of property values. Though the business community continues to be jolted by bad news, had it not been for his actions, Atiyeh said, things could have been worse.

"I prevented a lot of things from happening that would have been bad for business," said Atiyeh during a December interview. He will leave the governorship January 12 after eight years of what he described as 80-hour weeks.

For example, he pointed to the "Plant Closure Bill" that was being advocated prior to his 1982 re-election campaign. The bill would have required businesses to give a year's notice to employees if they intended to close. "What we would have done at Atiyeh Brothers is give notice to employees every January that we intended to close that year," he chuckled, referring to his family's Portland area carpet business.

Atiyeh sees his main contribution to state government as a change of attitude. He summarized the change in direction when he entered office with the slogan, "We're open for business."

"When you bump into us in state government, now it is not an unpleasant bump. We've gone beyond being effective; we're here to help. There has been a whole attitude change to make existing businesses feel wanted. And from that attitude all other changes have flowed."

An example Atiyeh cited is the creation of an "Action Council," consisting of his department heads, which meets with companies wanting to expand or come to Oregon and helps them through the process.

The streamlined set of licenses issued by the Commerce Department is another example of how contact with the state has become more pleasant for business, Atiyeh said. The department consolidated eight forms, totaling 27 pages, into a single four-page form.

Atiyeh also pointed to a beefed-up Economic Development Department, including a division to lure the motion picture industry, as a fruit of his administration. "It was practically an embarrassment before," he said.

While he was governor, the amount spent on promoting tourism increased tenfold, to \$2.5 million.

Atiyeh reduced worker's compensation rates. Oregon had the nation's highest rates when he took over, but during his term the rates were cut by one-third for many small businesses in the early 1980s, although they have since resumed their climb (see story, page 53). Perhaps equally important, he fought off efforts subsequently to raise benefits and rates.

During his term in office, the Small Business Development Center Network was launched. This group of 15 centers located at community colleges and other institutions offers business counseling, job training and information to new and existing small businesses. It claims to have helped 450 businesses start up.

Atiyeh worked very hard in foreign trade. He may be remembered as Oregon's most traveled governor, having spent 146 days, or 4.9% of his two terms in office, on overseas trade missions.

While it isn't always easy to point to a cause-effect relationship between his travels and Oregon's economy, before he took office one of nine Oregon manufacturing jobs was linked to international trade. Now, the ratio is one in six.

And for the future, he can cite having broken ground for three foreign-owned high technology companies that are expected ultimately to invest more than \$450 million and create more than 4,000

jobs in Oregon.

Atiyeh feels so strongly about the importance of foreign trade for Oregon's future that he is going into it himself as a consultant. He will begin making contacts in February and will thereafter ease into the business.

Other specific accomplishments of his administration include formation of a liability insurance task force. After six months of study of the current liability insurance crisis, the group issued a series of recommendations for reform of liability law and insurance regulations. Those recommendations, along with others, will be considered by the legislature (see story, page 13).

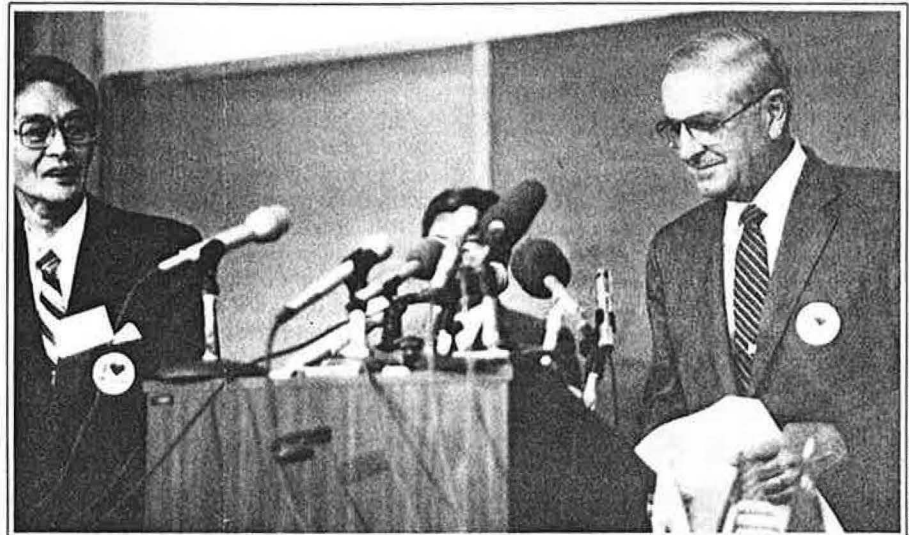
Since he took office he said the state has issued industrial development revenue bonds to save and create more than 7,000 jobs in 23 counties.

Indeed, while headlines report Oregon's losses of jobs and population, the overall trend during Atiyeh's term in office has been up. "Our employment has never been so high," he noted.

In November 1979, Oregon's civilian labor force was 1,246,000 and seven years later it was 1,403,100. Total employment was 1,162,900 and now it is 1,298,800, while total unemployment rose from 83,100 to 104,300. And Oregon's 7.4% unemployment rate at the end of November is almost down to the national average.

In retrospect, although things aren't perfect for business in Oregon, under the circumstances, Atiyeh said, "when I look at Oregon as it was when I became governor and look at it today, I can tell you I think Neil Goldschmidt is getting a real good deal."

—By Gary Eisler



SAYONARA: Three weeks prior to leaving office, globe-trotting Governor Victor Atiyeh notches another success as he welcomes Nippon Kokan K.K. executive Shigeoyoshi Horie to herald the Japanese company's \$60 million planned investment in a silicon manufacturing plant in Millersburg.

Atiyeh's effort to end insurance crisis all but forgotten

By ETHAN RARICK
United Press International

SALEM—Gov. Vic Atiyeh's lame duck effort to find a solution to the liability insurance crisis has been all but forgotten by the Oregon Legislature.

But the two-term Republican who left office Jan. 12 said his recommendations are still kicking and if the Legislature won't recognize them he'll present them to voters through the initiative petition process.

After more than a week of hearings, the Senate Judiciary Committee has focused only on recommendations that came out of a liability insurance task force created after the close of the 1985 legislative session.

The solutions offered by Atiyeh's Task Force on Liability Insurance are nowhere to be seen and it appears no one on the committee appears interested in giving them any consideration.

When asked what happened to Atiyeh's recommendations, Sen. Bill Frye, D-Eugene, chairman of the Judiciary Committee, said, "I don't know. Don't ask me."

Frye said he didn't think much of the task force and that he only read a brief summary of its final report.

Atiyeh, now a private consultant in international trade, said he plans to introduce the recommendations of his task force as bills.

He admits, however, that he has little faith in the ability of the Leg-

islature to come up with a solution to the problem.

"To assume the Legislature can come up with a comprehensive package is naive," said Catherine Mater, who chaired Atiyeh's hand-picked task force.

Mater said she thinks the group's strong tort reforms will be watered down by legislators who are feeling the heat from powerful interest groups such as the Oregon Trial Lawyers Association.

Mater and Atiyeh also strongly criticized Frye, who has expressed doubts about the effect of tort reform on insurance rates and said the situation is not a crisis.

"I don't know where he's been lately, but the crisis is not over," Atiyeh said.

Atiyeh and other supporters of the task force's recommendations are planning to bypass lawmakers and go to the voters with an initiative petition that would attempt to implement some of the task force's four major recommendations.

Mater, who is working on the initiative petition drive, said the initiative will deal with one of four

major recommendations approved by the task force:

- Capping awards for non-economic damages, such as "pain and suffering," at \$100,000. That compares with a \$500,000 cap proposed by the legislative task force.

- Eliminating punitive damages except where they are required by state law. The legislative task force merely proposed making them non-insurable and requiring half of the damages go to the state.

- Eliminating joint liability, which means that someone who is only partially at fault can be forced to pay all the damages simply because the other defendants can't afford to pay. The legislative task force suggested doing that only for defendants who are less than 20 percent liable.

- Allowing other payments, such as health insurance to the plaintiff, to be deducted from damage awards. That is essentially the same recommendation the legislative task force made.

Atiyeh said his panel's recommendations haven't been sent to

the Legislature so far because he has been consulting with Attorney General Dave Frohnmayer's office about how many of the proposals can be put in one bill.

Frohnmayer's office has now told him all the tort reforms can be put in one bill, and Atiyeh said he has lined up legislators to introduce the measure.



Robert Skinner
Reg. Investment Advisor



for **FREE** beginner or advanced
investment information packet; just call.

6500 S.W. Beaverton-Hills Hwy. • Suite D • Portland, OR 97225
(503) 297-5470

ROBERT SKINNER

ASSOCIATES

Registered Investment Advisor

Investment Management

- Over \$20 Million Under Management
- Specializing in No-Load Funds
- Mutual Funds with Market Timing Programs
- Minimize Market Risk
- Maximize Potential Growth

Commercial Gravel Quarry
(Serving Portland Eastside)

APARTMENT LOANS
\$500,000 to \$10,000,000

CONSTRUCTION LOANS

PERMANENT LOANS
Adjustable Rates or Fixed Rates
to 10 Years

WHEN YOUR BURGLAR ALARM GOES OFF
THE POLICE WILL ARRIVE WITHIN 15 MINUTES.*

**When your Sonitrol
alarm goes off,
the police will arrive
within 5.29 minutes.***

You're safer with Sonitrol.
Find out why. Call 223-5822 for complete information
and comparisons today—because tomorrow may be
too late.

THE BULLETIN **Editorial**

An Independent Newspaper

Robert W. Chandler, Editor

Betsy McCool, Chairwoman

Gordon R. Black, Publisher

Rick Attig, Associate Editor

Steve Bagwell, Managing Editor

Bill Bigelow, Sports Editor

Frank X. Fiedler, City Editor

Diane Kulpinski, Photo Chief

Janet Stevens, Deputy Editor

Atiyeh deserves praise

The Oregon Quarterly, a magazine published by the University of Oregon, makes a good point in an article in its current issue. Measure 5 gets a lot of attention from Oregonians, particularly officials at various levels of government, who blame it for all the ills of the state. But Oregonians have short memories. Vic Atiyeh, who became Oregon's governor in 1979, had just as tough a time balancing the budget as Barbara Roberts has had. During his years in office Atiyeh had to call the Legislature into session four times to cut the budget. He managed the state during some of its toughest economic times. He did it quietly and professionally and competently, and practically no one noticed and few gave him any credit.

Our Views

Nice job, Gov. Atiyeh

When Gov. Vic Atiyeh leaves office Jan. 12, after having served a pair of four-year terms as the state's top elected official, he should depart with his head held high. His dedicated service as Oregon's 33rd governor was in the best tradition of the office.

That observation might come as a surprise to some who have listened to the governor's critics in the past few years. To hear them talk, Atiyeh has done little or nothing, thus leaving a leadership void that created many of the state's current problems and woes.

Don't believe it. Atiyeh kept Oregon's ship of state afloat through some of the worst gales ever to drive it toward the reefs of economic disaster.

Someday, soon we hope, he'll get the credit he deserves. His steady, underpublicized leadership prevented us from heading for the lifeboats in panic, though at times that seemed like the most reasonable thing to do.

Unlike many today, who seem eager to criticize the man, we're proud to say we liked him from the very first, and we endorsed him with confidence in 1978 and 1982. Although the governor and this writer didn't always agree, we'd like to note for the record that he never disappointed us.

Oregon was rolling along when he took office in 1978 — after he defeated Democrat Bob Straub 498,452 to 409,411 — but the state's economic engine was running on fumes. The huge budget surplus of 1979 soon was nothing but a fond memory.

High oil prices hit the United States hard when 1980 arrived. The nation's economy ran out of gas, and sputtered into a deep depression/recession: In Oregon, where housing and lumber set the pace for everything, the bottom fell out. Instead of discussing ways to use surplus funds, state officials were soon meeting with the legislators in special sessions to make budget cuts and decide on layoffs.

Atiyeh didn't try to hide the problems, or suggest that somebody else was responsible. He faced the reality of Oregon's problems and worked hard — darn hard — to make sure that it, its government and its citizens would survive to enjoy better days.

Oregonians know that truth deep down. That's why they overwhelmingly re-elected Atiyeh to a second term in 1982 when they gave him 639,841 votes to Democrat Ted Kulongoski's 374,316.



Gov. Atiyeh

Today, the governor deserves credit for holding state government together when financial disasters and political struggles had many talking major demolition. Through his highly visible — and sometimes unpopular — efforts both at home and abroad he also put to rest the idea that Oregon was closed to outsiders, including new business.

Both of those accomplishments set the stage for the state's current recovery. And they open the door to opportunity for Gov.-elect Neil Goldschmidt, who has plans to shift the economy into high gear.

What impressed us most over the past eight years of trials and troubles was Atiyeh's gentlemanly style. He always maintained his ability to smile and offer a kind word, his openness and candor, and his constant optimism. The latter, generated by his pride in this state and its citizens, was probably best said in a bumper sticker he introduced in February 1986. In bold letters it proclaimed: "I'm proud to be an Oregonian!"

Thanks, Vic. We're proud that you were — and still are — an Oregonian. — R.A.S.

ON HIS 57TH BIRTHDAY last week, Gov. Vic Atiyeh received the movie soundtrack of "The Sound of Music," from his longtime secretary, Glenna Hayden. What's more, this lover of Broadway show tunes, had a group from St. Joseph's School in Salem drop by to sing "Happy Birthday," before he was rushed off to a surprise luncheon planned by Jim Campbell, who was bye bye on business.

Those who made it included the governor's brothers, Ed and Richard Atiyeh, Tom Galt, Jack Havens, and Dr. Paul Folquet — friends since Washington High and University of Oregon days.

The birthday gift from Dolores was no surprise, as Birthday Boy picked it out of the Sears catalog himself. He wanted a balance scale (the infuriatingly accurate kind in the doctor's office) to make certain all those ham-and-rum-raisin sauce dinners don't get him out of shape.

O/NORTHWEST

The Oregonian, Tuesday, November 27, 1984

Section

Editorial, Forum

Austin to quit as veterans' chief

SALEM (AP) — Staryl Austin Jr. is stepping down Dec. 31 as director of the Department of Veterans' Affairs after four turbulent years in one of state government's most visible hot seats.

Gov. Vic Atiyeh confirmed Monday that Austin, 64, is retiring. The governor said he expects to name a replacement soon, so the new director can get ready for the 1985 legislative session, which starts Jan. 14.

Whoever is named to the job will head an agency that administers a \$5-billion home and farm loan program for veterans. It is the nation's largest home mortgage program, outside of the federal government, with 144,000 loans outstanding as of June 30.

Ede Schmidt, the governor's assistant for executive appointments, said she expects a replacement will be named by mid-December. The nominee must be confirmed by the DVA advisory committee and the state Senate, she said.

Austin considered retiring at the end of last year but stayed on, he said, until he was satisfied with the progress being made in fiscal and program management.

Austin's tenure was marked by controversy, some

of it from policy and program changes, some of it from management errors.

Poor economic conditions and financial problems caused by high interest rates on bonds sold to finance the loans added to his woes, though supporters credit him with taking unpopular steps needed to strengthen the agency's fiscal health.

"He's taken a lot of abuse he doesn't deserve," Atiyeh said. "He's done an absolutely outstanding job."

"He's moved the program toward sound management and he's gotten it on a sound fiscal basis," said state Treasurer Bill Rutherford.

One of Austin's first moves as director was to raise interest rates on variable-rate loans — catching most borrowers by surprise — in a move to improve the agency's cash flow.

He said the action was dictated by federal legislation that put restrictions on the use of bond proceeds and by the onset of the recession from which Oregon has yet to fully emerge.

Austin has not been shy about contracting with private consultants for financial advice.

The agency's 30-year cash-flow projections are

now reviewed annually by independent accounting firms. In addition, he and his staff have relied on Wall Street analysts for advice in planning bond sales and devising alternative methods of financing loans and payment of property taxes.

The department is battling a lawsuit by a veterans' group that seeks to invalidate the agency's way of billing its borrowers for property taxes. The state Court of Appeals recently declared the method illegal but has agreed to reconsider its decision.

The retirement of several longtime managers cleared the way for Austin to revamp the agency's administrative structure and surround himself with hand-picked aides. A longtime friend, Clint Gruber, became deputy director in March 1981.

Atiyeh refused to say whom he is considering as a replacement.

"We're talking about that right now," he said. "There are candidates both in and out of the department."

Gruber said Monday he isn't seeking the top job.

However, Jon Mangis, administrator of the Veterans' Services Division, said he had thrown his name in for consideration.



STARLYL AUSTIN JR.

obituaries

The Observer, La Grande, Oregon, Thursday, December 6, 1984

Miriam B. Taylor

Miriam B. Taylor, North Powder, died Wednesday at St. Anthony Hospital in Pendleton. She was 79.

Arrangements will be announced later by Daniels Valley Funeral Chapel.

Nick Bouvis

Nick Bouvis, of La Grande, died this morning at Valley View Manor. He was 87.

Arrangements will be announced later by Daniels Valley Funeral Chapel.

Atiyeh wants raise

SALEM (UPI) — Gov. Vic Atiyeh said today he supports a recommendation that his and future governors' salaries be increased by 30 percent to \$72,000 a year.

"The office of the governor should be a higher pay level than it is," he said.

with budgets of more than \$1 million.

If Governor Atiyeh had gotten his way, Oregon would have been among the major spenders. He recommended a \$2.5 million recruitment budget for 1983-85, but the legislature, arguing that substantive programs, not glossy advertising, should be the thrust of business development efforts, whittled the figure down to \$850,000. Atiyeh is expected to unveil his budget recommendations for the 1985-87

the image is superficial and because competition from other states is so intense, promotional campaigns are essential, they say.

"The concept of Oregon is changing," says Robinson of Tandem Computers. "I think they got a bad rap in the '70s, one they're still trying to get over."

*Governor:
I thought you
might enjoy a little
"shot" out of the
past.
David*

ments from business executives in Clatsop County support claims that is known — or was known — for growth policies.

"You'd asked me three months ago what impressions of Oregon were, I have been very negative," says Kramer, director of facilities planning for Rolm Corporation of Santa Clara. "But now things seem to be changing."

Echoed Frank Robinson, real estate manager for Tandem Computers, Cupertino, Calif., "The concept of Oregon is changing. I think they got a bad rap in the '70s, one they're still trying to get over."

Robinson was with Data General in the mid-1970s when the company hit so many snags in negotiations for a plant site in

Eugene it finally pulled away entirely. Kramer worked with Hewlett-Packard Co. in a dogged fight to establish a plant in Corvallis. Stories about such experiences quickly spread through Silicon Valley companies, souring site selectors to the idea Oregon could be a future home.

The recent repeal of the state's method of unitary taxation and the momentum generated by the industrial growth in Washington County reportedly are the major forces behind Oregon's changing image.

"I've seen a dramatic shift in perceptions," since the announcements to build plants in the Portland area were made by NEC, Fujitsu, and Epson, said Anderson. "The net effect in the world marketplace has been absolutely stunning. In effect, Oregon has become a household word. I think we've finally buried that self-satisfied, smug image."

Oregon has yet to gain the unconditional endorsement of the entire business community, however. Executive and blue-collar workers alike continue to criticize personal income tax rates, and developers continue to blast land use regulations. Adding fuel to their complaints are several national surveys that have found Oregon one of the less desirable states in the country to do business. The highly publicized study by the accounting firm of Alexander Grant Co. found only Michigan a worse place than Oregon to build a general manufacturing plant. Another survey by *Inc.* magazine of each state's ability to attract and foster small businesses ranked Oregon 39th among the 50 states. Oregon officials have criticized these studies for

At A Critical Juncture

Those behind the marketing push counter that Oregon is at a critical juncture. Oregon stands to benefit from the growth of Silicon Valley companies, they say, but only if it squelches the anti-business image once and for all. Because

GOVERNOR WHO?

No one in Oregon's business community would have believed it possible just a few months ago, but there it was in black and white in the November 5 *Seattle Post-Intelligencer* newspaper: a three-quarter-page ad pointing out that Oregon was a big success at economic development because of its outstanding governor, while Washington was not because it lacked leadership in the state house.

Of course, the ad was paid for by the Democratic candidate for governor, Booth Gardner, but even so, no one in Oregon would have imagined an ad with content such as the following:

"Oregon's economic development program is working like gangbusters. Ours is a flop. What's going on here? . . .

"Oregon Governor Vic Atiyeh came up here and hired John C. Anderson —

How come Oregon gets the lion's share of all the new Hi-Tech industries?

Gardner a Democrat who really means Business.

STRANGE ADFELLOWS: This ad praised Governor Atiyeh to help win a Washington election.

the bright young head of the Puget Sound Economic Development Council — to be his economic development director (Not quite true — Atiyeh hired Anderson from his job in Eugene as head of the Oregon Pacific Economic Development Corporation. Eugene lured Anderson from Washington.) . . .

"Oregon's Governor involves himself personally in the new business effort and has conducted face-to-face negotiations with all the major new investors. Washington's Governor delays, waffles, temporizes, leans both ways, won't answer his phone calls and then blames the results on somebody else."

It wasn't too long ago that criticisms like the above were directed at Atiyeh. But times do change. They sure do in Washington, since Gardner won the election and will be taking over as governor.

Atiyeh's 4 years marked by rapid changes in state

JAN 06 2005
Atiyeh

By FOSTER CHURCH
of The Oregonian staff

845

Vic Atiyeh — the man no one delights in hating — has made few enemies, a host of friends and an equally vocal gallery of constant critics in his 24 years of public service.

Even his gubernatorial opponent, state Sen. Ted Kulongoski, D-Junction City, admits that Atiyeh is a decent man, a politician of principle and general good intentions.

Opinion concerning Vic Atiyeh has experienced none of the swings between poles that might accompany a more controversial politician.

His supporters claim that his diligence, fairness, attention to detail and implacable solidity have guided state government though its most turbulent era.

His detractors acknowledge his solid decent qualities. But they add that essential elements are missing: imagination, vision for the future, the toughness that would allow him to bang heads together, make hard choices and move ahead.

Opinions about Atiyeh may break down along party lines, with Republicans generally supporting him and Democrats generally opposing. But, even among his harshest critics, the objections usually concern not how badly he has performed, but how much more he might have done.

Rep. Vera Katz, D-Portland, a liberal Democrat and a member of the Joint Committee on Ways and Means: "He does many things very well and quietly, and maybe one of the criticisms of his administration is that people don't know what he has accomplished. He is not a showman. He is a hardworking, caring, diligent person — and he plays it very safe."

Katz adds that he lacks foresight, that his economic development plans have been too little too late, and that he refuses to "knock heads" among his staff and force action.

Bob Straub, a Democrat and former governor of Oregon: "I think his strength is that he performs above the level of political considerations. He wants to do a good job. His objective is to try to serve the people of Oregon. I think his weakness is that he is doing what he told the people he would do, and that is nothing."

John Lobbell, a career bureaucrat appointed by Atiyeh as Public Utility Commissioner: "As far as pure management and getting departments moving to where they are going, the Atiyeh administration is the best I have worked with. I have never seen an administration that has involved itself so thoroughly in the budgeting process."

Dave Barrows, a lobbyist for savings and loan institutions who has spent 20 years in the state capital: "He is fair, restrained and reasonable. I think he has been a good governor. I think he has brought some stability to that office in



GOV. VIC ATIYEH — Political foes and friends alike say he has a behind-the-scenes style of leadership.

the sense that he has focused a lot more on managing. If you had to describe Vic, he is the antithesis of the hip shooter. He is analytic, a man of great togetherness."

More than any recent administration, Atiyeh's four years have been marked by rapid change, almost all of it caused by the deteriorating Oregon economy. Plummeting state revenues and his attempts at dealing with problems that resulted have been the sharpest test of his administration.

Elected at a time of relative prosperity after the turbulent administrations of Tom McCall and Bob Straub, Atiyeh perceived his role as a manager who would consolidate strengths in government, manage prudently and generally conduct a housekeeping administration.

He emphasized volunteer activities in his inaugural address, and the phrase, "If it ain't broke, don't fix it," became a catch-phrase to describe his approach to government.

Atiyeh now says that the phrase does not do justice to his approach and that he has been just as likely to fix broken machinery as to leave an operating machine alone.

And when Atiyeh took office in 1979, the machine that needed repair was the property tax system. Debate over the issue became his first significant test as governor, and some believe the outcome is still with him.

Voters in November 1978 rejected a 1.5 percent property tax limitation measure. Faced with a \$722 million sur-

plus at the beginning of the 1979 session, the Legislature had two alternatives.

The first would have been to enact its own property tax relief system that would head off any further efforts to limit taxes constitutionally.

The second was to enact a plan put forth by Atiyeh. It would have limited local property taxes in owner-occupied homes to 1.5 percent of assessed valuation. The assessment would grow at a rate no greater than 7 percent yearly.

The Legislature passed over Atiyeh's plan and instead chose the current system by which the state can pay up to 30 percent of the property taxes on owner-occupied homes.

The plan, which at the time had great popular backing, cost \$705 million over two years. Some legislators believe it set the groundwork for the state's current budget problems.

In addition to the tax relief program, the Legislature passed a variety of other measures that cut into the general fund budget.

Some of Atiyeh's detractors argue that his inability to pass his own tax relief program and forestall other raids on the general fund budget showed weakness as an executive and laid the ground for the state's current budget problems.

Said John Mosser, a Portland lawyer who was director of finance for Gov. Tom McCall, "Really, he got into deep trouble in my opinion in the first legislative session. He was least effective in doing what he wanted to do. In essence, they gave away the store."

Mosser attributes some of Atiyeh's problems to the fact that two key members of his transition team — Lynn Newbry and Travis Cross — did not remain with him through the Legislature.

Atiyeh's supporters say that, given popular opinion at the time, and particularly considering the size of the surplus, there was little he could have done.

The deterioration of the Oregon economy began almost immediately after the 1979 legislative session. By June of the following year, a \$65 million revenue shortage was predicted, and by August, he called a special legislative session to deal with a \$204 million shortage.

Following a philosophy of balancing budget cuts with new revenues, he presented a package to the special session that was accepted.

But the cooperation between Atiyeh and the Legislature had unraveled by the 1981 session. The Legislature — including many members of his own party — dismantled his \$233 million tax package.

Some believe the failure embittered him and laid the groundwork for his most critical legislative encounter, which began in January, when he called a special session to deal with a deficit that was originally set at \$237 million

Governor right on bigotry issue

Gov. Vic Atiyeh's stress on the need for severe penalties for persons convicted of racial harassment came somewhat as a surprise in his "state of the state" message at the opening of the 1981 session of the Legislature.

The reluctance of some legislators to acknowledge the need for stricter laws was dismaying.

"That such terrorism could happen in Oregon today is a sobering reminder of the dormant seeds of bigotry," the governor said. He apparently was referring to the recent dousing of a black man with gasoline in a Salem bar, the harassment of a black family in Milwaukie, and reports of increased activity of the Ku Klux Klan in southern Oregon.

Whatever inspired the remarks, the governor was right in urging the lawmakers to allow the state to step hard on those who jeopardize others because of the color of their skin. The state must protect all of its residents and visitors, regardless of their origin.

It was dismaying to read that Senate President Fred Heard hesitated to endorse the concept of the governor's proposal. He said, "I've been following the concerns that have been expressed by people on this issue, but I would like to see what the bill says." We hope Heard's hesitancy is based more on the reluctance of a Democrat to accept a suggestion of the Republican governor than it is on questioning the appropriateness of stronger controls over active racism.

More dismaying, however, was the reac-

tion of Rep. Wally Priestly, D-Portland. Priestly is chairman of the House Committee on Aging and Minority Affairs and should be highly concerned about racism and its effects on minorities. He shrugged off the governor's proposal.

"It is my inclination that you cannot resolve the problem by increasing the penalty," he said. "Racism is inherent in this society, and I think you must deal with it by having a fair distribution of the wealth."

We disagree that racism is inherent. There is no inborn instinct to hate or even to fear (which is the basis of hatred). It is taught.

What Priestly means by "a fair distribution of the wealth" also confuses. It sounds good and may appeal to the people of his district in northeast Portland, but racism doesn't limit itself to the poor or the wealthy. The suggestion of redistributing the wealth has the connotation of taking from the rich and giving to the poor. That concept has little to do with racism. In fact, it probably would convert more people to racism.

Putting an end to bigotry is not easy. The end is more in line with creating understanding and a recognition of the rights of individuals as human beings.

But until bigotry is wiped out, there is a need to protect the innocent whether their skin is white or black or green or purple. And one way to discourage harassment is to require severe penalties for those who cannot control their bigotry.

Connelly 6-7

Stomp on it

Oregon has not had racial harassment to the extent that it exists in other states but there has been some of it and Gov. Atiyeh is well advised to stomp on it while it's yet controllable. If left unattended it will feed on itself.

The governor's proposal defines racial harassment as any attempt by word or conduct to place someone in fear of his safety or damage of his property because of his race or religion. It would be a Class C felony punishable by up to five years in prison and a \$2,500 fine.

Oregon has about 45,000 Hispanics and about 36,000 blacks. Together they make up about 5.5 percent of the state's population.

Many of the blacks reside in

Portland. There are ugly racial conflicts there, many involving young persons, but the worst cases of harassment cited by Gov. Atiyeh have occurred outside Portland.

The governor should be commended for moving boldly against racism. The legislature should follow his guidance in dealing with the problem.

THE DAILY ASTORIAN

An Independent Newspaper

J.W. Forrester Jr., Editor

Donald J. Budde, Gen. Mgr.

Todd Merriman, News Editor

Charles Savage, Retail Adv. Dir.

Tom Lane, Clsfd. Adv. Mgr.

Kenneth Bue, Production Supt.

James Crowl, Circulation Mgr.

The Oregon Capital
Statesman Journal

Sunday, January 7, 1979

william
bebout



Gov. Atiyeh may fare well as navigator

It is a tribute to the stern stuff of which Salem folk are made that they continue to greet one another with hope for the New Year even as they observe legislators slipping into town.

What a way to start a new year.

Poor 1979. It never had a chance, thanks to the Oregon Constitution which decrees that the elected representatives of the people shall meet every other year to conduct the public's business.

Let us pray that the Legislature, with its seemingly infinite capacity to do mischief, will do good.

Plato held firmly to the view that democracy is unworkable, and he has not been proved wrong. The jury is still out.

But if the judgment of history upholds Plato, it cannot be said that we failed to give democracy a grand try. And for all the bumbling, inefficiency and cost, our system is clearly superior to the obvious alternatives.

The most positive view of the legislative process as we know it, suggests that we ought to be thankful that 90 individuals with immense power collectively do so little damage when they gather in the odd-numbered years.

On the other hand, thinking negatively, isn't it remarkable how easily individual wisdom is transformed into collective idiocy?

Alas, our institutions reflect accurately the imperfections of human endeavor.

It can be said with certainty that we all will survive the workings of the Legislature and be able to wish one another "Happy New Year" in 1980, although perhaps less cautiously than in the week just past.

AS I WRITE THIS, THE leadership of the House of Representatives is in doubt. And I suspect that will be the case throughout the session no matter which member wields the gavel as speaker.

And once again, the most powerful figure in Oregon government will be Jason Boe, president of the Senate for a fourth consecutive term. I abhor Boe's style and many of his views on public policy, but I respect and admire his ability to make the most of a minimal grant of constitutional and statutory power. At least we know with whom we must do business.

IF GOV. BOB STRAUB had been re-elected, three members of the governor's staff would have been assigned to work with the Legislature exclusively.

Governor-elect Victor Atiyeh and his top aid, Lee Johnson, plan to handle the heavy dealing with the legislature personally.

They have the right training to be an extraordinarily effective legislative lobbying team. That is not their role, however, as they may learn quickly, and at the feet of none other than the aforementioned Sen. Boe, a specialist without peer in role-defining.

But I'm not predicting a disastrous relationship between Atiyeh and Legislature. If the initial approach doesn't work, Atiyeh and Johnson will alter it.

AMERICA'S MESSAGE



Democracy may not prove more durable than other forms of popular persuasion, but it is more fun to watch. When someone casts a vote, for instance, he thinks he is doing one thing, is told by the experts he is doing another, and history decides he has accomplished a third. The fascination for the voter lies in functioning simultaneously as the individual and the mass, in pulling the lever for the candidate who will presumably do him the most good, then discovering his vote is part

of a trend, which suggests in turn that everyone carries within his precious encasement a national consciousness, a common sense.

So we turn to the bone fossils of last week's off-year election, shocked to learn that while you Alaskans were voting in Governor Bill Sheffield because his opponent Tom Fink wanted to cart the state capital from Juneau to Willow, and while you New Yorkers were voting out Congressman John LeBoutillier because he gave you the creeps, all of you were also sending Ronald Reagan "a message." The message read: reduce unemployment, bring down the deficit. The President was being told what practically all U.S. Presidents are told two years after their chieftom is hailed: no mandate is forever. In presidential elections one votes for the sky. In off-year elections one looks at the street.

This minor truism was handed the Democrats as well. Twenty-six new seats in the House is fine, but not as heartening as 40 or 50 would have been, and a wash in the Senate is plain discouraging. Despite Tip O'Neill's *pro forma* yawp that the G.O.P. loss was "disastrous," it wasn't. The Democrats (and moderate Republicans) have simply been given more rope with which to hold the President in check, not to hang themselves or the nation. Profligate Government spending looks no more attractive today than it did two years ago. And the Republicans have been told that yes, there is some patience left for Reaganomics, but 1) that patience is not infinite, 2) it does not extend to far-right menaces, 3) it does not imply that Americans will drown the unemployed in order to stay the course.

In retrospect, items 2 and 3 should be especially gratifying for a people who spend so much time worrying about the quality of their collective character. Two years ago, the President's victory seemed to beckon every junior demagogue from his cave and crevice. Oh, the seething and panting of the NCPAC hit squads, the rough stuff of Jesse Helms. No more. Hardly a "right-wing kook," as they are dangerously dismissed, won national election last week. Neither, for that matter, did a left-wing kook. Wherever else the body politic has wandered lately, it seems now to wish to congregate at the center, and if the center has shifted to the right, the new centrists are still a long way from looking to the wild men for guidance.

As for the down and out-of-work, there can be little doubt as to the country's feelings in voting as it did last week. A jobless rate of 10% is simply too high to accept for long. The figure is not merely beyond the toleration of the unemployed, but of the employed as well, the majority who for the moment are enjoying lower taxes and slower inflation. The fact is that many of the haves in this election were voting for the have-nots. A vote like that is never solely practical.

How much of these decisions is conscious, no exit polls disclose. Political analysts have long proved it is *de rigueur* to shake up the parties in power, so in a sense this election was merely traditional, and in any case, a voter's mind is as often impelled by intuition as by will. Yet whenever that intuition seems to operate as part of a whole, one sees that nations do, after all, bear some relationship to human nature. Like the girl of the song, last week's electorate didn't say yes and it didn't say no. Nor did it say Democrat or Republican. What it did say is that after two years of whoops, recriminations and a lot of empty ideological howling, we are ready to see what this Administration can do under the normal constraints of caution and conscience. Most people live with such constraints, and in off-year elections we vote the way we live.

—By Roger Rosenblatt

On Election Day, an elderly couple enters the voting hall in the Connecticut town of Mystic

Statesman Journal



July 4, 1982

75 Cents
Single Copy

Oregon governor ranks 65th on state's payroll

Salary list on Page 6A.

By SUE HILL
Of the Statesman-Journal

Gov. Vic Atiyeh is top administrator in state government, but when it comes to drawing a paycheck, he ranks 65th among state administrators.

According to a new list of the top 125 administrators and elected officials prepared by the Statesman-Journal, doctors, educators and a handful of the governor's own top staff outrank him in pay.

Earning too little to make the top-125 list are four of the state's six constitutional officers, including Secretary of State Norma Paulus and State Treasurer Clay Myers.

The other two constitutional officers, the governor and the attorney general, placed on the list.

The highest paid woman in the

state, according to the list, is Betty Hawthorne, dean of home economics at Oregon State University. She earns \$56,500 a year, about \$4,000 more than the governor.

Four other women also outrank the governor in pay. They are Gerry Thompson, the governor's chief assistant; Dr. Carol Lindeman, dean of nursing at the Health Sciences University; Supreme Court Justice Betty Roberts; and Celeste Ulrich, dean of health, physical education and recreation at the University of Oregon.

About 50 doctors on the state payroll earn more than the governor, but only the 21 who hold administrative jobs show up on the list.

The list shows 35 administrators and deans in the state system of Higher Education earning more than Atiyeh.

Atiyeh's salary is \$52,094 a year.

That is nearly \$28,000 a year less than the top-paid state official, Dr. Leonard Laster, president of the Health Sciences University.

Of the top 125 wage earners, only eight are women.

Pay scales this year are skewed by a series of pay cuts that affected some, but not all, state employees.

The governor took a straight 6 percent pay cut July 1. Most of his top managers took a wage freeze on top of a 2 percent pay cut.

Administrators in the state System of Higher Education took a pay freeze.

Judges, whose salaries are protected by the state constitution, took no pay cut.

Some state managers, such as state Commerce Department Director Jane Huston and Public Utility Commissioner John Lobdell re-

Turn to SALARIES, Page 6A.

Salaries . . .

Continued from Page 1A.

ceived 3 percent pay increases July 1 because their departments were unaffected by the state's recent budget crisis.

No central list of employee salaries exists in state government.

The list that follows was compiled from figures provided by Personnel Division, individual state agencies and individual college and university budget offices. There is no way to verify that it is complete.

The list includes salaries in Range 36 and above, taking in top-echelon state managers and elected officials earning \$48,288 or more.

Secretary of State Paulus, Treasurer Myers, Labor Commissioner Mary Wendy Roberts and schools

superintendent Verne Duncan — who all took 6 percent pay cuts — did not make the list because they earn just \$42,864.

The list also does not include about 37 doctors, four assistant attorneys general and an unknown number of college professors who earn more than \$48,288 a year but do not hold supervisory jobs.

The list also does not show side benefits that some state employees receive.

For example, university presidents, the chancellor of higher education and the governor live in free state housing. The governor also receives a \$500-a-month expense allowance for entertaining.

| | |
|---|----------|
| 1. Dr. Leonard Laster, president, Oregon Health Sciences University | \$79,944 |
| 2. Bud Davis, chancellor, Higher Education | \$75,000 |
| 3. Dr. Ransom Arthur, dean, OHSU School of Medicine | \$72,752 |
| 4. Dr. Donald Kassebaum, director, OHSU Hospital | \$70,104 |
| 5. Paul Olum, president, University of Oregon | \$65,052 |
| 6. Robert MacVicar, president, Oregon State University | \$65,052 |
| 7. Joseph Blumel, president, Portland State University | \$65,052 |
| 8. Dr. Joseph Treleven, administrator, Mental Health Division | \$64,752 |
| 9. Dr. J.D. Bray, assistant administrator, Mental Health Division | \$64,752 |
| 10. Dr. William Brady, chief medical examiner, Health Division | \$64,752 |
| 11. Dr. Louis Terkla, dean, OHSU School of Dentistry | \$64,712 |
| 12. Derrick Bell, dean, UO School of Law | \$63,324 |
| 13. Ernest Briskey, dean, OSU School of Agriculture | \$62,400 |
| 14. Thomas Sugihara, OSU dean of science | \$61,152 |
| 15. E. Edward Wedman, dean, OSU School of Veterinary Medicine | \$60,840 |
| 16. Bill Lemman, vice president for administration, Higher Education | \$59,520 |
| 17. Dr. Victor Menashe, director, OHSU Crippled Childrens Division | \$59,112 |
| 18. Dr. Richard Rawlinson, clinical director, Dammasch State Hospital | \$58,728 |
| 19. Dr. George Suckow, clinical director, Oregon State Hospital | \$58,728 |
| 20. Dr. Prasanna Pati, clinical director, Oregon State Hospital | \$58,728 |
| 21. Dr. Max Bader, state health officer, Health Division | \$58,728 |
| 22. Dr. Vic Holm, superintendent, Dammasch State Hospital | \$58,728 |
| 23. Dr. Al Baxter, superintendent, Eastern Oregon State Hospital | \$58,728 |
| 24. Dr. George Miller, medical chief, Fairview Training Center | \$58,728 |
| 25. Dr. John Googins, chief, Office of Disease Monitoring & Control | \$58,728 |
| 26. Richard Hill, UO academic dean | \$58,704 |
| 27. James McGill, OHSU vice president for administration | \$58,692 |
| 28. Fred Burgess, dean, OSU School of Engineering | \$58,000 |
| 29. Ray Hawk, UO vice president | \$57,912 |
| 30. Robert Gilberts, dean, UO School of Education | \$57,739 |
| 31. Carl Stoltenberg, dean, OSU School of Forestry | \$57,616 |
| 32. Earl Goddard, dean, OSU School of Business and Technology | \$57,304 |
| 33. Betty Hawthorne, OSU dean of home economics | \$56,500 |
| 34. Lyle Calvin, OSU dean of graduate studies | \$56,460 |
| 35. John Lobdell, public utility commissioner | \$56,004 |
| 36. Fred Miller, director, Department of Transportation | \$56,004 |
| 37. Dr. Morris Crothers, Workers' Compensation medical director | \$56,004 |
| 38. Stan Long, deputy attorney general | \$55,920 |
| 39. Gerry Thompson, executive assistant to the governor | \$55,920 |
| 40. Dr. Larry Lewman, deputy medical examiner, Health Division | \$55,920 |
| 41. Dr. Ronald O'Halloran, deputy medical examiner, Health Division | \$55,920 |
| 42. Dr. Laurence Foster, program manager, Health Division | \$55,920 |
| 43. Dr. Rhessa Penn, community health chief, Health Division | \$55,920 |
| 44. George Keller, OSU dean of research | \$55,750 |
| 45. Theran Parsons, OSU vice president for administration | \$55,032 |
| 46. Ross Heath, OSU dean of oceanography | \$55,000 |
| 47. Dr. Carol Lindeman, dean, OHSU School of Nursing | \$54,665 |
| 48. Berkeley Lent, chief justice, Supreme Court | \$54,636 |
| 49. John Gruber, PSU vice president for academic affairs | \$54,600 |
| 50. James Todd, PSU vice president for finance & administration | \$54,500 |
| 51. Morrette Rider, dean, UO School of Music | \$53,528 |
| 52. Jack Hunderup, vice chancellor for facilities, Higher Education | \$53,316 |
| 53. Hans Linde, Supreme Court justice | \$53,304 |
| 54. Edwin Peterson, Supreme Court justice | \$53,304 |
| 55. Jacob Tanzer, Supreme Court justice | \$53,304 |
| 56. J.R. "Bob" Campbell, Supreme Court justice | \$53,304 |
| 57. Betty Roberts, Supreme Court justice | \$53,304 |
| 58. George Joseph, chief judge, Court of Appeals | \$53,304 |
| 59. Bob Smith, director, Executive Department | \$53,292 |
| 60. Leo Hegstrom, director, Department of Human Resources | \$53,292 |
| 61. Richard Ohvall, dean, OSU School of Pharmacy | \$53,250 |
| 62. James Reinmuth, dean, UO School of Business Administration | \$53,174 |
| 63. R.W. Chick, OSU vice president for student services | \$53,042 |
| 64. Celeste Ulrich, OU dean of health, P.E. & recreation | \$52,533 |

| | |
|---|----------|
| 65. Vic Atiyeh, governor | \$52,092 |
| 66. William Richardson, Court of Appeals judge | \$52,056 |
| 67. John Buttler, Court of Appeals judge | \$52,056 |
| 68. W. Michael Gillette, Court of Appeals judge | \$52,056 |
| 69. Kurt Rossman, Court of Appeals judge | \$52,056 |
| 70. John Warden, Court of Appeals judge | \$52,056 |
| 71. Edward Warren, Court of Appeals judge | \$52,056 |
| 72. George Van Hoomissen, Court of Appeals judge | \$52,056 |
| 73. Thomas Young, Court of Appeals judge | \$52,056 |
| 74. Robert Thornton, Court of Appeals judge | \$52,056 |
| 75. Michael Maksud, OSU dean of Health and Physical Education | \$52,000 |
| 76. Clarethel Kahanani, academic vice chancellor, Higher Education | \$51,648 |
| 77. George Hoffman, PSU dean of social sciences | \$51,490 |
| 78. Gerald Leinwand, president, Western Oregon State College | \$51,264 |
| 79. Rodney Briggs, president, Eastern Oregon State College | \$51,264 |
| 80. Natale Sicuro, president, Southern Oregon State College | \$51,264 |
| 81. Donald Parker, PSU dean of business administration | \$51,228 |
| 82. Dave Frohnmayer, attorney general | \$50,105 |
| 83. Staryl Austin, director, Department of Veterans Affairs | \$50,748 |
| 84. Lynn Frank, director, Department of Energy | \$50,748 |
| 85. H.S. Coulter, state highway engineer | \$50,748 |
| 86. Roy Green, director, Workers' Compensation Department | \$50,748 |
| 87. Kendall Barnes, chairman, Workers' Compensation Board | \$50,748 |
| 88. Ray Thorne, administrator, Employment Division | \$50,748 |
| 89. Jane Huston, administrator, Commerce Department | \$50,748 |
| 90. Robert Barr, dean, OSU School of Education | \$50,000 |
| 91. Bernard Ross, dean, PSU School of Social Work | \$49,871 |
| 92. Donald Leu, dean, PSU School of Education | \$49,820 |
| 93. Robert Berdahl, UO dean of arts & sciences | \$49,400 |
| 94. Davis Nicodemus, OSU dean of faculty | \$48,816 |
| 95. Judy Kuipers, OSU dean of undergraduate studies | \$48,750 |
| 96. Curt Simic, UO vice president for public services | \$48,684 |
| 97. Alfred Hampson, delegate, Northwest Power Planning Council | \$48,288 |
| 98. Leroy Hemmingway, delegate, Northwest Power Planning Council | \$48,288 |
| 99. Jon Yunker, state budget director | \$48,288 |
| 100. Bob Watson, administrator, Corrections Division | \$48,288 |
| 101. Jim Russell, senior assistant to the governor | \$48,288 |
| 102. Bob Oliver, senior assistant to the governor | \$48,288 |
| 103. Jerry Brown, deputy director, Department of Human Resources | \$48,288 |
| 104. Darrell Ralls, director, Department of General Services | \$48,288 |
| 105. Daniel Ellis, chairman, Employment Relations Board | \$48,288 |
| 106. Robyn Godwin, director, Department of Revenue | \$48,288 |
| 107. William Young, director, Department of Environmental Quality | \$48,288 |
| 108. Keith Putman, administrator, Adult and Family Services Division | \$48,288 |
| 109. Gerard Appy, executive director, Oregon Public Broadcasting | \$48,288 |
| 110. Leonard Kunzman, director, Department of Agriculture | \$48,288 |
| 111. Mike Miller, state forester | \$48,288 |
| 112. James Ross, director, LCDC | \$48,288 |
| 113. Mike Reynolds, chief hearings officer, Land Use Board of Appeals | \$48,288 |
| 114. Karen Roach, administrator, Children's Services Division | \$48,288 |
| 115. Cliff Allison, assistant attorney general | \$48,288 |
| 116. Theodore deLooze, assistant attorney general | \$48,288 |
| 117. Walter Berry, assistant attorney general | \$48,288 |
| 118. William Hoelscher, assistant attorney general | \$48,288 |
| 119. Peter Herman, assistant attorney general | \$48,288 |
| 120. John Reuling, assistant attorney general | \$48,288 |
| 121. Charles Pritchard, assistant attorney general | \$48,288 |
| 122. Jack Socolofsky, assistant attorney general | \$48,288 |
| 123. John McCulloch, assistant attorney general | \$48,288 |
| 124. Tom Clifford, legislative counsel | \$48,288 |
| 125. Rick Burke, legislative fiscal officer | \$48,288 |

Time

The governor's right

The following is quoted from Gov. Vic Atiyeh's "State of the State" address to the opening session of the 1981 Legislature:

In the last year, Oregonians have witnessed shocking and damnable incidents of racial intolerance. That these were isolated aberrations makes them no less traumatic to innocent victims, and no less abhorrent to me.

Nothing defiles humanity as much as outrageous acts of racism. That such terrorism could happen in Oregon today is a sobering reminder of the dormant seeds of bigotry.

But, when that cover bigotry is manifested in malicious and wanton racial harassment . . . when citizens fear for the safety of their lives and property . . . then we must be prepared to do more than sit back and call those depraved persons who are responsible "cowards" and "bullies."

I want this Legislature to make the act of racial harassment a crime in Oregon — a felony, punishable by fine or imprisonment or both. I ask you to join me in a resolute stand against bigotry, in the name of justice and equality.

However, the legislation I will offer in itself is not enough.

Citizens who "do not want to get involved" only give courage to the lunatic fringe. Never forget that if this degradation is allowed to continue because we do nothing to stop it, the bell may toll for any one of us.

I call on every citizen and every community leader to speak out strongly in condemnation of any kind of racial dis-

crimination . . . and I ask you to give this legislation your swift and sure approval.

The quotation is given in full to allow readers to absorb the full impact of it. Here is the governor of a state calling upon all citizens of good will to take an affirmative role in ending racial discrimination (at best) and racial harassment and violence (at worst). More, he would legislate against it in no uncertain terms.

Good.

The importance of his stand may be less in any ensuing legislation (which could be difficult to write in a precise manner, allowing of successful prosecution) than in setting an example, influencing attitudes and behavior, creating a climate in which bigotry and nastiness cannot long survive.

The governor is a good and decent man, and he is asking good and decent citizens to join him in the never-ending task of ensuring human and civil rights. If more men of his caliber, in high places across the land, were to follow his example, the nation would be better off.

Thanks, governor, we needed that. — E.A.

Med M-T
1-90

Give Atiyeh credit

Much of the credit for the decision of a Japanese steel maker to build a \$60 million plant in Oregon properly goes to former Gov. Vic Atiyeh. The company's decision to build the plant in the Willamette Valley represents the largest single Japanese investment in the United States in the past year and Atiyeh's efforts weighed heavily on that decision.

Soon after coming to the office of governor eight years ago, Atiyeh organized a campaign to make Oregon more effective in the development of trade with Pacific Rim countries. He led trade missions to Japan, Korea and Taiwan to discuss with government and private interests in those countries the prospects of increasing movement of Oregon products to those markets and encouraging them to consider making investments in the state of Oregon.

Oregon and its governor were in competition with representatives of many states. Persons knowledgeable about the competition have said that Atiyeh has been one of the most effective

of many governors who have called on the Japanese. He is liked and trusted by them.

After returning from his final trip to Asia as governor, Atiyeh said Oregon, under a new governor, could expect to reap the benefits of his efforts through new industry. He repeated that in announcing the decision of the steel maker to build in Oregon.

Critics have charged that Atiyeh was ineffective in coping with the impact of the recession on Oregon's basic economic components, agriculture and wood products. The truth is that he had a lot of company in his inability to get those sectors of the economy back on their feet.

When his record on economic development is analyzed it will be noted Victor Atiyeh recognized early that Pacific Rim trade presented Oregon with great opportunity and then proceeded to do all he and his office could to get that show on the road.

—Daily Astorian

*Daily Journal of Commerce -
Portland Business Today : Thurs, Feb. 5, 1987*

'When all the stuff you want costs more than you got'

by Anne McCarroll
Christian Science Monitor

Several elementary-school teachers in northern California asked their students two questions: What are inflation, recession and depression? And how can families save money? Some of their answers follow.

"Inflayshun," wrote nine-year-old Andrea, "is when all the stuff you want costs way more than you got."

Has any economist said it better?

Asked what inflation, recession and depression mean, the youngsters had interesting answers.

Carrie thought: "Inflation is when prices are so high people take a recess from shopping and that's recession, and then the store owners feel depresst and that's depression."

Jeremy expressed the current economic problems in personal terms.

"My dad says are nation is in hard times and everyone has to suffer some and how I am suffering is I can't get a vidyo game."

Not only are many children aware of economic problems, they have interesting suggestions for saving money and balancing family budgets.

Mark's approach is, well, relative:

"If I wore my worst clothes to my grandma's she'd say to my mom, Oh, my word Janet, this boy needs pants! Let's go to the Mall and I'll buy him some."

John apparently believes the adage, "It's an ill wind that blows no good." He sees opportunity for travel in his plan for economic recovery.

"To save money, my parents could sell our house and live in an apartment. They would save groceries if I spent the summer at the shore with my grandparents. In winter I could visit my aunt in

Vermont. She lives by a ski airea. For spring I'd visit my uncle in Colorado and we would fish for trout."

Susan takes a David Stockman approach — cutting costs, eliminating what she regards as nonessential.

"My mother could quit going to the beauty shop. She could wash her own hair. She could bake bread instead of buy it. My dad could give up golf and work more. My sister could go to less movies. And we could not have so many vegetables."

Jenny thinks her brother should sacrifice in the interests of fiscal responsibility.

"Jason could give away his dog which has terrible breath, fleas and smells awful when it rains. We could save a forchun on dog food. And our house would smell better also."

Matt would involve the commercial sector. He advises turning to the business community.

"I'd eat dessert at the savings and loan banks because most of them have cookies and the one on First street has hot chocolate and cookies."

Ted and Melissa think that society offers temporary respite from high food prices. But their approaches are not the same.

"You should accept all invitations," Melissa suggests, "like to weddings and chrisnings and barn mitzvahs and anniversorrys. And I would take Baggies and bring food home for snacks later."

Ted is a doer. He wouldn't wait to be invited. He advocates a subtle approach to generate invitations.

"A good way you could save on food is if you drop by your friends house before dinner. Then you mention to his mother how good it smells. She'll say what is cooking. Then you say it is your favorite. Next thing you know you're invited."

Rich thought of finding work —

briefly.

"I could get a paper route if I was old enough but I'm not. I'd need a bike which I don't have. Also, I got baseball practice on Monday and Thursday so I couldn't deliver on those days. Or on the Saturdays when we go camping. So probly some crabby people would complane."

Eric, like Thoreau, advocates the simple life. Well, fairly simple.

"I'd plant a garden and live in the woods sort of primitiv. I'd shoot peasants whenever I could and put them in the freezer for days when there wasn't many peasants to shoot."

He expressed one practical concern, however: "I have never aten any peasants but I hope I like them."

I hope someone warns the peasants.

Derek isn't much interested in the economy, but he did offer a suggestion:

"I don't know what recesshun is but if its about recess we sure could use more of it."

(Copyright, 1982, The Christian Science Monitor. Distributed by Los Angeles Times Syndicate.)



MEG GREENFIELD

'And If Elected, I Pledge . . .'

I have a new idea. This is not a declaration of candidacy, just an attempt to be helpful. I will tell you what my new idea is in a few moments, but first we need to take note of the far-from-new ideas—in fact, the truly grizzled practices—that have inspired it.

These practices are summed up in the suddenly heightened, intense and shrill competition among the Democratic candidates in recent days to outpromise each other vis-à-vis the party's ethnic and other constituencies. A serious-minded person—thank God, there are none around—would say that by last week the bidding had become not just shameless but actually disgusting. The commitments to do this or that were growing apace. And so, too, were the revisions of the historic record as the candidates tried to reconstruct their own pasts (favorably) and those of their competition (unfavorably) to reflect their lifelong devotion to whatever the cause at hand—and the other fellow's lifelong indifference if not actual hostility to it.

Competition: In New York, for example, where a big primary is soon to be held, Gary Hart was trying to remake Walter Mondale, a Zionist if ever there was one, as some kind of closet Arafat. And Mondale, provoked, was doing his best to return the favor. Both were trying to outdo each other in pledges. But this wasn't happening only in relation to and for the benefit of Jewish voters. Before each new group, it seems, the contenders get in a mad competition to show that they are more profeminist, say, or more pro nuclear freeze than the others, that they always have been and that they are more extreme in their devotion and that, importantly, the instant they get into office they will carry their particular audience's wishes further faster than any of the others will.

Several things about this situation (though surely not its newness: we have been through it a thousand times before) seem noteworthy to me. One is that it is testament to the fact that whatever they profess as candidates and however their nomination system may be arranged, Democratic politicians will manage to reduce their prospective electorate to its minutest subgroup special-interest parts, and pitch them all like crazy, never mind that some of the pitches conflict sharply with each other. I know that Republicans do this

too, and ardently, but generally speaking they are not nearly so good at it.

For the Democrats, of course, a reckoning of sorts regularly occurs at the convention when all their various groups inconveniently turn up at the same time demanding to be appeased. Republicans more often at such events are merely trying to reconcile the interests of their two main groups: the relatively sane and the absolutely lunatic. But the Democrats have the thing broken down much more finely, and this accounts in part for the superior fun and games they tend to produce at their nominating conventions as they try to get all the irreconcilables under one program and in one tent. Should their current three-man contest last till the

You do not have to look far to understand why people feel the way they do about campaign promises and positions.

convention, this year in San Francisco could be quite an example. For at some point, if this is still the situation, the Jackson program will need to be accepted in some part by a candidate who also will need the support of the many Jewish voters whom Jackson has totally alienated, just as the AFL-CIO's very hard-line foreign policy toward the Soviet Union will need somehow to be made compatible with the very different instincts of so many of the party's spokesmen and leading lights.

The promises that candidates make in the desperation of the quest to be nominated along with those that emerge from the chaotic convention bazaar have a special meaning, I believe, to the American people. They think these promises are bull. This, I submit, is one reason that people get so bored with those five-point plans that candidates are forever coming up with to solve whatever problem is bothering the particular group they are addressing that day. People know by now, in their infinite cynical wisdom, that even if this plan is any good, the poor guy probably won't be able to get it

through the Congress or even through his own administration and that maybe he won't even want to once elected.

As Ronald Reagan, of all people, gets ready to head off to China—the real one, I mean, not just Taiwan—and as the federal deficit under the ministrations of his economic managers and himself heads for a couple of hundred billion dollars, you do not have to look far to understand why people feel the way they do about campaign promises and positions. Some of the big ones, such as the attitude toward the two Chinas, get changed because of the overwhelming reasons for such change. Others, such as the deficit, get reversed because of an insistence on *holding on to* some campaign position that should be changed, in this case that regarding no raise in taxes.

Proposal: So what we have here are some campaign bids and pitches and pledges that routinely get reversed and others that probably should be. This leads me to my proposal. Gary Hart has recently identified one of his new ideas as that of establishing so-called training accounts for American workers, money set aside by them and their employers for a fund to retrain them should their jobs go down the chute. My new idea is the creation of "promise accounts" for presidential candidates—like various campaign-financing propositions, it could be extended to congressional and local races later. It would certainly solve the promise problem.

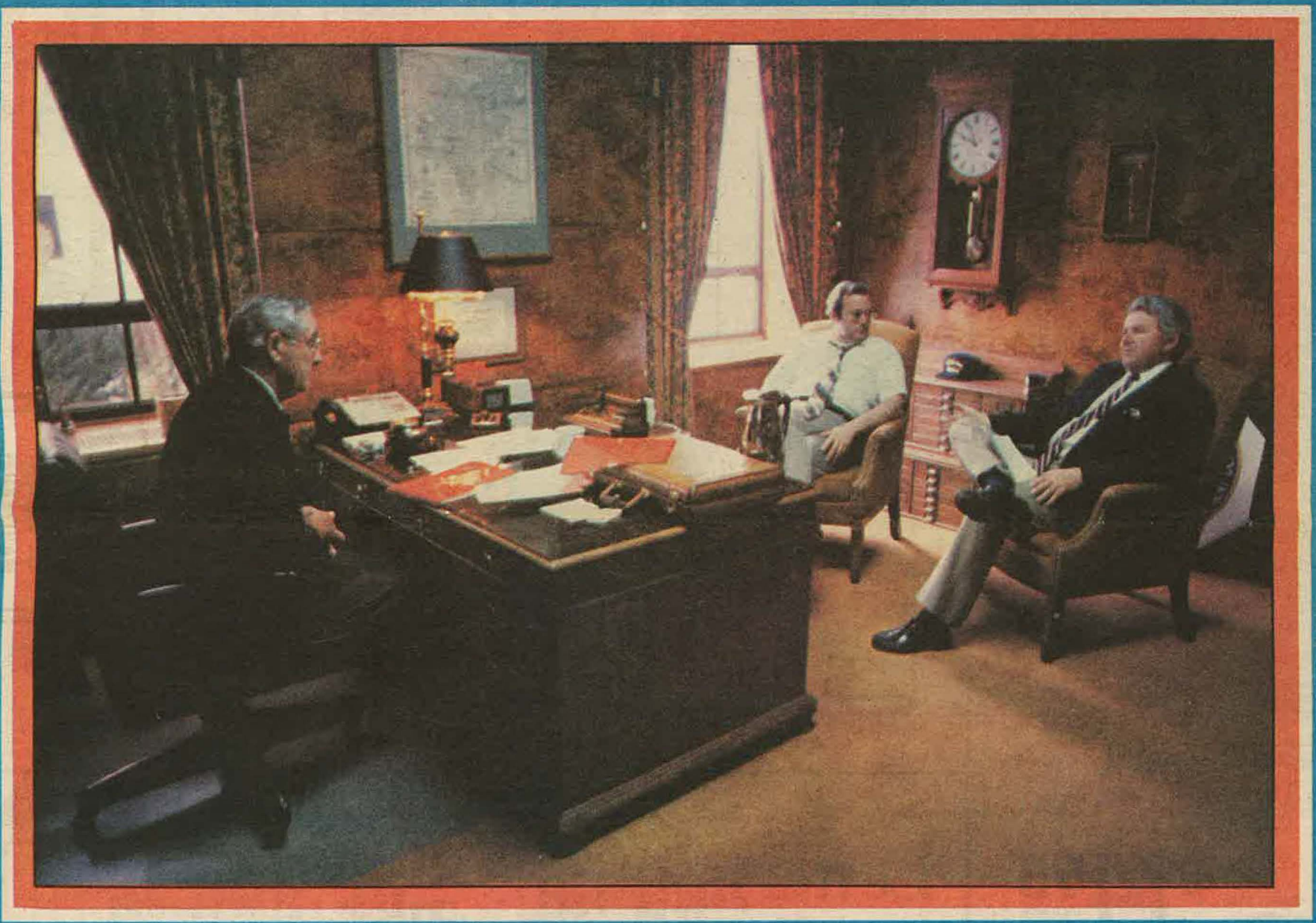
The thing would work this way. Each candidate would be allowed a given number of promises, be they ever so stupid or conflicting or implausible or—even—good. Of this fixed number, a fixed percentage, let us say 32 out of 85, would be stipulated to be revokable or, put differently, not serious. He would not have to say during the campaign which were those he planned to scrap or to dishonor. Everyone would be entitled to believe the pitch the candidate made to his particular group. All the candidate would have to do (with the help of the Federal Election Commission) would be to number his promises. Elected, he would be free to renege on 32 of them.

The numbers naturally are subject to negotiation. But I think the plan is sound. It could make honest men out of our promiscuously promising politicians. Despite themselves.

Inside:
CLICK

The Sunday Oregonian Magazine, July 24, 1983

Northwest



Taxed to the limit

1983... 1984... 1985... 1986... 1987... 1988... 1989... 1990... 1991... 1992... 1993... 1994... 1995... 1996... 1997... 1998... 1999... 2000... 2001... 2002... 2003... 2004... 2005... 2006... 2007... 2008... 2009... 2010... 2011... 2012... 2013... 2014... 2015... 2016... 2017... 2018... 2019... 2020... 2021... 2022... 2023... 2024... 2025... 2026... 2027... 2028... 2029... 2030... 2031... 2032... 2033... 2034... 2035... 2036... 2037... 2038... 2039... 2040... 2041... 2042... 2043... 2044... 2045... 2046... 2047... 2048... 2049... 2050... 2051... 2052... 2053... 2054... 2055... 2056... 2057... 2058... 2059... 2060... 2061... 2062... 2063... 2064... 2065... 2066... 2067... 2068... 2069... 2070... 2071... 2072... 2073... 2074... 2075... 2076... 2077... 2078... 2079... 2080... 2081... 2082... 2083... 2084... 2085... 2086... 2087... 2088... 2089... 2090... 2091... 2092... 2093... 2094... 2095... 2096... 2097... 2098... 2099... 2100...



Poll shows public divided on Atiyeh

By ALAN R. HAYAKAWA
of The Oregonian staff

As Gov. Vic Atiyeh leaves office, the public is evenly divided in its opinion of his performance during the past eight years, but the 44 percent who rate him "poor" or "not very good" marks a sharp decline from his standing five years ago.

In a telephone opinion poll of 804 randomly selected individuals taken for The Oregonian between Dec. 3 and Dec. 15 by Bardsley & Haslacher Inc., 3 percent rated Atiyeh's job performance as "excellent" and 42 percent rated it as "good."

Twenty-eight percent said it was not very good, 16 percent said poor, and 11 percent were undecided. His standing was somewhat weaker among older voters.

"Whenever you get a rating that splits, dichotomizes like that, those aren't good ratings," said pollster J. Roy Bardsley. "This is a weak rating, . . . certainly no better than mediocre."

The 44 percent negative rating is a sharp drop for Atiyeh from five years ago, before his 1982 re-election. A poll in December 1981 showed 52 percent "approved" and 10 percent "strongly approved" of the way Atiyeh was doing his job. On the other side, 17 percent disapproved and 9 percent strongly disapproved.

"The thing you've got to remember about Atiyeh," Gov.-elect Neil Goldschmidt said recently, "is that he was re-elected by the greatest margin of any governor in modern times."

"So in a sense you can't say anything about him; the voters have already said it all."

Atiyeh's performance

Thinking back over the past eight years, how would you rate Vic Atiyeh's job performance as governor?

| | |
|---------------|-----|
| Excellent | 3% |
| Good | 42% |
| Not very good | 28% |
| Poor | 16% |
| Undecided | 11% |

The Oregonian

Atiyeh commented, "I would have to think that's a fairly accurate representation of how Oregonians feel at this time."

He said the public might revise its opinion of him a year or two after he leaves office.

"In terms of what I know about Oregonians and the kind of job they wanted done, then I would think it would be better if they knew what I know. . . . The polls would be a lot better."

"So . . . it depends on how much they learn," Atiyeh said, "and if they do learn a lot, the poll will improve."

The poll found Republicans rated Atiyeh more positively — 4 percent excellent and 49 percent good to 29 percent not very good and 9 percent poor. Among Democrats, 2 percent rated him excellent, 34 percent good, 33 percent not very good and 23 percent poor. The balance of each group was undecided.

Enthusiasm for Atiyeh, at 63 a 28-year veteran of state elective office, was sharply

lower among respondents 55 or older.

Of voters 54 or younger, 47 percent rated Atiyeh excellent or good, with 41 percent rating him not very good or poor, and 12 percent undecided.

Of voters 55 or older, only 40 percent rated him excellent or good, with a much higher 52 percent rating him not very good or poor, and 8 percent undecided.

Atiyeh's press aide, Denny Miles, said the governor's support for the 5 percent sales tax, overwhelmingly defeated by voters in September 1985, clearly lowered the public's opinion of the governor. But he said the governor had known that might happen when he endorsed the tax.

Atiyeh was also the target of explicit and implicit criticism from both sides of the 1986 governor's race, with fellow Republican Norma Paulus keeping a careful distance from the him and Democrat Goldschmidt campaigning stridently against the "same old Salem crowd," by which he often meant Atiyeh.

The poll showed men and women thought Atiyeh's performance excellent or good in about equal numbers. The totals for men and women were also close on the negative side, but more men than women found his performance poor and more women found it not very good.

The results did not vary much by education, income or profession.

The chance that the poll results vary from the true figures for all Oregonians by more than 3.5 percentage points, either plus or minus, is one in 20.



He approached Atiyeh, who introduced him to state Treasurer Bill Rutherford and Roger S. Meier, then chairman of the Oregon Investment Council. The officials helped put together a deal under which the state bought into a loan from Standard Insurance Co., enabling Ward to buy the plant and reopen it early in 1985.

News stories about the deal did not mention Atiyeh's role.

"That was done because he really didn't want to have a big splash," Ward said.

"I guess it maybe is a good illustration of the administration," Atiyeh said. "I have done so many things, yet my style is not, every time I do something, to reach out and pull on the whistle.

"It's been a frustration to my close friends.

"Gosh, this sounds awful self-serving, but I'm going to say it anyway. I'm not a typical politician, I really am not. I'm only interested really in what happens."

Were there other companies he could have helped but didn't because they didn't know of his willingness?

"Oh, yes. That's why I kept struggling to tell people: 'Look, I'm here. Call me. Let me know what I can do,'" he said. "But people say, 'He doesn't really mean it,' and that's frustrating.

"But I can tell you, I know I did the job that was necessary to be done while I was governor of the state of Oregon.

"Oregon is a much better state, and Oregon's future is very bright. That's all I know."



Dolores Atiyeh prepares to greet her husband, Gov. Vic Atiyeh, as he returns from a trade mission to the Far East in 1984.



inds
elby
ool,

\$1.50

Oregon Business

Feb/81

**ATIYEH:
of carpets
and politics**

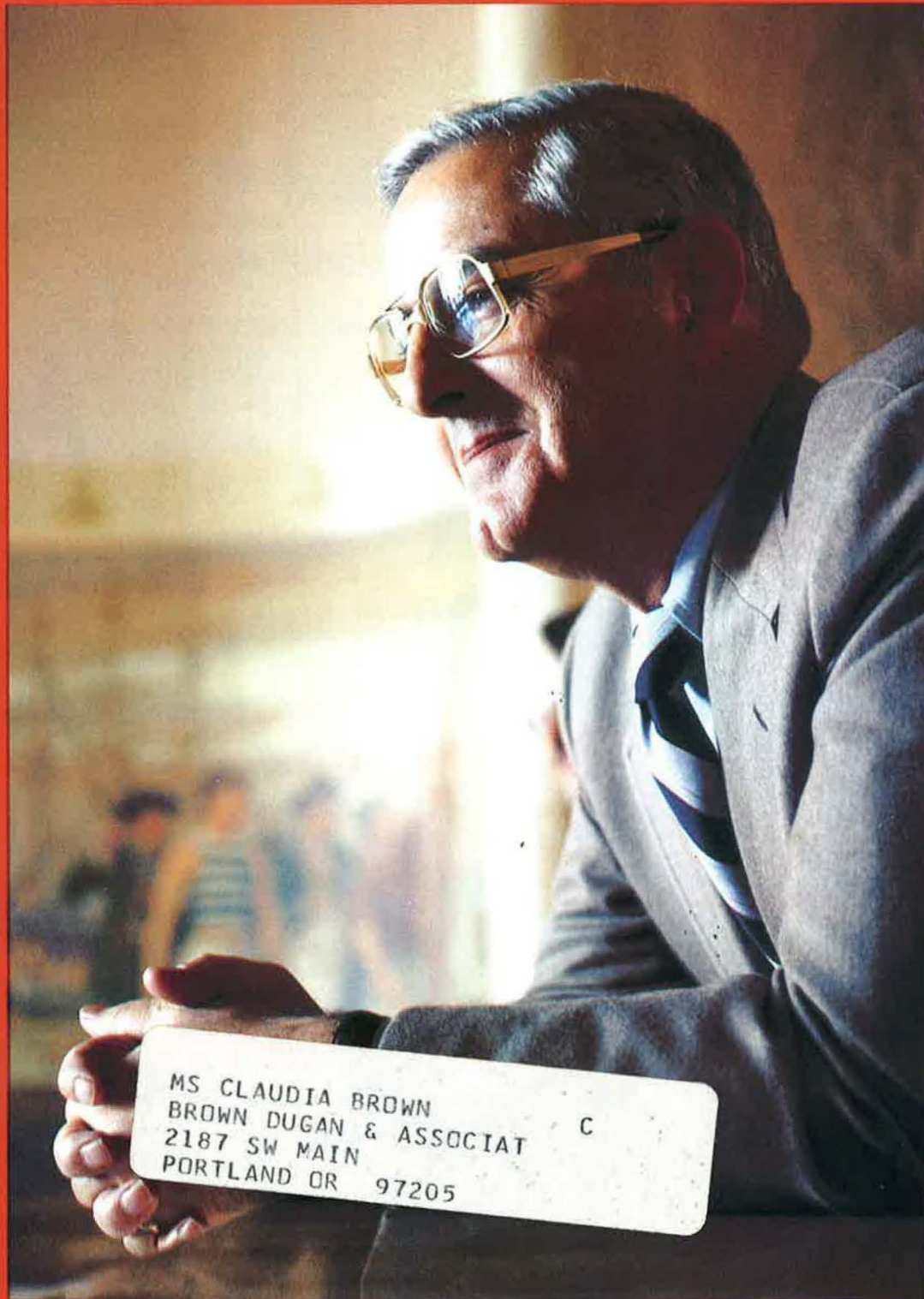
**Nike takes
the leap**

**Conflict over
Beaver Creek**

**Coping with
regulations**

**Oregon's
economy in
1981**

**Economic
roundup**



METRO/NORTHWEST

Local news, B6,7

The Oregonian, Sunday, December 28, 1986

B

Unfulfilled tasks shroud triumphs of Atiyeh's tenure

First of two parts

By ALAN HAYAKAWA
of The Oregonian staff

After nearly eight years of hard times in Oregon, it's difficult to remember the boom days of the late 1970s when Vic Atiyeh was elected governor.

And after the hard-fought 1986 governor's race, it's difficult to recall the Atiyeh who was re-elected in 1982 by a tremendous 61 percent to 36 percent ratio.

Victor George Atiyeh, who started his political career in the Oregon House in 1959, led the state through its worst economic times since the Great Depression, preserved basic state services, reinforced higher education, helped shape important state and national energy legislation and worked to diversify the state's economy by courting business around the Pacific Rim. A political career covering nearly three decades will end when the 63-year-old Atiyeh retires Jan. 12.

And Atiyeh says — somewhat defensively — that his successor will see much of the benefit of his efforts at economic development.

Lasting solutions elusive

But like his three immediate predecessors, Atiyeh struggled and ultimately failed to find a long-term solution to Oregon's school-financing dilemma and made only relatively minor changes in the state's tax system.

Although he generally has been a friend of resource-based industries and utilities, he has not made major changes in the state's environmental protections, and he has defended and strengthened some of them. He has not taken a major role in resolving labor disputes, and though not close to organized labor, has not attempted to reduce the scope of collective bargaining in the state.

"I've done what I said I was going to do in my inaugural address: to set a high standard in everything that I do," Atiyeh said recently. "I then challenged Oregonians to match or better that."

"I know I've done that; I've kept faith with them. I leave comfortable with that."

If Atiyeh is comfortable with his record, Oregonians seem deeply



SHAN GORDON

Gov. Vic Atiyeh recalls the successes and frustrations of eight years in the job. Atiyeh's tenure as the state's 32nd governor ends Jan. 12.

divided about his achievements, according to a recent poll conducted for The Oregonian. It showed 45 percent regarded his performance as governor as positive, while 44 percent thought it negative.

The public may not know much about his actual achievements, Atiyeh said, because publicizing them has not been important to him; it isn't his style.

"I'd like them to know," he said. "I suppose there's still naivete after 28 years that the good and the right things should prevail in the world and that bad ideas should fail.

"I know that's not the way it runs, but this is the way it should run."

Atiyeh was born in Portland on Feb. 20, 1923, near what is now Lloyd Center. His parents were Lebanese immigrants from a village called Amar El-Hosn in what is now Syria. His father, George, was a rug merchant.

"Can you imagine how grateful I feel?" he said. "I've been governor of Oregon; there's only 31 others in the entire history of the state. That's one great honor."

Atiyeh played football at Washington High School and for the

two years he spent at the University of Oregon. He declined an offer to play for the Green Bay Packers in 1944, choosing instead to run the family business after the death of his father. He married Dolores Hewitt, a high school and college classmate, in July 1944.

Their daughter, Suzanne, has a master's degree in fine arts from the University of California at Irvine and is married to artist Cody Bustamante. The Atiyehs' son, Thomas, has started a trading company called Atiyeh International.

Atiyeh said he has agreed to serve

as chairman of the board of Atiyeh International as one of his activities after leaving office. He said he also planned to start a consulting business specializing in international trade. He said he would not return to active participation in the business his father founded, now known as Atiyeh Bros.

In Atiyeh's eight years as governor, Oregon has gone from the 11th fastest-growing state in the nation to one that has lost population in three of the last five years.

In the 1986 gubernatorial race, Norma Paulus delicately but firmly

distanced herself from her fellow Republican, while Democrat Neil Goldschmidt railed against "the same old Salem crowd" and tried to tie Paulus to Atiyeh by asking voters whether they wanted four more years of the same kind of leadership.

How did this happen to a man re-elected in 1982 by the largest plurality since 1950? And just what kind of leadership did Atiyeh actually provide?

Long record of service

A moderately conservative, mainstream Republican, Atiyeh entered the governor's office in January 1979 with an already thorough knowledge of state operations, based on 20 years in the Oregon Legislature. He had served three terms in the House and was halfway through his fourth term in the Senate when he assumed the governorship.

Times were good. Housing starts and employment were strong; the state was growing, and the boom had left the state treasury with a \$200 million surplus and predictions for \$400 million more in 1979-81.

Then the recession hit. Oil prices drove up inflation, which affected interest rates, which tore holes in the housing industry. At one point in 1982, the forest products industry had laid off more than 30 percent of its workers. State revenues declined sharply just as demand for social services was mushrooming and inflation roaring.

Despite strident criticism of state government during the 1986 campaign, Atiyeh is regarded by some government, civic and business leaders as having been exactly the right man to lead the state through those challenging times.

Where his predecessors in an expanding economy broadened the state's role in environmental protection and land-use regulation, Atiyeh focused on maintaining basic state programs and streamlining government machinery.

To his admirers, Atiyeh's has been the rock-steady hand on the helm of the ship of state.

"Perhaps in a period of severe retrenchment, perhaps the governor's attitude towards the funda-

See ATIEH, Page B2.

Vic's comeback

Victor George Atiyeh, who went from 20 years as a Washington County businessman-legislator to two full terms as governor of Oregon, will step down from the state's highest elective office on Monday.

He will have served 2,926 days as chief executive of his native state. Atiyeh is only the fourth governor to serve two, full four-year terms. He will be tied with Mark Hatfield for longest tenure, or actual days in office.

Atiyeh leaves office with Oregonians split in their opinion of his record the past eight years. Some of these are people who earlier gave Atiyeh unqualified support. He drew 62 percent of the vote in the 1982 campaign for a second term, which, it might be remembered, came in the midst of economic downtime. Too many, perhaps, have been abrupt in judging his stewardship.

No Oregon head of state in this century, save for the early Depression years, faced tougher economics than Atiyeh. Forces beyond the control of Atiyeh and his administration took hold of the state.

Oregon was at the peak of an upward cycle when the bottom dropped out of the lumber market with shattering force for the state's No. 1 industry.

Atiyeh reacted to the economic skid with a tight rein on state spending and a commitment to smooth out the peaks and troughs of those timber cycles. The strategy he chose was diversification of the economy to attract new employers.

The governorship style of the Portland native might lack the bells and whistles of the Tom McCall administration that preceded by four years or the flamboyant Neil Goldschmidt who will follow. It has been, simply, one of the most responsible.

There are so many Atiyeh touches. They will be around to benefit so many Oregonians yet to be born.

It was not that many months ago he had the foresight to insure a place for Oregon at the highly successful Expo 86 in Vancouver, British Columbia. Despite the howls of those who said he was riding a white elephant, the governor traversed a financial tightrope — \$290,000 from the Oregon Emergency Board's tax money, \$2 million from the state lottery and nearly a half-million from private citizens and business.

Then he convinced a former legislative colleague, retired Corvallis publisher Bob Ingalls, to put it all together. The result was one of the top 10 sites for visitations at the most successful world's fair in four decades.

More than 1,000 business inquiries were received, "which will lead to new businesses located in Oregon or additional markets for Oregon products," according to Ingalls. As for taxpayer expense, the committee expects it will pay back more than \$140,000 of the \$290,000 in general fund money.

Turning to the other side of the ledger, Ingalls estimates total benefits to Oregon in the next five years should reach \$75 million. Of that, \$22 million will feed the state's fast-growing, third-largest industry — tourism.

On another front, it can be recalled how Atiyeh's determination led the Legislature into lifting the state's unitary tax. His contacts had convinced him the tax was a barrier to enticing new industry from Japan. Since its repeal, important new employers have come to the state.

Three of the biggest names in world electronics are becoming household words just in Hillsboro—NEC, Fujitsu and Epson. And, only last month, Atiyeh attended a news conference where another leading Japanese firm announced plans to build a state-of-the-art silicon crystal manufacturing plant in the Albany suburb of Millersburg.

He has laid the groundwork for the governor-elect to benefit from more new business projects in Oregon over the next few years. In fact, Atiyeh has admitted that in the future he might "wince now and then when I see (Goldschmidt) cutting a ribbon I could have been cutting."

Then comes the vintage Atiyeh: "But whether I get credit or Neil gets credit is less important than the fact that the people of Oregon are going to have jobs."

Agri-business is Oregon's second largest industry. In Washington County farmers sold \$116 million worth of crops last year. Eighty percent of the state's farm products are sold for export. Of all exports through the Port of Portland, 75 percent are Oregon farm commodities. Atiyeh has never lost sight of strengthening Agri-business.

One example of this salesmanship is found in the Pacific Rim. The Atiyeh administration persuaded McDonald's franchises in Japan to buy Oregon french fries. Today Japan alone consumes more than \$15 million in fries



people's forum

So helpful

I would like to thank the Forest Grove Library for its staff members who helped locate a book for me a couple of months ago.

The staff members were unable at first to help me find a book needed to help a family member in her reading. I felt that it was hopeless. Perhaps such a book of its type could not be found. Then, just before the beginning of the new year, a wonderful letter arrived from them telling me they had located the book.

Many of the staff members, as many people in the Forest Grove area might be aware, are giving of their time for us as wonderful volunteers. A big thank you to you and to any and all volunteers.

For your efforts, endless time spent—and the kindness, I am very grateful.

JANET L. KENNEY
Forest Grove

No surprise

It is with interest that I read about the profile of uninsured drivers by the State Department of Motor Vehicles (Dec. 27 issue of Argus). It should surprise no one that uninsured motorists drive much older cars and be younger than insured motorists.

Younger drivers must pay substantially higher rates than older drivers, and people who drive older cars generally have lower incomes than people driving new BMWs, meaning that those who can least

afford to pay must pay the most.

Even those of us who are older, married, have accident and citation free driving records have seen our automobile insurance rates skyrocket. Too many people must choose between paying the rent or feeding their families and buying automobile insurance.

In today's society an automobile is a necessity of life for most people. Without one, many jobs are unavailable.

The real problem is that "our" legislature allowed the automobile insurance industry to remove itself from the free market system, while retaining all of the benefits of that system. Conversely, the consumer must live with all of the disadvantages of that system while reaping none of its benefits.

Free enterprise isn't simply choosing who to do business with, but choosing not to do business at all. Choosing not to do business is the ultimate guarantee of reasonable prices or rates and is what makes free enterprise a consumer dominated system.

"Our" legislature took that power away from the consumer, leaving the insurance industry free to set rates based entirely upon their own economic interests and regardless of public interest.

What is needed is a publicly elected Insurance Regulatory Board to set maximum rates and regulate and define the services that the insurance industry must make available.

Why would someone owning two cars that are driven by no one else have to maintain liability insurance

on each vehicle rather than insuring his right to drive a vehicle?

Why should an industry have the right to raise rates by inflationary adjustments when they have a captive market?

The other solution is to return to the free market.

DANIEL

Detrimen

As an Aloha parent I am concerned about the detrimental effects that West Transfer Recycling have toward the safety of our community's children.

I am involved in volunteer work to inform the area residents of a potential problem and am thinking the 5,000 elementary and secondary students in the area within the immediate radius are in danger. The group to ultimately be responsible for negligence to safety through the WTRC would be the children.

The pedestrian and bicyclist are heavy all year long in the neighborhoods have paths to safely transport and cyclists.

To add to the concern of the students from the local schools or shine, walk to a facility off of 198th Avenue buses also transverse the south sides of TV Highway times each day.

As parents, how consciously unresponsive

Bill Chidester

Majority approves Atiyeh's performance

IE L. ZAITZ

gonian staff

© 1982, Oregonian Publishing Co.

EM — Six of 10 Oregonians approve the way Republican Vic Atiyeh is handling his job as governor, a poll conducted for The Oregonian indicates. Atiyeh received approval ratings of 52 percent or more of the respondents in 11 categories. Only persons in the 18-24 age group — those making less than \$10,000 a year — gave Atiyeh an approval rating of lower than 50 percent. Atiyeh as governor received particularly high approval ratings from persons who are Democrats, well-educated, have high income or who hold professional jobs. The lowest ratings were among Oregonians who are poor, have less than a high school education or who have blue-collar

education. Atiyeh received the lowest performance ratings from those in the interior of Oregon and on the coast while his lowest ratings in Southern Oregon and the Willamette Valley.

cast: showers;
48; low, 35;
rt on Page A25

Those polled were asked, "Do you generally approve or disapprove of the way Victor Atiyeh is handling his job as governor of Oregon?" Of those who responded either "approve" or "disapprove," they were asked whether they "strongly" approved or disapproved, or "just" approved or disapproved.

Overall, 52 percent just approved, 10 percent strongly approved, 17 percent just disapproved and 9 percent strongly disapproved. Twelve percent were undecided.

Atiyeh, who was elected in 1978, is seeking re-election this year.

According to the poll, as incomes went up, so did Atiyeh's ratings. Those giving the governor strong approval increased from 7 percent among those earning \$10,000 to \$17,499 up to 14 percent for those making \$25,000 or more.

Likewise, as income dropped, so did Atiyeh's ratings. Only 12 percent of those making \$25,000 or more just disapproved of his work. That climbed to 20 percent among those making \$10,000 or less.

In total, 70 percent of those making \$25,000 or more strongly or just approved of Atiyeh's performance. Among those making \$10,000 or less, he received a favorable rating from 48 per-

cent.

He also did well among those who had professional or managerial jobs, where 11 percent strongly approved and 61 percent just approved of Atiyeh's performance. Some 13 percent just disapproved and 7 percent strongly disapproved.

By comparison, 9 percent of the blue-collar workers strongly approved and 47 percent just approved of his work. Twelve percent strongly disapproved and 17 percent just disapproved.

A substantial difference in approval ratings also occurred when those polled were separated according to education.

Those who had completed college gave Atiyeh the best ratings — 72 percent approval. Of those with an elementary education or less, 54 percent approved of Atiyeh's performance.

Only 21 percent of those with a college education disapproved of the way Atiyeh has done his job, while 27 percent of those with high school education or less disapproved. Some 30 percent of those with partial college education disapproved of Atiyeh's job performance.

Broken down by political affiliation, Republicans were the strongest in their approval, with 15 percent saying they strongly approved of Atiyeh's work and

57 just approving. Even among Democrats and independents, Atiyeh drew majority support, with 61 percent of the Democrats and 57 percent of the independents approving of how he does his job.

Among age groups, Atiyeh drew his largest disapproval rating from those 45 to 59 years old. Some 33 percent strongly or just disapproved of Atiyeh's job performance. Still, 62 percent said they approved.

The poll was conducted by Bardsley & Haslacher Inc., a Portland-based research firm. Pollsters conducted 840 personal interviews around the state during the first two weeks of December. (A poll on the performance of President Reagan will appear in the Sunday Oregonian Jan. 24.)

The standard margin of error in such a sample ranges between 1.5 percent and 3.4 percent.

Here are the responses from the total sample:

ATIYEH'S PERFORMANCE

| | |
|---------------------------|-----|
| Strongly approve | 10% |
| Approve | 52 |
| Disapprove | 17 |
| Strongly disapprove | 9 |
| Undecided | 12 |

Poll on Portland mayor, City Council job performance on Page B1.

Leonard A. Forsgren
Chairman-Chief Executive Officer

Corroon & Black of Oregon
Insurance/Surety Bonds

1600 S.W. Fourth
P.O. Box 8699
Portland, Oregon 97207
(503) 224-4155

Week

Serving
432,189 homes by
guaranteed direct mail
Postal Customer
3 Sections
Copyright 1984, RFD Publications, Inc.
Portland, Oregon • January 25, 1984

MAGAZINE

Comics • TV • Jim Murray • Rolling Stone • Stock tips • Rukeyser • News Crossword • Horoscope • Gossip

Vic Atiyeh

Another side
of the governor

by Larry Leonard

Fingerprint kit for
in-home use . . . see
Fred Meyer section

Family Fun Night
basketball

by Harold Parrott

Frank Talk:
There's only
one Portland

PORTLAND'S MOST COMPLETE SOURCE OF FOOD ADVERTISING:

- Errol Heights Supermarket
- Food Warehouse
- Fred Meyer
- I.G.A.
- Keil's
- Kienow's
- R & R Market
- Safeway
- Sherwood Thriftway
- Strohecker's
- Super Food Barn
- Tualatin Thriftway
- Zupan's Super Center
- Black Angus Meats
- Danielson Super Center

• appearing in selected editions

RESIDENT
2103
1319 SW SKYLINE BLV
PORTLAND OR 97221

Attention Kmart Shoppers:

Due to year-end inventory, the prices in Kmart's advertising in today's paper are not in effect until Thursday, January 26th.

Win a trip to Mazatlan, Mexico
(Details on page 13-A)
18 or over
WIN \$650 CASH
17 and under
WIN A COLOR TV
(See page 3 in TV)

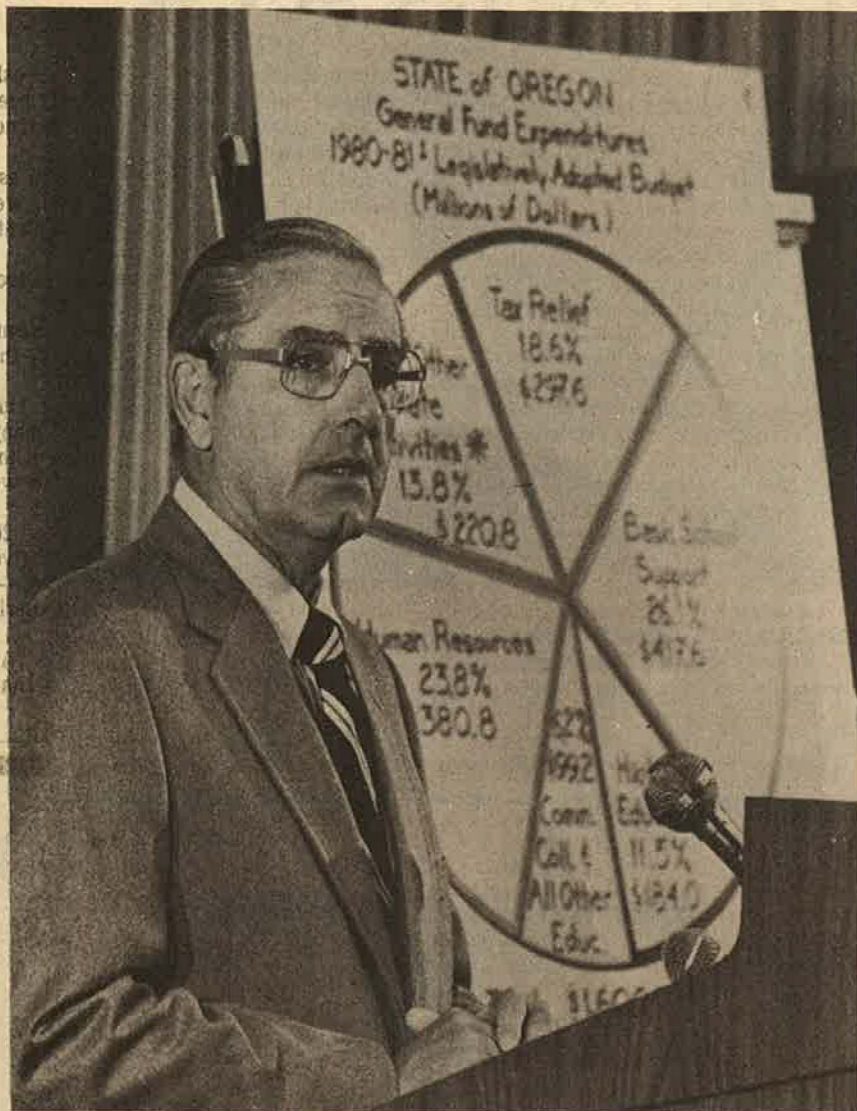
Special supplement in the TV section: Safeway

Special supplements in the first section: PayLess, Fred Meyer and *Standard Brands Paint

All advertising effective Wednesday unless otherwise noted

McMinnville photo
Rae Carey photo
82nd, Portland 777-5478

Atiyeh orders state agencies to reduce budgets 30%



EMPTY POCKETS — Speaking to a meeting of state agency directors at the Employment Division auditorium in Salem, Gov. Vic Atiyeh called Tuesday

for cuts of 30 percent for all state agencies to manage the state budget's \$204 million deficit.

CLAUDIA HOWELL/Oregon Journal

Atiyeh recall move declared continuing

By PETE McCONNELL
Journal Salem Bureau

SALEM — A movement to recall Gov. Vic Atiyeh will continue despite a recent contract settlement between the state and an employees' union involving approximately 120 striking non-security workers at two state prisons, a union spokesman said Tuesday.

"I feel very strongly that it (recall effort) will go ahead — and it will," said Judie Seibel, who filed the recall petition June 27 with the secretary of state's office.

Ms. Seibel, secretary and bookkeeper in the office of the American Federation of

AFSCME members became angry when the governor refused to honor an arbitrator's decision on a contract award for prison guards at two state prisons. The governor termed the award "excessive" and later appealed to the state Employment Relations Board and the Oregon Court of Appeals. The case currently is under the jurisdiction of the court.

Last week, the recall effort won the backing of delegates to the Oregon AFL-CIO convention in Portland and the subsequent support of the AFL-CIO executive committee.

Nelle Fox, political director of the Oregon AFL-CIO, said the recent contract

By DON JEPSEN
Journal Staff Writer

SALEM — Gov. Vic Atiyeh Tuesday ordered state agencies to cut their budgets by 30 percent for the remainder of the biennium to cope with a projected \$204 million deficit.

Atiyeh stressed that he wants the recommended cuts to minimize the impact on the state work force to avoid massive layoffs and curtailment of client services.

However, several agency heads said after the meeting that their only alternative is to fire personnel.

The governor's directive came during a meeting with agency directors in the Employment Division auditorium where he cautioned against cutting the Legislature's tax relief program.

"We're in an election year. Clearly it would be difficult, if not impossible, to cut the program with all 60 House members and half the Senate up for re-election," he warned.

Atiyeh has called a special session of the Legislature for Aug. 4 to cope with

the mushrooming deficit, largest in the state's history. High unemployment triggered by the downturn in the economy has curtailed state income and corporate tax collections. The May unemployment rate in Oregon was 8.6 percent, higher than the national average.

The governor said each agency should prepare a revised budget for the second year of the biennium that slashes spending by 30 percent. These will then be forwarded to the Executive Department, which will prepare the governor's revised proposal for submission to the Legislature.

Atiyeh pledged to support budget cuts that would have a minimum impact on the state work force.

"I don't want to add to the unemployment rate with a wholesale layoff of state workers," he said, "but that doesn't mean we won't look at a reduced work week or some other employment alternatives."

Atiyeh's warning about cutting property tax relief quelled rumors the program would be a likely target in making sav-

ings.

The 1979 Legislature appropriated \$297.6 million to offset homeowner levies. Voters in the May primary overwhelmingly endorsed the program.

Atiyeh also said it will be difficult to make drastic cuts in education, including basic school support, because of the "bloc of support" for schools and colleges. Basic support constitutes 26.1 percent of the general fund budget, while higher education, including community colleges, makes up 17.7 percent.

"I'm not sure where it's all going to come down, but these are the kinds of (political) realities we are going to have to deal with in an election year," he said.

Then he added, "We have to look at our work force in a realistic way so we can minimize layoffs."

Atiyeh said that doesn't mean agency heads can't look at some job shifting or shorter work weeks.

Acknowledging that the cuts will be painful, Atiyeh pledged to support efforts

to reduce spending the second year of the biennium.

"I will take the heat with you, or separately, however it comes," he said.

Agencies were directed to submit their proposals to the Executive Department by Friday. Atiyeh will then work out a recommendation for presentation to the Ways and Means Committee, which is scheduled to convene two weeks before the formal special session.

The first inkling of revenue shortfalls came early this year when Atiyeh sent out a directive warning agencies to restrict existing state operations in order to avoid a potential deficit.

That was followed last month by an order to reduce spending 2 percent across the board because of a \$65 million shortfall, excluding the cutoff of state revenue sharing that will leave the state short \$13 million.

The \$204 million deficit was revealed last week, leading to the call for the special session.

Budget-slashing task hazardous

By DON JEPSEN
Journal Staff Writer

SALEM — The painful task of paring \$204 million from the general fund budget is fraught with pitfalls for both the governor and the Legislature, which will convene in special session Aug. 4 to effect the surgery.

Gov. Vic Atiyeh set the wheels in motion Tuesday by ordering agencies which rely on the general fund to prepare revised budgets reducing spending by 30 percent for the remainder of the biennium.

The governor will take those recommendations and develop his own proposals for coping with the shortfall. Then it's the Legislature's turn to "wield the chain saw" as one observer put it.

Several factors are expected to complicate the process.

NUMBER ONE is the magnitude of the deficit, attributed to the economic slump that has struck hard at the wood products industry. The shortfall is, by far, the greatest in the state's history.

Secondly there are the political realities of tampering with programs such as the

1979 property tax relief plan and basic school support.

The Legislature approved the 30 percent rebate on homeowner levies to cool voter ardor for local property tax initia-

analysis

tives. The 9-1 vote margin in the May primary to continue the program is a pretty good indication the move was successful, although diehard 1 percenters have qualified a proposal for the 1980 general election ballot.

To cut property tax relief at this point would significantly boost the chances of its passage, dropping local government even farther in the hole with little hope of a state bailout this time around.

Atiyeh, in addressing state agency heads who depend on the general fund, said that it would be "difficult, if not impossible" to cut the program. He also warned there is a strong and effective constituency for basic aid to schools, along with education in general.

THE TAX PLAN and basic aid to

schools constitute roughly 50 percent of the 1979-81 general fund appropriation of some \$1.6 billion. That, said one knowledgeable observer, leaves the Legislature with a base of about \$800 million in expenditures from which to pare approximately \$204 million.

Human Resources, which accounts for 23.8 percent of the general fund budget, or \$380.8 million, is a logical target. So are higher education and community colleges, which account for 17.8 percent of the tax pie.

Atiyeh warned, however, that he wants to minimize the impact on people-oriented programs. Besides, he said, Human Resources has "already done a good job of cutting back" as it became apparent a deficit was in the offing.

That pretty well narrows the options to cutting state personnel.

Bob Smith, director of the Executive Department, conceded that employee layoffs are inevitable. He said it is too early to judge how extensive they will be, and said in some cases agencies may reduce the number of hours employees work.

He said the 30 percent reduction that

agencies must prepare does not mean an across-the-board reduction by that amount for each and every one.

"YOU DON'T THINK we're going to cut back the penitentiary budget by 30 percent, do you?" he asked. "Some agencies may hardly be cut; others may be cut more."

One observer said some "hard decisions" may be made on programs that have never really been popular with the Legislature. They include possibly axing the funding for boundary commissions, which had a rough go in 1979; doing away with — or at least suspending — the Ethics Commission, state grants to private colleges enrolling Oregon students and possibly curtailing the Land Conservation and Development Commission.

"You know the old saying, a million here, a million there, pretty soon you're talking about big money," he said.

But not big enough. Much more massive cuts will be required, and in the final analysis it probably will fall on state personnel.

Ex-food supervisor sentenced

By HANK BEALS
Journal Correspondent

BEND — Redmond School District's former food service supervisor was placed on three years probation Tuesday by Deschutes County Circuit Court Judge John Copenhaver.

Lewis Keeton, 32, of Sisters, was sentenced by Copenhaver after pleading

\$200 from the Redmond School District between Feb. 1 and March 30, 1979.

He was arrested on the charge in Jan. 1980.

Keeton had worked for the school district for 2½ years before resigning in November 1979.

Copenhaver also ordered Keeton to

Two great ways to charge

JCPenney VISA

to 56% off Fabrics

Salaries of legislative employees, at yearly rate

Story on Page 1A.

| NAME | TITLE | PAY |
|---------------------|---|----------|
| Richard Burke | Legislative Fiscal officer | \$48,288 |
| Thomas G. Clifford | Legislative Counsel officer | \$48,288 |
| Cleighton Penwell | Legislative Administration officer | \$45,996 |
| Bill Barrows | Legislative Fiscal deputy | \$43,836 |
| K. Beaufait | Legislative Counsel chief deputy | \$43,836 |
| Robert W. Lundy | Legislative Counsel chief deputy | \$43,836 |
| Art Wilkerson | Legislative Fiscal analyst | \$41,748 |
| Dan Simmons | Legislative Fiscal analyst | \$41,748 |
| Mike Stinson | Legislative Fiscal analyst | \$41,748 |
| Charles W. Wilson | Legislative Counsel senior deputy | \$41,748 |
| Richard Munn | Legislative Revenue officer | \$41,748 |
| Maribel Cadmus | Secretary of the Senate | \$37,848 |
| Marv Schirman | Legislative Administration director | \$37,848 |
| Allan Green | Legislative Research director | \$37,848 |
| Dale Claudel | legislative computer system director | \$37,848 |
| Kay Hutchison | Legislative Fiscal analyst | \$36,048 |
| Barbara Seymour | Legislative Counsel senior deputy | \$36,048 |
| Steven Meyer | Legislative Revenue economist | \$36,048 |
| Terry Drake | Legislative Revenue economist | \$36,048 |
| Sue Acuff | Legislative Fiscal analyst | \$34,344 |
| Steve Forrey | Legislative Fiscal analyst | \$34,344 |
| Joe Barkofski | Legislative Counsel deputy | \$34,344 |
| James Scherzinger | Legislative Revenue economist | \$32,700 |
| Howard Colley | Legislative Counsel deputy | \$32,725 |
| Chris Herndon | legislative computer system assistant director | \$31,152 |
| Karen Hendricks | House Elections Committee administrator | \$31,152 |
| James Havel | Senate Human Resources Committee administrator | \$31,152 |
| Celia Mason | executive assistant to House Speaker | \$30,864 |
| Barbara Hanneman | executive assistant to Senate President | \$30,864 |
| Gary Esgate | Senate Local Government Committee administrator | \$30,864 |
| Ken Otto | Legislative Administration assistant administrator | \$29,640 |
| Marlene Sjolander | legislative computer system senior analyst | \$29,640 |
| Linda Zuckerman | House Judiciary Committee co-counsel | \$29,640 |
| Carol Reno | Legislative Administration, fiscal manager | \$28,200 |
| Gail Ryder | House Intergovernmental Affairs Comm. administrator | \$28,200 |
| Scott Riordan | Senate Government Operations Comm. administrator | \$28,200 |
| Ann Aiken | Chief Clerk of the House | \$27,972 |
| Pauline Hansen | legislative computer system supervisor | \$26,868 |
| John Houser | Legislative Research analyst | \$26,868 |
| Alan Tresidder | Legislative Research analyst | \$26,868 |
| Brad Swank | Legislative Counsel deputy | \$26,868 |
| Cleta Jennings | Senate Republican Office senior assistant | \$26,868 |
| Michael Ryan | Senate Republican caucus administrator | \$26,868 |
| Harriet Skoog | Senate Rules Committee administrator | \$26,868 |
| Christopher Dorval | House Democratic caucus administrator | \$26,628 |
| Noam Stampfer | Senate Education Committee administrator | \$26,628 |
| Doyle Kenady | Capitol building superintendent | \$25,596 |
| Diane Landers | Legislative media systems manager | \$25,596 |
| Frank Gruber | Legislative Counsel deputy | \$25,596 |
| Claudia Howells | Senate Transportation Committee administrator | \$25,596 |
| Darlene Johnson | Legislative Fiscal executive assistant | \$24,408 |
| Marcella Green | legislative computer system analyst | \$24,408 |
| Gretchen Smith | legislative computer system manager | \$24,408 |
| Kenneth Elverum | Legislative Research analyst | \$24,408 |
| Bob Grunstad | Legislative Research analyst | \$24,408 |
| Kathleen Murphy | Legislative Research analyst | \$24,408 |
| Larry Wood | legislative computer systems analyst | \$23,220 |
| Fred Leonhardt | Legislative Research analyst | \$23,220 |
| Lewis Littlehales | Legislative Counsel deputy | \$23,220 |
| Nina Johnson | Senate Judiciary Committee co-counsel | \$23,220 |
| Kathi Bogan | Senate Judiciary Committee co-counsel | \$23,040 |
| Joyce Thorbeck | House Business & Consumer Affairs Comm. admin. | \$23,040 |
| Carol Kelsey | House Transportation Committee administrator | \$23,040 |
| Ivan Romanoff | Capitol maintenance lead electrician | \$22,068 |
| Robert Keller | Capitol maintenance painter | \$22,068 |
| Pius Locker | Capitol maintenance foreman | \$22,068 |
| Katherine Greene | Indian Commission executive | \$22,068 |
| Linda McMackin Teal | Legislative Administration personnel officer | \$22,068 |
| Ann Terry | legislative computer system analyst | \$22,068 |
| Susan B. Wilson | Legislative Research analyst (part-time) | \$21,967 |
| Marcia Myers | Senate Consumer & Business Affairs administrator | \$21,912 |
| David Dix | press aide to House Speaker | \$21,912 |
| Diane Luther | House Human Resources Committee administrator | \$21,912 |
| Kirk Hall | House Judiciary Committee co-counsel | \$21,912 |
| Jennifer Friesen | House Labor Committee administrator | \$21,912 |
| Diane Daggett | House State & Federal Affairs Comm. administrator | \$21,912 |
| Elizabeth Samson | House Environment & Energy Comm. admin. | \$21,912 |
| Jess Johnson | House Agriculture & Natural Resources Comm. admin. | \$21,912 |
| Susan Wilson | assistant to House Speaker | \$20,844 |
| Peter Merck | Joint Trade & Economic Development Comm. admin. | \$20,064 |

Oddities included deer dilemma, 'goose grease'

Bend Bulletin Jan 4 1996

By Tim Preso
Bulletin Staff Writer

As if the real news of the 1980s wasn't strange enough — what with an Indian guru roaring around the High Desert in Rolls Royces — the decade offered plenty of the strange and offbeat in Central Oregon.

Topping the list of unusual events was the furor that erupted in 1981 over the shooting of a tame deer named Baby Doll. Baby Doll turned up in February of that year on a Tumalo farm, where she was fed and petted and attracted enough attention to be featured in a front-page article in *The Bulletin*.

But officials of the state Department of Fish and Wildlife feared that the deer might eventually cause problems. After determining that Baby Doll probably couldn't survive in the wild, state wildlife biologist Norm Behrens shot her.

That action triggered a storm of protest that saw local residents collect more than 1,000 signatures on petitions to be sent to then-Gov. Vic Atiyeh protesting the killing of Baby Doll and calling for the

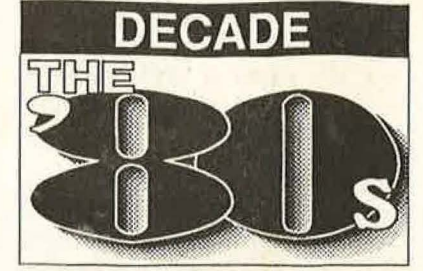
dismissal or resignation of Behrens. A Redmond man distributed 300 bumper stickers reading "Don't Kill Baby Dolls." Wire services spread news of the deer's death across the nation.

The outrage over the killing was so intense that Behrens received death threats. Finally, the furor subsided, with Behrens' job intact. But wildlife officials conceded that if they were presented with another Baby Doll, they'd probably take the deer as far away from civilization as possible and hope it wouldn't come back.

Though the death of Baby Doll led the list of animal stories from the 1980s, it only narrowly edged the tale of Tazz, a Deschutes County dog accused of mauling llamas in 1987.

The charges sparked a two-year legal battle waged by Tazz's owner, Ray Bowlin of Sisters, against Deschutes County commissioners, who ordered the Akita-Malamute destroyed shortly after the attack on four llamas in Sisters.

Bowlin never wavered in his claim that Tazz was innocent, and spent more than \$15,000 on legal fees in an attempt to block the



dog's execution through appeals and lawsuits. The county, in turn, spent more than \$10,000 to counter Bowlin's efforts.

Finally, when Tazz was put to death in February 1989, Bowlin became so irate that he was arrested after struggling with sheriff's deputies at the offices of the Humane Society of Central Oregon. And though Tazz is dead, the case is not: Litigation continues and the matter may be headed back to court.

When animals weren't hogging the headlines in the 1980s, politicians were. Always good for a laugh, politicians got themselves into some particularly unusual pickles in the past decade.

The most infamous incident occurred during the 1986 race for

Oregon governor, when Portland Democrat Neil Goldschmidt rejected an offer to debate in Bend against his Republican opponent, Norma Paulus.

Goldschmidt said Paulus should "quit pretending a debate in the middle of nowhere, with nobody watching, is a real debate."

Two weeks later, a more humble Goldschmidt came to Bend to apologize for his comment, acknowledging that "it is not easy to dislodge a size-11 foot from one's mouth."

Another politician made his way into the news in the 1980s through his alleged overzealousness in the art of the firm campaign handshake.

State Rep. Bob Pickard was making an unsuccessful bid for a seat on the Deschutes County board of commissioners in 1984 when he grabbed the hand of Bend masseuse Michele A. Ross-Rockwell at an open house.

Pickard's grip was too firm for Ross-Rockwell, who filed a lawsuit against the Tumalo Republican claiming he had used "excessive force" and had "continued to apply pressure when he knew, or should have known" it would hurt her. She

said she couldn't work for six months after the handshake and that she had been partly disabled for the next 1½ years.

Ross-Rockwell asked for \$135,000 in damages from Pickard, but later dropped the suit.

No less gripping was the story of LaPine's two "drug grannies" — Florice Bessire and Vera Todd Hays, who were released in 1983 from prison in Australia, where each had served five years of a 14-year sentence for smuggling 1.9 tons of hashish into the country.

The release came just days after Australia's elections ousted the Liberal Party government and put the Labor Party in power. The new government released the two women early because its officials said they had served long enough, considering that both were in their 60s and Hays was not in good health.

And there were plenty of other odd events in the 1980s that never made big headlines:

—Bend Metro Park and Recreation District Administrator Vince Genna waged a campaign to stamp out the problem of excessive duck and goose droppings — informally known as "goose grease" — in

Drake Park. Park district officials under Genna's direction trapped about 750 ducks in 1988 and released them in north Lake County.

—A buffalo escaped from Crooked River Ranch in 1988 and wandered through Central Oregon, frightening the unwary and eluding searchers around Shevlin Park and the Inn of the Seventh Mountain until it was hit by a truck and killed in northern Klamath County.

—Deschutes County District Court Judge Joe Thalhofer parked his car in a handicapped parking space behind the county courthouse in 1985 and started a minor scandal that eventually found its way to the Oregon Judicial Fitness Commission.

Thalhofer pleaded guilty to the charge in a ticket he received for the parking violation, but visiting Marion County Circuit Judge Richard Barber found him innocent anyway.

That decision brought protests from groups representing the handicapped and finally brought the case to the attention of the seven-member Judicial Fitness Commission, which voted 4-3 to dismiss charges against Barber.

- Reagan: An actor for the '80s 1C
- Hula hoopla at party for the Doles 2C
- 1988 aspirants go a-courting 3C
- Reporters: "It was a bummer" 8C
- Joe Bob Briggs: How to be a Publican 1F

Convention Special



**Best and
worst
of GOP
week**

PAGE 1C

A.M.
FRIDAY

| | | | |
|---------------|-------|------------|---------|
| Action Line | 24-A | Living | 1-F |
| Business | 1-D | Markets | 4-C |
| Classified | 1-E | Metro | 23-A |
| Comics | 6,7-F | Obituaries | 15,24-A |
| Crossword | 42-E | Sports | 1-B |
| Editorials | 20-A | TV logs | 8-F |
| Entertainment | 3-F | Weather | 14-C |

Dallas Times Herald

FRIDAY, AUGUST 24, 1984

8 Sections 25 Cents

THE RACE IS ON



Heat article - but where is the fish!

Rare break finds Atiyeh with fly rod in the Deschutes

By BILL MONROE
of The Oregonian staff

At 2 p.m. on a hot Friday afternoon, behind schedule from a luncheon speech at Portland's Marriott Hotel, Gov. Victor George Atiyeh, Oregon's chief of state, starts walking up a moving escalator toward the hotel entrance.

He takes the last two or three steps in a bound and heads for his car, parked outside.

"Hurry up," says Atiyeh's plain-clothes state police chauffeur, nudging me in the back. "The governor's going fishing."

At the car, Atiyeh strips off his tie and sport coat, hands them and his briefcase to the trooper and slides in behind the wheel.

The air conditioning comes on as we pull out of the hotel into the sweltering heat of Portland traffic. Within a few minutes we've picked up Atiyeh's son, Tom, and are eastbound — headed for Father's Day weekend on the Deschutes River.

Those who think of Vic Atiyeh as a quiet, low-key administrator should go trout fishing with him on one of the two or three excursions a year his job allows.

With a well-worn felt hat firmly in place over his graying head, Atiyeh talks with subdued animation (even Atiyeh the fisherman is not particularly demonstrative) about dry fly patterns, favorite drifts and each of the four steelhead he's hooked and lost in his 59 years of native Oregon residence.

Atiyeh, although a dry fly trout fisherman, likes to fish for salmon, with his first catch his largest at 35 pounds, but he has never landed a steelhead. Nor has he fished seriously for bass or panfish.

"As a boy on the Zig Zag River, I watched fellows waving their rods back and forth over the water and decided I wanted to do that, too," he explains as we pass the family cabin at Rhododendron. "It took me a year or so to get it right, though. I never saw the first trout I caught. I was casting away and didn't even know the fish was on the line. I flipped it into the woods on my back-cast and never did find it. . . . I looked for a long time, too."

It's Atiyeh's sixth trip to the Deschutes Club, a 12-mile stretch of privately owned riverbank upstream from Maupin.

Atiyeh's son, who works in the fam-

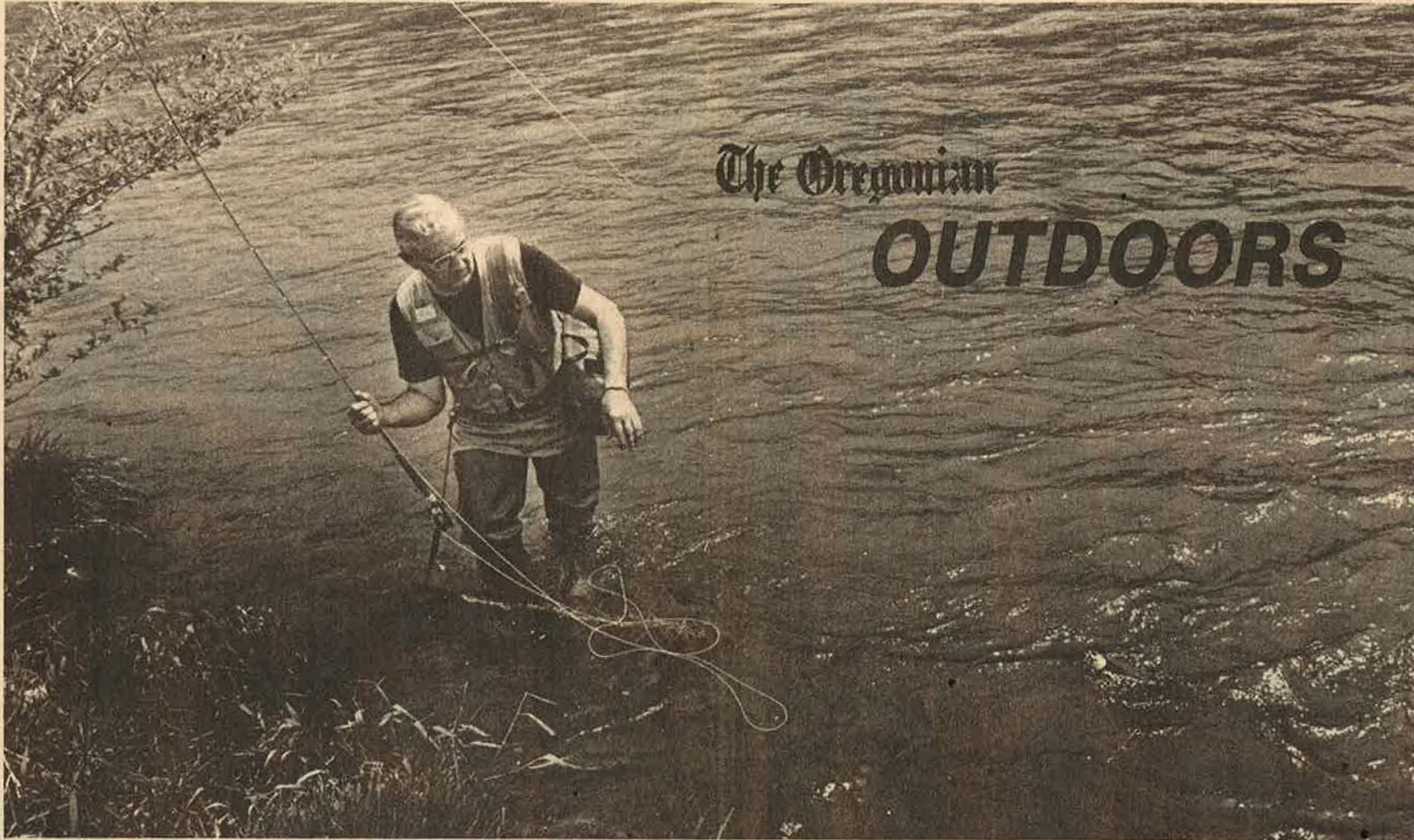


Photo by BILL MONROE

NATIVES — Oregon Gov. Vic Atiyeh is rewarded for his stealth and expertise with a dry fly by a fat native Deschutes reddsides rainbow trout. Atiyeh

ily carpet and rug business in Portland, and daughter Suzanne, married and a graduate student at the University of California in Irvine, also fly fish, as does his wife, Dolores.

We're the guests of a Portland lawyer and old family friend, Robert Smith of Portland, who owns a house at Dant, an abandoned mining community upstream from Buckskin Mary rapids.

There are no telephones, and the town is several miles from a locked gate, then across the river on a hand-cable operated ferry. Atiyeh is nearly as isolated as he can be without packing into a wilderness area — only a handful of people know how to get the train to

stop. We haul our gear across the river and unpack in our rooms. Outside, Atiyeh sits on a lawn chair and breaths deeply of the warm afternoon breeze, scented by the faint odor of sage.

"You must realize that just sitting here is a real luxury for me," he says after a few long, quiet minutes.

By 6 p.m. Atiyeh is ready to fish. His hat is on, hip boots and cleated wading sandals are in place and a leather and wicker fishing creel is hanging at his side. All the familiar patterns in our boxes have been compared and debated.

We cross the river and drive a short distance upstream, observing chukar,

and his son spent Father's Day weekend secluded in a canyon upstream from Maupin. It's a traditional annual trip for the governor.

deer and quail along the riverbank. In the water, mallards and Canada geese shepherd their fledglings in cool green sloughs.

Atiyeh laughs with delight at the sight of a covey of newly hatched quail chicks scurrying across the road. The thumb-sized fluff balls are barely discernible against the background of desert sand.

Although he does not hunt, Atiyeh owns dozens of guns and rifles, some of which have appeared in national magazines. The heart of the collection is a number of Sharps rifles used in the taming of the West.

His flyfishing equipment is meticu-

lously cared for and revolves around a pentagon-sided split-bamboo rod handmade by Dean Jones of Portland.

Atiyeh works the water methodically but does not tarry on any one stretch. "I've never been a lake fisherman," he explains as we move upstream along the river's edge. "I like fishing a stream because I like to look for them."

The governor concentrates on his casting, smiling and occasionally chuckling to himself when casts are bent perfectly around a bush or overhanging tree limb.

"I like it best when I can see them rise," he says, "when I can make a perfect cast into a spot where I know a fish

should be — and there it is."

The fishing, while not red-hot, is satisfying.

Atiyeh hooks several large fish during the weekend and keeps two of the eight he lands — gorgeous Deschutes reddsides, with brilliant red bands running laterally along their sides. I catch five and keep two also, as does Tom. The fish, we decide, know who the boss is.

Parachute flies work best for Atiyeh, including Adams and royal coachmen patterns drawn along the river's edge. Blond bucktail caddis patterns also bring a few tentative strikes, although the salmon fly hatch is nearly over.

Atiyeh does not tie his own flies but says his luck is best with those he alters by tearing off some of the hackle or bucktail. The more chewed-up, the better.

"I always pitied the poor fly tiers who spend hours tying beautiful flies for someone like me who comes along and chews them all up," he says with a smile.

Fishing and trout philosophies are discussed while washing dishes after late dinners. Atiyeh drinks very little alcohol, preferring instead a Fresca on ice with a strawberry.

As a young man on a Canada lake, he explains, he and some others once drank too much hard liquor while pulling fish into the boat at a speedy clip.

Atiyeh said the resulting hangover prevented him from fishing any more that trip and led to his avoidance of alcohol.

"There I was, staying behind in the cabin while my friends went back out and had a ball fishing," he said. "I figured to myself this was crazy, and I've laid off it mostly ever since."

There is little political talk during the weekend, although Atiyeh is up for re-election this fall.

He says he's able to put the political world out of his mind while on the river, whiling away the hours he isn't fishing with a stick of hardwood he's been whittling for several months.

"But fishing is a lot like politics," Atiyeh observes with a sly smile sideways at me on the way back to civilization Sunday afternoon. "You've got to work at it . . . get out there fishin' and get the job done."

Atiyeh views shame, hope in human use of Deschutes



MAUPIN — The queen is carrying her scars.

Strips of burned land memorialize careless campfires and accidents by

the current carrying their boats. Rarely did any of the boaters recognize Atiyeh. Their joy was spontaneous.

Only two incidents marred the pa-

abuse it, we'll never have a problem."

And there may be early evidence that the permit system is having an effect on controlling human behavior on

Classy Brassy Bargains

Beautiful brass beds by Wesley Allen. Classic and contemporary frames executed in pure brass tubing with a permanent tarnish-free baked epoxy enamel

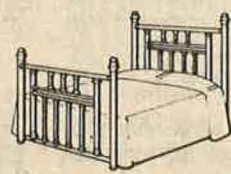
finish which requires no polishing. Dozens of shining solid brass designs. On sale now. At Portland's only specialty brass outlet. The Brass Shop.



Classic style with graceful curved headboard.

Reg. \$790 **NOW \$592**

Tastefully traditional brass bed pattern. Reg. \$670 **NOW \$505**



Meticulously crafted favorite... a modern interpretation of a traditional design. Reg. \$1155 **NOW \$867**



Massive brass knobs accent this impressive limited edition design.

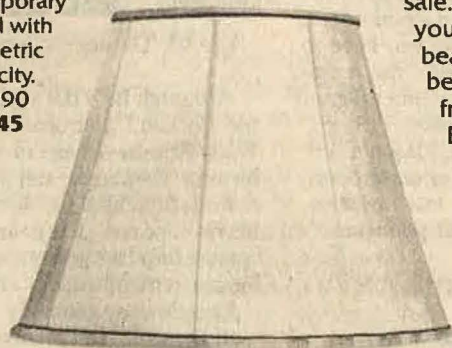
Reg. \$2650. **NOW \$1875**



The Edmonton. Ornate looping brass in an elegant style. In queen size. Reg. \$1765 **NOW \$1323**

And these are just a few examples of the brass beds now on sale. So treat yourself to a beautifully brass bedroom... from the Brass Shop.

The Newport. A contemporary brass bed with striking geometric simplicity. Reg. \$1390 **NOW \$1045**



118 S.W. Second Avenue
Portland, Oregon 97204
241-3337

Brass Tacks To Brass Beds



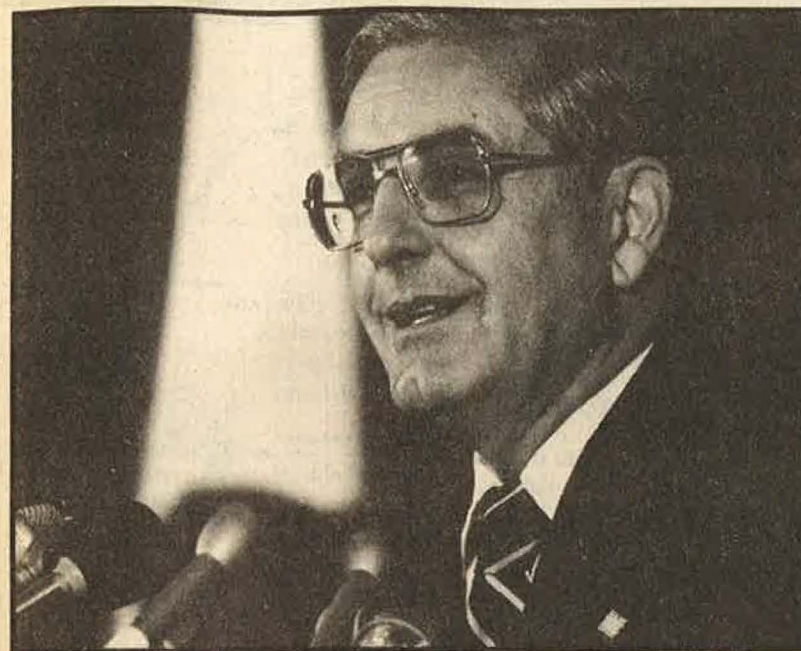
Atiyeh's physics

Continued from 11

chooses a do-nothing approach, will Oregonians be ready for a return to an activist state government by 1982?

The third choice is by far the most intriguing, for it promises the most substantive, directed change. Atiyeh could genuinely seek to translate his political philosophy into a legislative program, introducing it in the 1981 session as Oregon's platform for the '80s. Rather than retiring into status-quo-ism, Atiyeh would make the spirit of his inaugural address flesh, offering Oregonians a set of fresh ways to solve old problems—not just limiting state government but promoting more local control; not abandoning human services but meeting the needs through alternative means; not withdrawing from environmental regulation but developing self-enforcing quality-of-life benchmarks, and so on.

The problem here, as the examples above indicate, is that such a program is hard to imagine. One Republican legislator said last week that he had never seen such a platform articulated; a quick check of standard sources of conservative Republican thinking, such as *Conservative Digest* and *National Review*, turned up nothing. In an interview, when asked about next session, Atiyeh offered only one concrete proposal—a tax credit for volunteerism, an idea that has been floating around for some time in a slightly altered form as U.S. Sen. Mark Hatfield's Neighborhood Government Act. Another example offered several years ago by U.S. Sen. Bob Packwood would have had private corporations participating with employees in providing and paying for day care, instead of the government's providing it. But other than these



cathy cheney

**AT SESSION'S END THE QUESTION IS:
Will Atiyeh try to rewrite the Oregon story?**

ideas, which have yet to catch on, specific proposals seem scarce.

Nevertheless, there is magic to the notion that such a platform could be devised; Atiyeh's answers to some interesting questions could forge a really new course for Oregon. What does a self-help, nongovernment-directed energy program look like? What kind of innovative approach will be tough on crime, enforce longer mandatory prison sentences and not drive the state corrections budget through the roof? In a state in which "livability" is a watchword, how do you reduce the undesirable aspect of government regulations without permitting the significant degradation of the environment? Or reduce day-care costs without concomitantly increasing welfare costs, as working mothers stay home to care for children?

If Atiyeh can come up with imaginative answers to these and other

questions, he will not only move Oregon in a direction of his choosing; he will write a new chapter in the Oregon story, with a conservative twist.

Can he do it? Or better, will he try? The evidence from Atiyeh's legislative career and his first session as governor is skimpy and inconclusive, at best. As a legislator, Atiyeh was hardly known as an innovator. What effectiveness he had came through patience in committees, where he could work for compromise and embellish other people's ideas. As chief executive, Atiyeh has selected department heads who appear unlikely to provide innovation. Most are in the mold of budget analysts rather than policy developers—not the type who generally come up with new ways to move from philosophy to program.

Atiyeh's major program proposal of the session was the tax plan. But it

contained serious philosophical contradictions to the "less government" platform, not the least of which was the sacrifice of local control to Salem inherent in Atiyeh's rate-limitation approach.

Perhaps the best clue as to what to expect came this session in an alteration that was made to the state's welfare program. In his budget, Atiyeh proposed a \$59 million program for two-parent households in which the father is unemployed. He recommended suspending benefits for six months during the summer when casual labor is available. Benefits would then be reinstated in the fall. The impetus was largely budget cutting.

A Ways and Means subcommittee took Atiyeh's proposal and broadened it, in effect adding a philosophical base to the idea and expanding the program's reach. The subcommittee developed the WORTH program—Work Or Training for Two-Parent Households—which will cost \$37 million. Under the WORTH approach, two-parent households lose their welfare benefits not for six summer months, but permanently. In place of the payments, the program offers a comprehensive set of employment incentives, both for families and for prospective employers. In effect, the program seeks to encourage employment, rather than to reward unemployment, a concept in tune with Atiyeh's philosophy. But the program belongs to the legislature, not the Administration.

In spite of these indications, Republican legislators as well as Atiyeh indicate a desire to find a platform for the 1981 Legislature. Such an effort would be worthwhile, if only to satisfy the politically curious as to what such a program would look like. At a minimum, Atiyeh could float some trial balloons, remembering another law of politics and gravity: What goes up must come down.

Why have just a bathtub when...

JetSpa

...can turn your ordinary bathtub into a therapy spa in one day at half the cost of other systems. The six jet, therapist designed system massages all important muscles in the body. Often part of the cost is deductible medical expense.

Linfield College Presents

**TWO
GETAWAY
WEEKEND
CLASSES**

Point of View

Vic Atiyeh's rites of passage

How has the governor fared in his first go-round with the state legislature?

By ALAN WEBBER

Six months into his administration, with his first legislative session almost behind him, Gov. Victor Atiyeh still seems as happy as a kid playing in a new sandbox. So pleased is he with his new toy, it seems, he can hardly restrain himself from pointing it out to everyone—a fact which at this point has Capitol observers gritting their teeth.

Now, leaning back into the padded brown chair behind his desk in the governor's comfortable, private, wood-paneled office, Atiyeh is evaluating his performance in his first encounter with the legislature.

"In what I call the big areas, I had three goals at the start of the session," he says. "I wanted to construct a budget with a limited increase in spending that would continue government, improve some services, and fit within spending guidelines. That worked out well with some discomfort on my part, mostly in the area of Human Resources. By and large, we accomplished that goal.

"With the tax plan, we did accomplish something constructive. Last session, I asked for a return of the surplus and only got a token hearing. Now there's a formula for the future return of the surplus. I asked for an indexing of the income tax and, while the legislature didn't index, there is a recognition of the principle. It's being done a slightly different way, but that's all right. In the property-tax portion, there is an assessed value limit. What I was aiming at was a future control of the property tax. I don't believe the control is there. But we didn't do too bad with the tax plan."

Atiyeh continues, "The third area was my energy conservation and alternatives message. The bills had come in but there was no broad approach, so I put the package together. My message to the joint houses of the legislature was something I'd wanted to do for eight or more years.

"In the three areas, I'd say we've been highly successful, quite successful and highly successful."

Reflecting a little further, he concludes, "I've gotten off to a better start than Hatfield, McCall or Straub."

Sitting behind his desk in his crisp white shirt and



7-8-85

Atiyeh takes orientation trip in Guard fighter

By JOSEPH SCHORR
of The Oregonian staff

Gov. Vic Atiyeh took a peek at "the right stuff" Monday.

Donning a flight suit, helmet and boots, the governor took an orientation flight in an Oregon Air National Guard fighter plane with Lt. Col. David E.B. Ward handling the controls of the F-4C "Phantom" jet. The plane is part of the Oregon Air National Guard's 142nd Fighter Interceptor Squadron.

In 1979 Atiyeh was invited by the Oregon Air National Guard to participate in an orientation flight aboard an F-101B interceptor. He enjoyed the flight so much that he approached the Guard this year, asking to be part of another flight, Atiyeh said.

The Guard responded by asking him to participate in Monday's training exercises.

The governor's day began at 9 a.m. with an aircraft life support systems orientation at the Portland Air National Guard Base. Strapped into a replica of the jet's back seat, Atiyeh received lengthy instructions from Tech. Sgt. Barry Barter on how to eject from the aircraft in an emergency.

Barter demonstrated escape procedures carefully, pulling a complicated array of straps, levers, knobs and ropes.

Barter told Atiyeh not to activate his seat ejector without explicit instructions from the pilot.

"Don't worry," said the governor, smiling, "Unless you tell me to do something, I'm staying where I am."

After learning how to activate his emergency parachute, Atiyeh was briefed on how to inflate his life raft and where to locate the canned drinking water, signal flares and medical supplies packed in his survival kit.

"It's going to be fun," he told reporters, while being fitted with a helmet and oxygen mask.

According to Ward, Atiyeh's F-4C would lead two T-33 jet aircraft into a designated airspace over the Pacific Ocean. Two other Phantoms would provide protection against a planned practice attack on the governor's flight by two F-15 "Eagles" from the 429th Fighter Interceptor Squadron of Luke Air Force Base in Arizona.



The Oregonian/BILL MURPHY

FLIGHT PLANS — Gov. Vic Atiyeh (right) listens as Tech. Sgt. Barry Barter explains how ejection seat works, prior to flight Monday with the Oregon Air National Guard.

The entire mission was to take just under an hour and a half.

While the flight was a combat training exercise for Ward and his fellow officers, for Atiyeh it was

a chance to take an exciting ride. When he stepped out to the air field he had his camera with him.

"I hope to get some great pictures," he said. And off he went into the wild blue yonder.

Vital Statistics/2B
Northwest News/3B
Civic Calendar/4B

CITY/COUNTY

B

Eugene, Oregon, Sunday, December 21, 1986



Atiyeh predicts a bright future

Two-term governor says he wishes he'd served during wealthier time

By TOM DETZEL
The Register-Guard

SALEM — A smiling Vic Atiyeh steps briskly from his ceremonial office in the Capitol bearing a red and white baseball hat advertising the Safeway store in — of all places — Jeddah, Saudi Arabia.

The governor has just shown the cap to a group of visitors, and he displays it for a reporter with obvious pride. It's a hat he picked up a few years back on a Mideast trade mission, one of nine such trips abroad Atiyeh has made in his eight years in office.

"Actually," the governor says, "they were advertising Oregon pears." The pears were selling so well, in fact, that the Jeddah storekeepers were hurried just to keep a full display, he adds.

As he prepares to leave office next month, Atiyeh is eager to point out even the small successes in Oregon's economic picture, which he believes is bright because of his efforts in foreign trade and economic development.

Combined with his austere management of state budget problems during the middle of his tenure, Atiyeh believes the groundwork he has laid for the economy will, in the end, be cited by historians as his greatest contribution.

"I know how fragile our economy was when I took office, versus how it is today," he said in an interview last week. "I know how the image of Oregon was versus what it is today, in terms of people wanting to stay in Oregon and wanting to come to Oregon.

"There are great opportunities for

Atiyeh says.

"I have done more for economic development and for the improvement of government than any governor I know. And all Neil's going to be able to do is incrementally improve on what we did."

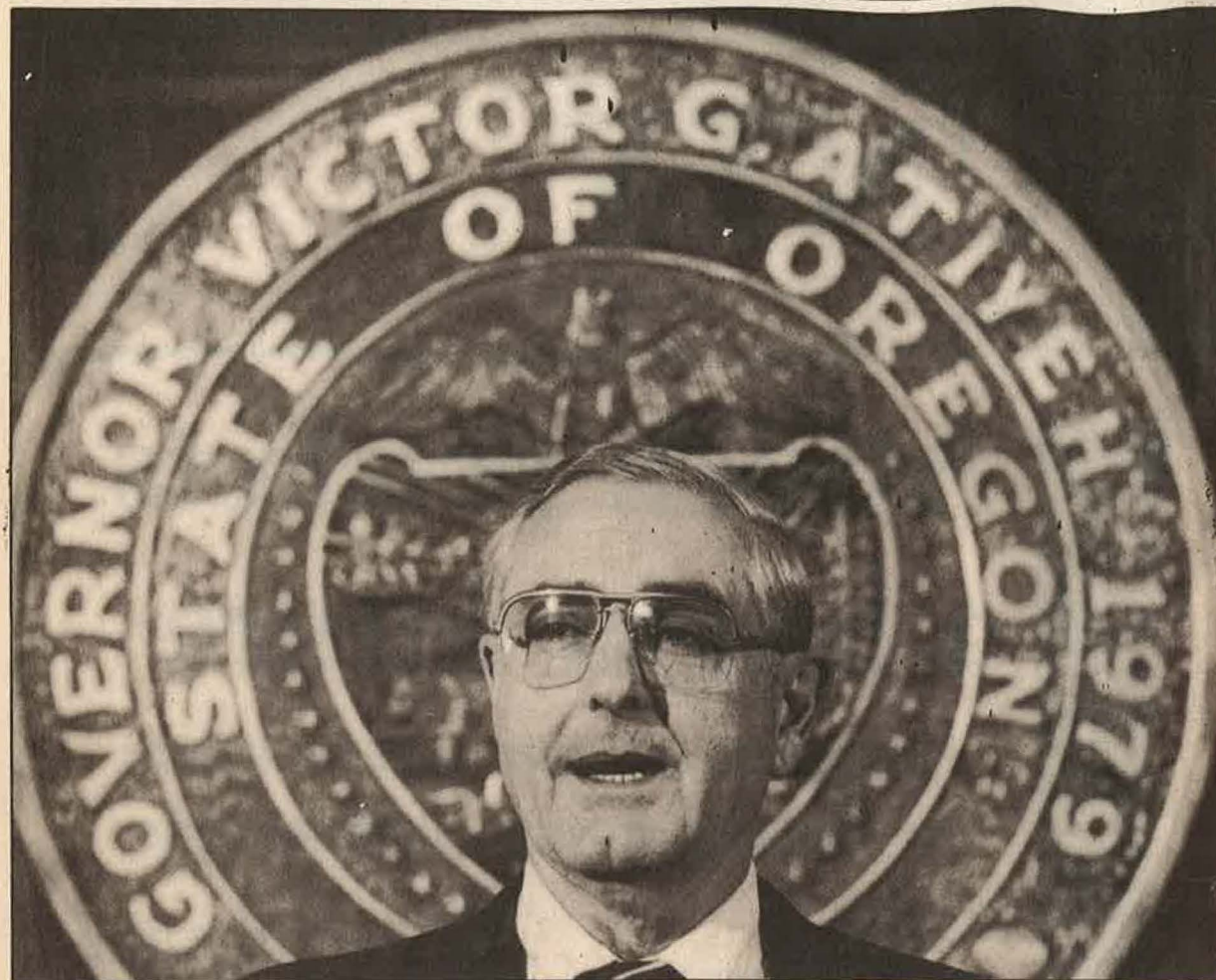
Now, as his term nears its end, even some past critics agree that Atiyeh's reserved style and conservative bent may have suited the past eight years, which included some of the harshest economic times in Oregon since World War II.

"I would have to say there's been a degree of stability in state government during a time when it has been very difficult, and I

'All Neil's going to be able to do is improve on what we did ...'

give him credit for that," says former state Sen. Ted Kulongoski, a Democrat who lost by a landslide to Atiyeh in the 1982 race for governor.

Goldschmidt also has patched up his relationship with Atiyeh since beginning his transition into office, and the two appeared together last week at news conferences announcing industrial developments in Millers-



staff photo by Carl Davaz

Vic Atiyeh has been the well-traveled and fiscally conservative man in front of the governor's seal since 1979

ATIYEH Continued from Page 1B

of the Legislature to cut budgets and raise taxes.

Only eight such budget-balancing sessions have been called in Oregon history.

Critics who challenge Atiyeh's leadership on the economy overlook a 1984 special session the governor called to push lawmakers into repealing the state's so-called "unitary tax," which opponents blamed for adding to Oregon's anti-business image, Meeker says.

Meeker and Kulongoski agree that Atiyeh's laid-back style may be part of the reason he has received more criticism and less credit for the things he has accomplished.

"I think one weakness that Vic had was that he never did talk about the things that he was working on while he was working on them," Meeker says. "He is not a press-type guy. He really doesn't push the public relations that much."

"It is Vic's philosophy that in being a leader you do not stand up on top of a mountain and beat your chest and go out after every publicly popular issue," says Denny Miles, the governor's press secretary and campaign manager in 1982. "It's a press secretary's nightmare."

Atiyeh's exit from the governor's office will end a 28-year career in state government. He served for two decades as a state representative and senator from Washington County, where he helped run a rug business started by his father and uncle, who emigrated to the U.S. from Syria.

He is the first person of Syrian ancestry to hold a U.S. governorship.

During the 1983 session, Atiyeh shocked the entire Legislature by proposing a \$600 million "net receipts" tax on income as part of his budget. Most felt he had clearly promised not to propose new taxes during his campaign the previous year.

Atiyeh says his actual message during the campaign was that he expected not to raise taxes, and that it was primarily aimed at state agencies as a warning not to prepare fat budgets in the forthcoming session.

At the same time, Atiyeh was officially taking a neutral position on a business-backed sales tax proposal, infuriating some of the same people who had supported his re-election. And some business leaders were openly questioning his leadership on the economy.

Looking back, Atiyeh says he would have been glad to trade his eight years as governor for almost any other time.

"I've said I'd like to have had eight of McCall's years," he says, "or I'd liked to have had the four of Bob Straub's years instead of the eight I got. The same thing would be true looking to the future. I'd like to have the four Neil's going to get."

"I came in at the worst time in Oregon's history."

The bulk of Oregon's economic problems, Atiyeh says, were caused by the high inflation and interest rates of the Carter administration and the inability of past governors to recognize the need for economic diversification.

He says his initiatives to cut workers' compensation

Girl jumps from truck, foils kidnap

Quick thinking on the part of an 11-year-old Eugene girl thwarted an apparent kidnap attempt Saturday afternoon, according to Eugene police.

The victim was offered a ride by a man in a red "beat up" Chevrolet pickup while she was walking in the area of West Fourth Avenue and Blair Boulevard about 4:15 p.m. She accepted the ride and got in the back of the truck. However, she became nervous when the driver started to leave the city, police said.

At that point, the victim jumped out of the moving vehicle on McVay Road, which is east of Lane Community College, and went to the nearest house where she reported the incident, police said.

The girl was transported by ambulance to Sacred Heart General Hospital, where she was treated for bumps and bruises and released, police said.

The suspect made no sexual advances toward the girl.

The suspect is described as white, 20 to 30 years old, with light brown curly hair, facial stubble, wearing a dark blue shirt and a brownish-green down vest. The pickup had an empty bucket and a carpenter belt and tools inside.

Aide's tip leads to four arrests

FLORENCE — A tip from a kindergarten teacher's aide led to the arrest of four people on drug charges Friday night, city police said.

The teacher called police after she noticed a 5-year-old playing with a plastic bag full of a white powder. After interviewing the child, police served a search warrant at 1610 36th St., Florence.

The white powder was determined to be methamphetamine and more of the drug was discovered at the residence, police said.

Arrested on charges of possession of a controlled substance were: Kelly Renee Robles, 23; Linda Marie Robinson, 30; Harley Van Mead, 25; and Patrick William Mace, 27. No addresses were listed for the suspects.

The four suspects remained lodged in Lane County Jail on Saturday night.

Lotto players miss jackpot

By The Associated Press

PORTLAND — The Oregon Lottery's Megabucks lotto game sold a record 964,968 tickets last week, but nobody won the \$2 million jackpot Saturday, a lottery spokesman said.

With ticket sales running at a record pace and lotto fever building, this week's jackpot is expected to be more than \$2.5 million, said Hugh Coonfield, lottery marketing research director.

The winning numbers in Saturday's drawing were 10-11-16-22-27-30, he said.

Coonfield said 77 people picked five of the six numbers to win \$751.90 each. They can claim their winnings beginning Monday morning in person or by mail at the lottery's headquarters in Salem.

He said 3,637 contestants picked four numbers correctly to win \$26.60 each. They can claim their winnings at any Megabucks dealer.

Last week's Megabucks ticket sales of about 604,000 tickets was the previous sales record, Coonfield said. The Holiday Cash Instant Ticket scratch-off ticket game is also selling swiftly and is expected to sell out before the end of the year, he said.

Robbery suspect arrested

SPRINGFIELD — Springfield police arrested a suspect a half hour after an Albertson's store in east Springfield was robbed early Saturday morning.

Christopher Robert Joyce, 31, was charged with first-degree robbery and was lodged in the Lane County Jail.

Officer Mike Wisdom said a man entered the store, which is open 24 hours a day, at 7:20 a.m. and confronted employees. The man demanded money and said he had a gun, although none was seen. The man left the store

with an undisclosed amount of money and was seen driving north on 58th Street. The store is at 5770 Main St.

Store employees telephoned police and provided a description of the suspect's car, a blue and white 1976 Ford Maverick.

Officers spotted the car parked on Interstate 105 at Mohawk Boulevard and contacted Joyce about a block from the vehicle, walking near the Village Inn Motel.

Joyce listed no permanent address when he was arrested.

NATIVITY

Continued from Page 1B

to church members and to the community.

"It's non-threatening," he said. "We're not trying to promote anything except that Christmas is Jesus' birthday."

"It's a gentle reminder," he said.

Judging from the crowds drawn the first night, the reminder is a popular one. Cars filled Friendly Street and 23rd Avenue; families flocked along the sidewalks. The nativity will be staged again tonight, Monday and Tuesday, from 7 p.m. to 9 p.m.

years ago.

Kuykendall, Ken White and Bruce Harpine are directing the effort this year. Sandra Wilson provided invaluable help, Kuykendall said. Church members donated \$280 for supplies and equipment.

Kuykendall would like to expand the scenes to include displays such as Jesus in the carpenter shop with Joseph, and Christ in the temple. He also would like to get other churches involved in a larger display somewhere.

"The interest is building," he said. "It just amazes me

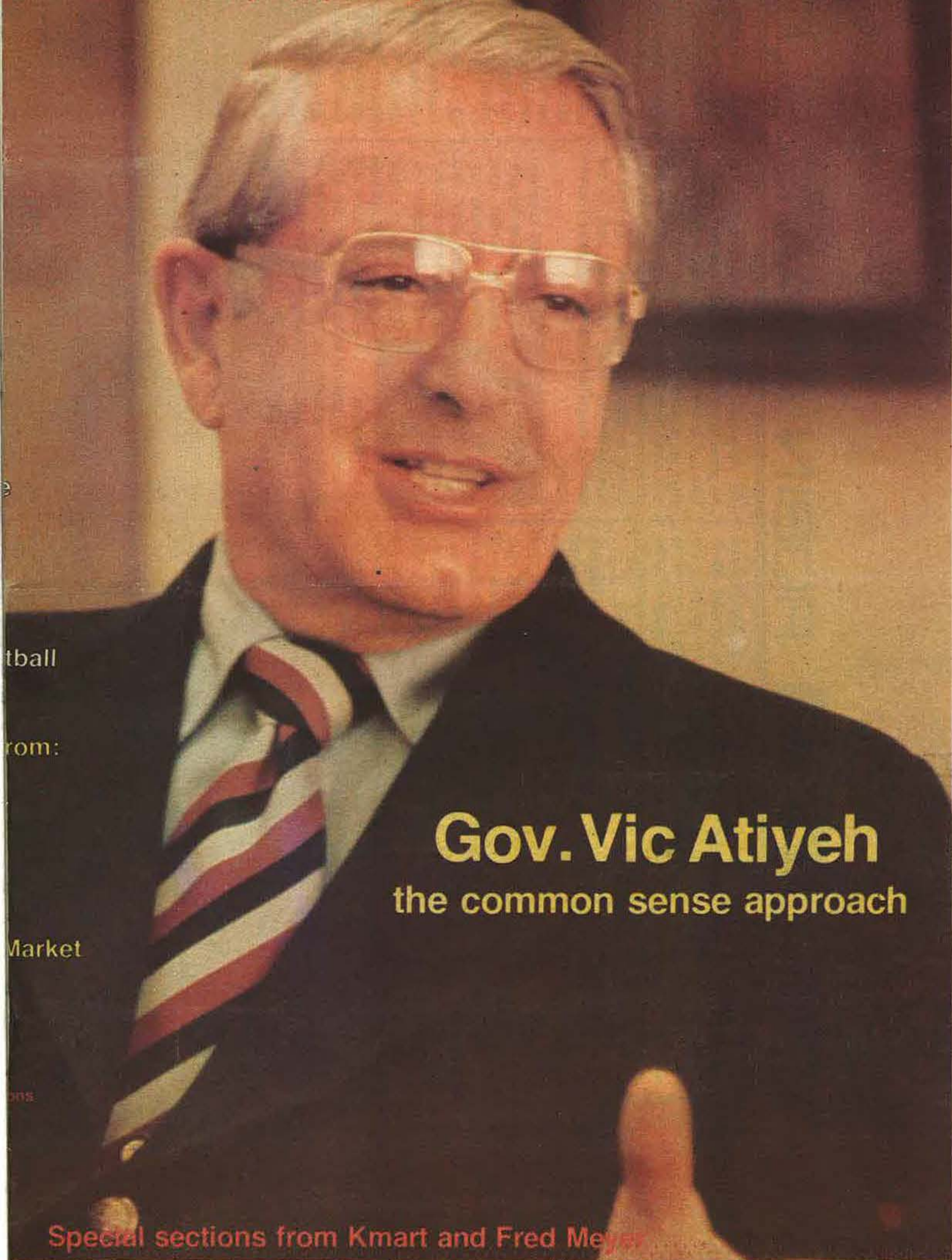
*good
artists*

is Week

Serving
395,663 homes by
guaranteed direct mail

Portland, Oregon • January 21, 1981

Home • Jimmy Babin • Stock tips • Rukeyser • Nancy Strobe's food tips • NY Times Crossword • NewsScope • Gossip •



Gov. Vic Atiyeh
the common sense approach

football

from:

Market

ENTS

Special sections from Kmart and Fred Meyer

advertising effective Wednesday unless otherwise noted