

VICTOR ATIYEH

June 21, 1993

Tape 38, Side 2

V.A.: So I really was indignant that they would flyspeck mine, and I tried, actually, to get theirs. "Get me the legislative budget." You cannot get your hands on it. You cannot. Now, that doesn't mean you can't get pieces of it, but to get it all in one place and all written down, it just isn't there. They appropriate some money to start with, and then they appropriate money for the legislature, and then they appropriate some more money later on.

C.H.: There's not a single package that comes through.

V.A.: Yes. Not only that, but it isn't defined like mine is. Actually, the Governor's Office is not just me. I had the Ombudsman in my office, the nursing home ombudsman, ~~we called it at that time.~~ We changed the name from Ombudsman to People's Representative Office. There are some things besides just the operation of my own office in the Governor's <sup>BUCKET</sup> Office.

But it wasn't the amount so much as they were flyspecking mine, and you know, we'd always had an unspoken agreement just to leave these things alone. I wouldn't fool around with theirs in all the years that I'd been there. As a legislator I wouldn't fool around with the Governor's budget, and as a Governor I wouldn't fool around with the legislative budget. And here they were fooling around with mine.

As a matter of fact, if you want me to give you the whole sad story, when I went down to Salem, as all governors in the past, you have to find a place to live. So I rented a house that belonged to the State. It was interesting, they wanted me to mow the lawn. I don't know if I ever covered this, but I said, "I don't have time

to mow the lawn." Anyway, we wrote the rental agreement, and they raised my rent twice, and I got very indignant about it. I said, "I don't have to live here. I'll go live somewhere else."

But the Governor had his salary - which incidentally I cut my salary two or three times. I was kidding, and I said, "The way it's going now, I'm going to have to pay the State to be the Governor."

But anyway, beginning sometime in Tom McCall's term of office, there was \$1,000 month which would be for expenses. So I think it was at this session that - when I was complaining about renting this house, that they changed the law and declared the house that I was renting the Governor's house. Now, that was really for IRS purposes because if they let me live in it rent-free, the State, the IRS would have considered that as income because it's valued so much, so you're getting that much income. By declaring it the Governor's house, that took away that specter from the IRS, meaning that they - I could live there rent free, and IRS wouldn't consider that as an increase.

But - and I was paying 500-and-some-odd dollars a month rent; I've forgotten what it was. Well, we now declared this the Governor's house; therefore, we're going to cut the expenses by 500, so you get \$500 a month. That really galled me. That really galled me, very much. And I'm thinking to myself, "Bob Straub owned his own house in West Salem. You know, he owned it. He was getting \$1,000 a month." Anyway, that's a sad story.

Well, back to the Governor's budget. The main point was that, you know, they were just flyspecking my own budget, and I got mad about that. And I'll jump a little. The thing that I really always wondered about is that Goldschmidt increased the Governor's budget 60 percent.

C.H.: And they gave him a house, too, didn't they?

V.A.: Well, they eventually gave him a house, yes. But he increased the Governor's budget 60 percent. That was the budget I had just left. Nobody said boo. Nobody said boo. The papers didn't say boo. Nobody said boo. And I'm saying, "Hey, whoa, wait. You know, we lived very well with the budget we had, and he increased it 60 percent."

Anyway, now we'll get back to where we were before.

C.H.: Well, you also threatened to veto a vocational retraining bill if a list of changes were not made, and that included limiting training to 15 weeks and would require the prospective student to have a written commitment for a job from an employer before he starts training. You later, then, retreated from that threat to veto, and Irv Fletcher of the AFL-CIO complained that you had refused to meet with him since winning the election.

Maybe that's a different issue, but first it was going back on the vocational retraining bill veto.

V.A.: I don't recall much about that.

C.H.: Okay. Well, then, what about Irv Fletcher? He said that you refused to meet with him since winning reelection for having supported Kulongoski.

V.A.: Well, yeah, that's true. But I just had finally, you know, pretty had it. After all these years in the legislature when I really felt I was really helping labor. And understand, in Oregon - I don't know, while I was there I think maybe it was something like 21 percent, I think now it's probably 16 percent or 17 percent of the workers are union. The others, in the case of let's say 20 percent, the other 80 percent are non-union. And I'm talking about jobs for Oregonians; you know, not union jobs, jobs.

So after all these years, you know, I really felt that I was working for the working person in Oregon, and my job was not to

enhance organized labor; that was their job, not mine. I wasn't going to go out - I mean, it wasn't that I wasn't going to do it, it's just that I didn't feel it was government's role. And you know, I get kicked around by Irv Fletcher. It wasn't Irv Fletcher, it was just that I finally said, "I've had it." You know, enough is enough. After then 24 years of this, I really don't need to do this anymore. I'm just not going to bother with meeting with him. There was no need for it. It was just that I'd just had my stomach-ful. You know, that's pretty long suffering. Twenty-four years is pretty patient.

C.H.: He said you had a personal hit list.

V.A.: Me?

C.H.: Yes.

V.A.: No, I never did.

C.H.: Including environmental groups and educational organizations.

V.A.: Never did. <sup>EXACTLY MAYBE</sup> ~~kept~~ the Willamette Week.

C.H.: [laughs] Well, eventually apparently you did sign the vocational retraining bill into law?

V.A.: Yes.

C.H.: And then I see here that you said you will not reappoint Fletcher to the Oregon Economic Development Commission and will appoint Lon <sup>ME</sup> ~~Emell~~ [ph], Secretary-Treasurer of Multnomah County Labor Council instead?

V.A.: Yes.

C.H.: What was behind that?

V.A.: I liked Lon. I thought he was a good man. I thought he was more objective by far than Irv Fletcher was.

Irv Fletcher was more beholden to the leadership of the AFL-CIO. Actually, he was less able to express himself personally.

C.H.: In February of 1983, you went to a National Governors' Association meeting, and there was a resolution urging President Reagan and Congress to consider tax increases and defense cuts aimed at slashing federal deficits, which won preliminary approval by the Executive Committee. Was that something that you were supporting?

V.A.: I think generally that's true, yes.

C.H.: At that meeting the Chairman of the Governors' Association was Scott Matheson. What was he like?

V.A.: Scott was one of my favorites. A Democrat from Utah. But Scott was one of my favorites; I really liked him. He was a good governor for Utah. He was a good governor. I respected him for that.

C.H.: Jim Thompson, Governor of Illinois, was slated to succeed Matheson as Chair. Of course, Jim Thompson was Governor of Illinois for a long time. Did you know him pretty well?

V.A.: Yes.

C.H.: And your impression of him?

V.A.: He matched Illinois. When I say it that way, I'm not sure how well he would do in Oregon, in terms of personality and the way he did things. But he matched Illinois; he did a good job for the state of Illinois. And I get to thinking, you know, for a Republican to win in Illinois, you've got to be pretty good. You've got to campaign pretty hard. And I'm thinking about all these governors. They all went through what I went through, see, so when you look at the governors, you say, "Well, we've all walked in the same shoes, you know, to get to where we are."

C.H.: Yeah. And some of these other people have become known nationally for other reasons. Governor Richard Thornburg of Pennsylvania.

V.A.: I liked Dick very much. I did.

C.H.: And of course he almost become Attorney General.

V.A.: Yeah. Well, he was Attorney General.

C.H.: Oh, that's right. He was Attorney General, and then he left to run for the Senate and lost?

V.A.: Yes.

C.H.: And Governor Bruce Babbitt?

V.A.: Bruce Babbitt was a good governor. He was not one of those that was respected like Dick Thornburg, like Jim Thompson, like Scott Matheson. And I'm doing this - well, there are two Republicans and one Democrat - but you know, not in a partisan sense. Babbitt was not one of those that was ranked very high by his peers. He was always ambitious, and we all knew it.

C.H.: And Richard Riley was there from South Carolina.

V.A.: Very good. Good governor, good guy.

C.H.: Tony <sup>Anny</sup>~~Aniyen~~ [ph] of New Mexico?

V.A.: Yeah, he was not respected at all.

C.H.: Why is that?

V.A.: Oh, he was very partisan, very partisan, and not very deep. Again, I'm saying this now, when I tell you that, that would be Republicans and Democrats, not just - I'm giving you my impression of how the governors kind of saw their own colleagues.

C.H.: And Joseph Brennan from Maine was there. I don't know anything about him.

V.A.: No, he was just sort of there.

C.H.: Uh-huh. You said, and I believe it was at the conference, that you would lead a move to repair a rift between coastal and intermountain states that has weakened the power of the Western Governors' Conference to lobby effectively for common regional interests. What was the rift? How would you describe the rift?

V.A.: I don't remember what that was, but I do recall earlier telling you that Western states really did have a common bond, and the common bond was that we were owned so much by the federal government. And they were dabbling not only in the matters of land and how it was going to be used, but water, and of course in our case trees and water and a whole lot of things like that.

Actually, the Western Governors got to be desired, and we had states as far away as - I think Minnesota wanted to become part of the Western Governors. You know, they can pick and choose. They can belong to two or three if they want to. So we went as far East as the Dakotas, North and South, and I think the neighbor is Minnesota to one of those states, and they wanted in.

C.H.: Apparently the - was it the Western Governors' Conference was formed eight years previous to that to address energy issues?

V.A.: That preceded me, but I think that's right.

C.H.: And it was made up primarily of intermountain Western states.

V.A.: That's correct.

C.H.: That branch had become a competing organization; that's what you said.

V.A.: That's what it is. You're right. We had the mountain states, and they had their own deal, they had their own office, and it really wasn't working in communication. We finally joined the two.

C.H.: And Governor Ariyoshi of Hawaii supported that move as well?

V.A.: Mm-hmm. <sup>JE</sup>

C.H.: What was your impression of him?

V.A.: I always liked George, very much. I don't recall at what point in time, but he was running - he wanted to be Chair and

<sup>LAMB</sup>  
Dick Lam wanted to be Chair <sup>of the Western Governors' ASSOC.</sup> at the same time. And I highly favored George Ariyoshi, and it was going to be a Democrat. It was one of these things Republican-Democrat, Republican-Democrat. Well, it's was Democrat slot coming up for Western governors.

And so I said to George, "George, do you want to be Chairman?" Yes, he said, he'd like to do that. Dick Lamb was not my personal favorite, and I did like George very much. So I lobbied among my Republican colleagues for George Ariyoshi. But that wasn't enough to get him elected.

But I didn't see George doing very much, so I finally called him. "George, now, I've done everything I can, but if you really want this thing, you're going to have to go do some of your own lobbying. I can't get you the whole thing. There's not enough of us Republicans."

And he got enough, along with our Republican colleagues, and he won over Dick Lamb which pleased me. I liked George.

C.H.: You had some feelings about Governor Lamb in part because he had formed the policy office that was creating so much of a problem?

V.A.: Well, actually that, and he was pretty cocky, and he was kind of - you know, kind of like a big shot. I suppose it's more his own personal attitudes.

Dick Lamb as you know, got quite prominent in talking about old people and how long we should take care of them. I've forgotten his terminology, but even on recent news he gets back on again about - making some strong statements about old people.

But Dick, it was just a personality thing. It had nothing to do with his ability or his brightness.

C.H.: Then you were Chair of June 1983 Western Governors' Conference in Kalispell, Montana?

V.A.: Yes.



C.H.: Now, when you're Chair do you also set the place where it's going to happen, or is that a separate decision?

V.A.: No. Usually what takes place is that the - where you are is where the new chairman will come from. This is Montana, and Schwinden became Chair at that meeting, and I became Chair at Salishan. That's just a ...

C.H.: Well, there was some interest stirred by this meeting because Secretary of Interior James Watt had asked for an invitation.

V.A.: Yes.

C.H.: Why was he asking to come to this?

V.A.: Well, again, there's so much involved with Western states, much more than any other states, Interior really does. And again, Interior deals with Indians, they deal with water, they deal with trees. You know, it's all very much an integral part, and Interior does an awful lot.

C.H.: And you wanted to talk to him about timber relief, didn't you?

V.A.: Yes.

C.H.: And did you?

V.A.: Yes.

C.H.: Was that about the renegotiation of the contracts?

V.A.: That's right. I had a chance to talk to him about that, but I had access to him - matter of fact, I think I told you early on I met with him after he became the Secretary of Interior in Washington D.C., and that's where - remember, I told you the story? - he said you couldn't move fast enough to the left to catch up with these folks. By the time you get to their position, they've already moved further to the left. So ...

C.H.: Also, Malcolm Baldrige, Secretary of Commerce, was invited to come.

V.A.: Yes.

C.H.: What was your impression of him and what did he have to say?

V.A.: I don't recall what he had to say, but I really did like him. He was a very good person and a very good Secretary. And incidentally, as a side story, he became a very close friend of Congressman Bob Smith, and they would go out and do team roping together. Actually, he was killed doing some of that; I've forgotten what happened. Malcolm Baldrige was killed. I don't recall the details, but it had something to do with horses. But he was a good man, a really good man. I liked him.

C.H.: The article that I read about this conference said that the California governor traditionally did not attend the conference. In this case it was George Deukmejian, and he did not attend, I presume?

V.A.: I don't recall that, but yeah, they were kind of aloof.

C.H.: In a class of their own?

V.A.: That's right. That's right.

I do want to tell you one story about that particular meeting. One night we went out; as a part of entertainment, we went out on the lake, and there's a boat that takes you across the lake, and all the governors were on this boat. And then we landed on the other side. There was an old lodge there, and that's where we had dinner.

And I had my granddaughter, <sup>MEGAN</sup> Megan, with me, and she had met a young fellow from California. This was the Western Governors office out of California, his son. So they, you know, got to know each other.

So here we are in this big hall with the governors and their spouses, and <sup>MEGAN</sup> Megan, who was not all that political, but she was going to go get some autographs, she and this other young fellow.

But this is a story that I'll remember. She said she wanted my autograph, but she said, "Don't sign it Grampy." She wanted my name. She didn't want me to write "Grampy," she wanted me to write my name. It was a paper placemat, and it was what she was going to carry around. She said, "You sign this, but don't sign it Grampy."

C.H.: Well, another person that came to that conference was Lester Thoreau from MIT. Of course, he's on TV quite a bit with the MacNeil-Lehrer report, and he was talking about the economic recovery. What was your impression of Lester Thoreau?

V.A.: Not much; I can't remember him.

I do remember one thing. You know how you prepare yourself? And I never really agreed with the reaction that politicians had when demonstrators tried to disrupt a meeting, and I'd seen them, watched them, and they'd say, "Well, they have their rights," you know, and they were trying to be very objective about the whole thing. I wasn't objective about someone disrupting. And someone there at the meeting started to disrupt the meeting, and I was in charge. So for the first time I got a chance - actually the only time - to exercise that which I had thought about. So I told this person, "Look, you have your right to free speech. We have our right to free speech. This is our meeting. Now, you can go say whatever you want, I don't care what you say, but don't disrupt my free speech. Go out and do your own free speech somewhere else." That was the end of that.

That's what I believed in. That was the end of that.

C.H.: Well, the Western Governors' Conference was then renamed the Association. Was there any particular reason for the change?

V.A.: I think because we merged those two groups.

C.H.: And the Policy Office was dissolved. And they said that the Western states will pull out of the Council of State Governments as a compromise in the dispute with Governor Lamb

V.A.: Yes.

C.H.: You proposed a land swap between the state and federal government with Interior Secretary James Watt.

V.A.: Right.

C.H.: Did that come up at that meeting?

V.A.: Not publicly. Privately. Where we were, this had been going on for a great number of years <sup>IN 1954</sup> before I took office and while I was in office.

The Governor is Chairman of the State Land Board, and the State Land Board deals with State-owned lands. And we had been dealing with them on Southeastern Oregon, and there was a whole lot of almost, you know, just intermingled sections. And the whole idea was to pull - we would trade, so we would have a block, and they would have a block. And one of the problems related to mineral rights, so I finally said, "To heck with it. Why are we fooling with mineral rights? Let's just swap, and each keep their mineral rights." Because you can talk about mineral rights forever. You don't know what's under the ground.

C.H.: But the feds claimed that their land was really worth more, it wasn't an equal swap?

V.A.: Oh, no. Mostly it was mineral rights, and it got hung up on that. So once we broke through that barrier - you know, you can always debate whose land was worth more because there would be times when ours would be worth more and times when theirs would be worth more, but we finally did manage it - not then, but maybe a couple years later - finally managed to block the lands. So you can manage it better.

C.H.: How much land was actually exchanged?

V.A.: Oh, gosh, thousands and thousands of acres of ground. But we were able to block ours, and they were able to block theirs. That gives them better management and us better management. So it worked out. But you know, these things just sort of drag, and you get bureaucrats involved, and it finally got down to this mineral rights business, and I said, "Forget it. We'll swap land, and if there's minerals discovered on land that we just swapped from the federal, it's theirs. If they discover minerals on the land that they got from us, that's ours." Obviously they weren't going to find any mineral on either one of them, but how are you going to know that ahead of time? So we just got rid of that question.

But the whole point was, "Look, let's finish this thing off." And he was very amenable to that idea.

C.H.: You said later in the year, in November, that you were surprised at President Reagan's choice of William Clark as the new Secretary of the Interior to replace James Watt. Why were you surprised by that?

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

C.H.: Were you surprised in that he chose William Clark or that he was actually replacing Jim Watt?

V.A.: Well, Jim Watt was getting to be some pretty heavy baggage. You know, I understand politics enough to know about that. That wasn't surprising to me. He was a nice guy. He was very faithful to the Reagan Administration, but he just had too much heavy baggage.

C.H.: Very outspoken.

V.A.: Very, and he said some things that really weren't very smart.

C.H.: And rather inflammatory, weren't they?

V.A.: Yeah, unnecessarily so.

C.H.: But he became a very popular speaker, didn't he?

V.A.: Yes.

C.H.: Didn't he draw big crowds in places where he would go?

V.A.: Well, yeah, where he would go. I mean, it was people that liked him. It was sort of like - this is a Lincoln joke. Someone had written some poems and had published them in a book and sent the President the book and asked for his opinion. And President Lincoln was a pretty kind person, you know, so he writes back and said, "For people who like this sort of thing, this is the sort of thing they'd like."

Well, back to James Watt, for those that like someone like Jim Watt, they'd show up, you know, and there was a lot of people that liked Jim Watt. So if people like that sort of thing, that's the sort of thing they'd like.

It's the same thing I don't understand about <sup>business</sup> North. You know, he draws big crowds. You know, I can't deny his loyalty to the United States, but you can't run things all by yourself. To me, he violated the Constitution of the United States. But he draws big crowds.

C.H.: One other thing during this period of time, you told a meeting of senior citizen advocates that you were withdrawing your proposal to move the state nursing home ombudsman from under your direct control. That became a big issue, didn't it?

V.A.: Yeah.

C.H.: And you had gotten rid of the previous director, and there was a lot of negative press reporting on that.

V.A.: That's an interesting observation of the inner workings. The ombudsman we had was a person that I knew.

C.H.: You and removed Jean Smith?

V.A.: That's correct. Obviously I didn't say then, and I'm not going to say now, but her advocates wanted an investigation, and that's the last thing that she really needed. And so it looked

like it was almost peremptory and that I was ignoring the desires of both her and her supporters. Actually what I was doing was protecting Jean Smith. I knew that an investigation was not going to do her any good. So effectively I took the heat for doing what I thought was the right thing to do, and it was kind of uncomfortable at the time, but I did what I thought I ought to do.

[End of Tape 38, Side 2]