

VICTOR ATIYEH

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Tape 32, Side 2

C.H.: This is Tape 32, Side 2.

V.A.: Well, as I was saying, I would stop and think about it before I would act. And I would think it through, and then I'd act. And incidentally, I never second-guessed myself.

So part of that observation may have been just that: rather than sitting back counting, waiting till all the troops arrive, it's matter of thinking about what it is I want to do, and then I go ahead and do it. Again, I don't think it's good management or good government to continually shoot from the hip. I don't think it's orderly, it's just my way.

C.H.: It's an interesting perception because later on, when there were a couple of programs that you come up with that we'll talk about - like a school tax base program - and it's something that you completely formulated on you own, and you didn't go out there to solicit a lot of support for it. So there seems like there might be some contradiction in that statement by Bud Kramer. But when you have something that you're going to put out there, do you have a strategy that you pursue?

V.A.: I suppose that really genuinely a fault, and I would call it that, is that I would - you know, I knew enough about what I wanted to do, and having had 20 years of experience, along with all these very able people that I had in state government, that, you know, this whole idea of summits and task forces and all the rest of that stuff just wasn't - I didn't need it. Why waste time doing it? Now, that's good politics. You know, people think something's really happening. But, having done so, this was all

internal, so you haven't built in a constituency for whatever it is you want. You talk to different groups and say, "This is what I've got in mind," and run up the flag and things of that kind, so when you come out with it, really, it's all new to people and you don't have, you haven't already built any constituency. "Oh yeah, what Vic's saying is right." You know, like that kind of thing. That was the big mistake in that sense. And I think that in some of the major issues I made that kind of a mistake, and sometimes didn't prevail because of it.

C.H.: A couple of people that they interviewed in *Willamette Week* had a few interesting perceptions on, I don't know, maybe some of these things we've already talked about. But one was, "Some suggest Atiyeh should cut more state employees despite difficulties with civil service rules which provide for bumping younger employees to maintain the seniority system, even if the older employees are less suited for that position." They said here Ted Achilles noted that "most of Atiyeh's agency chiefs are longtime career state employees and that bureaucrats have an inherent tendency to maintain the system they already have."

V.A.: Well, he's right about that observation. And yet, at the same time, you've got a body of people who are working and who would like to believe that this is a career opportunity and that they have a chance to move forward. So it isn't wrong with that. You know, just by the concept of bureaucracy, that's not bad all by itself. It's what happens with the bureaucracy. Do they react properly with the public? Do they understand why they're in the business? Are they accommodating the citizens of the state? I mean, that's the important thing. Not that they've been there.

Many of them, of course, know what needs to be done and how it should be done. I don't know what point you want to get into or if you have notes on the Employees' Suggestion Awards Board, but this

was all a matter of stimulating them. I'd say to myself, "These people know. Now let's find out from them how things should happen." So I guess I'm not doing a very good job of explaining, it's just bureaucracy of course has got a bad name. I use it as a bad connotation. I use it in a muscular sense that it's strangling people. But if it's managed well, it does what it's supposed to do, and that's function for the citizens of Oregon.

C.H.: I guess that the area that we're looking at is who you're appointing to run agencies and to run the level of the bureaucracy underneath you. There was some feeling that in contrast to your style that Bob Straub tapped a lot of prominent businessmen to run major departments, like Dick Davis and Charles David, Bob Berkow and people like that.

V.A.: Berkow was a disaster. I hate to put this on tape, but I was yearning to can him. He unfortunately resigned and didn't give me the chance. Incidentally, I don't do that very often, but he was a disaster.

I know in my own instance of hiring from business, and I constantly was dealing with that person, trying to get them what I call properly bureaucratized. He wasn't using - actually, in this case, he had to deal with an appointed commission that I had appointed, and I kept trying to tell him how to do this. It was a very painful period of time.

Now, that doesn't mean to say that that doesn't work. We talked about the Executive Department, and I finally reached back and got someone that had never been in government before to head the Executive Department, which, as we talked about before, is a very important post. And he did a very good job for me.

But I wasn't doing it for effect. I wasn't it doing it as tokenism in the sense. I was doing it when I thought was an appropriate place to put somebody that I believed was able to do

the job. A lot of these things are done for, you know, it's good politics. It sounds good.

Charlie Davis is a bright man, I don't mean to pick on him. I mentioned about my unhappiness with Berkow, but some of these appointments were good people, so I don't mean to say that they're not good people, but it wasn't a matter of advertising the fact that "I'm going to reach out and get the people coming in." And I didn't have the same degree of disrespect for those who were working in government as most politicians do.

C.H.: But did you feel better on relying on career administrators?

V.A.: Sure. Well, I answered quickly sure, but in a selective basis. There's some I wouldn't rely on at all, and others I'd rely on very heavily. So it depends on my perception of their ability to do the job that I think ought to happen.

C.H.: Did some people feel it was rather ironic, your being a Republican businessman and relying more on career administrators than on, say, bringing people in from, you know, other businesses to run various aspects of the state?

V.A.: I can understand that they would be curious about that. And yet, I think to myself, in their own business, would they at random, just for cosmetic reasons, bring in somebody from the outside of that business? You know, to bring me into a high level position at Intel wouldn't make any sense at all. I don't even know how to turn on computers. Yet I've been a governor for eight years, I've been president of my own company for 35 years, a businessman. So that doesn't match. It doesn't match at all.

I'd do better, if I were Intel, to bring people along and they would learn and they'd understand what's going on and they could, you know, if some people are better than others, you finally select someone - what's wrong with that? So I look at it the same way.

It's a business - we're talking about government now. These people that hope to have some career in that business, if they do a good job, they will be promoted. You know, that kind of thing. That's good. That's good. That's healthy.

You see now, you're dealing with two things: other people's perception of how things ought to be, and my perception, having been 20 years in the legislature and 35 years as a small businessman. And you know, I had that 20-year perspective as a legislator. I knew the cast of characters out there - I mean state employees. I understood, I knew what some of the problems were and why things weren't happening, and so -.

But there's the politics of it. And I wasn't interested again in the politics of it. I was anxious to get to it. Remember I told you earlier on, I said, "I've got four years to do this. I don't have time to fool around. I don't know if I'm going to have any more than four years. There's a lot of things I want to do in four years." There's that impatience there, and my prior knowledge. Maybe somewhat if I were, you know, if they really looked at me, they would say, "Atiyeh's an awfully cocky guy." They never looked at me that way, but they might have.

C.H.: Leo Hegstrom said - and he was one of the people that you appointed - that the big difference between you and Governor Straub was that you had more of a direct personal involvement in the managing of the affairs of state government, and that you were more personally involved in making critical decisions. Did Leo Hegstrom serve under Straub as well?

V.A.: Yeah, but not the head of the department. Leo came from human resources.

C.H.: But he was capable of seeing the two different styles?

V.A.: You remember I told you I was looking for, and it happened Hegstrom, in human resources, someone that I could talk

specifically with about programs but also a good administrator, and that's a hard combination. And that's how I found Leo, and he's the one I asked to do that job.

C.H.: I guess it must be interesting for somebody in your position to determine what the proper balance is for personal involvement and delegation of that authority to someone else. How did you struggle with that?

V.A.: It wasn't really too much of a struggle because I had weekly cabinet meetings - I think we talked about that - and so I was able to convey in the broadest sense what I wanted to accomplish. And as we had reports, I could tell if it was moving in the right direction. I wasn't really interested in the tiny screws. I wanted to know how things were functioning, but I really wasn't that minutely interested in it; that was not quite my -.

Leo Hegstrom, one of the things I told Leo, "Leo, in all the years I've been down there, right near the end of the biennium and welfare's running out of money." That was front page news. "Leo, I don't want to hear about that anymore. I don't want that to happen." That's what I mean. This was a direction.

Dealing with the Fair Director, when we picked one. I said to him, "I don't want to hear about the State Fair until the State Fair." Because always, you know, in between State Fairs there was some kind of scandal, some kind of something. "I don't want to hear about the State Fair until the State Fair begins. That kind of thing."

So now Leo's got in mind exactly where I'm - I'm not saying, "Now Leo, this is the way I want you to do this." I'm saying, "This is what I want you to do, you go do it." There's a difference. We talked about that.

I knew that if somebody said to me, "Vic, I want you to do this job, and as I told you before, and I expect you to do it,"

that says, "I want to use your talent, I want to use your knowledge." That makes a guy feel pretty good. And also, it kind of puts an extra weight on his shoulders because he's got to get the job done. I knew that. And that's how we operated. I also told all of my staff - my cabinet, if you will, which we didn't call it that - "I don't want to ever be surprised." And obviously it has to be something big because that's what suddenly hits the front page. So again, they've got a clue now.

C.H.: Were they successful in doing that?

V.A.: Very. Very. I don't really think that I was - I can't remember being surprised. Obviously, that doesn't mean I never was. But it certainly wasn't anything very important, if I was.

But having these weekly cabinet meetings, it kind of easily kept you up. You didn't wait a month or two months or three months, you know. Doing it on a weekly basis, you get little pieces. And as I think I mentioned to you, part of my style was to get agencies to understand each other, how they affect each other, and communicate with each other. And that hadn't happened before. So again, that's all part of this whole thing of how you run the machinery of government. So I was involved with the budgets, more than any other governor had. But to me, programs - I wasn't dealing with money. I was dealing with the program. And that converts to money. So it wasn't a matter of backing into it, saying, "Here's the money, now let's see how we can make that fit." We would deal with programs. And having done that, we'd say, okay, that's too much program, not enough program, whatever it is. We can pare it down, or we can do it this way better.

At times I'd get deeply involved. Again, we mentioned it. I would bring in agencies. "Okay, tell me about your agency." Now, they know I knew because I been there. But I was going through an exercise, I wanted to make sure that first of all they had to

prepare for the Governor. You know, I came in and they'd have all the division heads in there, and they were thinking about what they were doing. And I'd say, "Why do you do it that way?" And a lot of things I knew the questions were coming up because I knew they were things differently. "How come you're doing it that way? Why are you doing it that way? Isn't there a better way of doing it?"

So informing me, but also getting them to think about what they're doing. I did that with all the state agencies over a period of time.

Well, now, people have a perception of how they think government ought to work. And, you know, oftentimes, like you were quoting different people from different media, that's their version of how they think it ought to work. But I'm the one that's fully responsible for it. I'm the one that has to see how it takes place. So I'm going to do it the way I think it ought to happen, not the way they think it ought to happen.

C.H.: But did you have problems running into people in the bureaucracy that fought you in the way you wanted to do things, either openly or covertly? That you had a hard time getting them to do the things they way you wanted them?

V.A.: It was harder for them to do that than for me. It would have been my predecessors and my successors.

Let me use the media as my example. I observed during Goldschmidt's term that the media let Neil get away with a lot of things they would never have let me get away with. You know, he would not know the answer to questions, or he wasn't able to give a definitive answer - or Freddy Petit in human resource: "Well, that's Freddy's fault, not my fault." They would never have let me get away with that, in the sense, "We expect you to know, Vic."

Now, no one ever said any of this when I'm knocking about, but I'm observing it. "We expect you to know, so now you give me an answer. We don't expect you to know, Neil, so we don't expect an answer from you."

C.H.: Was that because he wasn't in government, he was more or less an outsider, do you think?

V.A.: It may be more that I was an insider in the sense that I'd been there a long time, rather than he was an outsider. For whatever reason, I've observed that. There are answers that they wouldn't expect from Clinton that they would easily expect from George Bush. I don't think that anybody thinks of this in an overt way, you know, consciously thinks of it. But I've observed that.

Having just said that to you, the bureaucracy reacts the same way. You know, "It's awful hard to fool Vic, he's been around 20 years. You know, we can say, 'Oh yeah, we'll take care of that, Vic,' and then like most governors, it will all go away." I've said that to them. I've told them, I've said, "I understand all this. I'm asking you to do this thing, and you think, 'Well, he's going to forget it or it will go away.'"

I've told my agencies this: It's not going to go away. I've told them that. "This is different now, we're in a different world than you've been in before." And they kind of enjoyed that, too. But the fact is, I'm sure there were some things that were let slip, but again, nothing in a major sense, because I would know about it. You know, you reminded me, because I hadn't thought about that for some time, but you know, I've said to state employees or state management, I've said, "I see where other governors say this before." But you know, I'm giving them speech guides. "You've heard other governors say this before. But," I said, "this is different. You know, I ain't going to go away. I

know what's going on. And so, what I'm just telling you, I mean, it's going to happen." All very pleasant.

C.H.: Well, going on to some of the policies that you were coming up with and looking towards the second legislative session of your governorship, we've talked a little about this before, but your idea of promoting conservation and alternative energy development was a big program for you, and the program called for expenditures of \$144 million by the department, the bulk of it in loans for the development of renewable energy resources. How was that perceived by the public?

V.A.: That wasn't too well received, in the sense that here was a growing bureaucracy, massively growing, and in the sense that it was a small agency which could kind of be kicked around or less regarded, we could live with that. You know, "We don't mind if it's there, as long as it doesn't bother us." But I'm trying to crank this thing up, and crank it up in the sense of really - Conservation was really the major effort. Once we get a report, you could tell from reading the report that "when" was a long way away, it was very expensive. Tide really was not much of an alternative, but it's a renewable resource. Solar could get you somewhere, but it was not one of those things you could build and transmit. People had to do it house by house or building by building. So as we go through each one of these things, you could tell that there were some impediments, whether it was cost or lack of efficiency or lack of transmission or whatever. Or political reasons. But conservation was.

C.H.: Some people felt that because we were relying on voluntary effort rather than mandatory policies, that it would not be as effective. Was that a concern as you were looking at it?

V.A.: Again, you see, how you approach government. You give people incentives for doing things rather than saying, "You

absolutely, positively do that." And you'd be surprised. You really can move a lot more rapidly.

C.H.: What kind of incentives did you offer?

V.A.: Oh, some were low-cost loans, some were - well, one of the incentives is you'll save money, which was not many dollars out of our pocket, but show them how they could do that job and do it well.

You know, even with me, in this room, or in my office, now we have fluorescent lights. Now, I walk out of the office and turn the light off. I mean, nobody would ever know that, you know? But I know that's a little bit. Maybe the tiniest of slivers. But it's a little bit. Well, if everybody got into that habit, you know - no problem, just turn the lights off. If you're not in the room, turn the light off. Don't need it. You're not in there. But you know, you convince people it's to their best interest that they do this kind of thing. Or you would give them some dollars to weatherize or fix up, so the energy isn't escaping out through the windows or the doors, or to get them even to recognize that heat goes up your chimney. You know, things that people can understand. All of sudden, they begin to realize and do things on a voluntary basis. The voluntary thing is by far the most powerful of them all.

C.H.: Some people felt that you should have opposed the construction of the Akanax aluminum plant in Eastern Oregon, I think that's what it was called, which would have devoured the bulk of the electricity from the 500-megawatt coal plant in Boardman.

V.A.: Alumax.

C.H.: Alumax. Okay.

V.A.: Well, that was their opinion. There was a block of energy that was unused, and so it was a matter of taking that unused block and using it for one single aluminum plant which uses

a lot of electricity. But in fact it was available. It was going to create jobs, and it was going to be in the Hermiston area, that's where it's going to be. And it just made sense to me to do it.

C.H.: And then some people felt that space heating too in new homes were alternatives like natural gas if it was available, that there should be some kind of addressing of that situation.

V.A.: Of what?

C.H.: Of trying to encourage the use of natural gas instead of space heating with electrical equipment in a new home.

V.A.: Well, that's not bad, you know. Actually, when I came home we converted to gas, but it was because I liked it better.

C.H.: There was a feeling that there should be less nuclear or coal plants. But I found in my notes too that more recently you did advise Portland General Electric to defer its plans to build the Pebble Springs Nuclear Plant. So, was that part of the reason?

V.A.: The answer is yes, I did. But you recall when we talked last time, I had come to the conclusion that they really were wasting their time and wasting both ratepayer and investors' money in trying to pursue something that was never going to happen. I just saw the handwriting on the wall, it just wasn't going to happen.

So I encouraged them and said, "Look, why don't you just forget that? Why waste any more money at it? Just forget it because it isn't going to happen. No matter how hard you try, it isn't going to happen." To me, it was so clear. You know, it was absolutely, abundantly clear. There's no point in pursuing that any more. And PGE understood that, I think, and they did decide.

C.H.: One thing that you did vigorously support was the passage of the Northwest Regional Power Bill, which would make Oregon's energy future more closely related to that of Washington

and Montana and Idaho. But a lot of people felt that those states had done a lot less to curb their electrical demands than Oregon had. So was there hesitancy about getting involved with them on a regional power-planning basis?

V.A.: No. But I can understand that: Why should we save energy so that Washington could have some? You know, it's quite obvious. They're wasting it up there and we're saving it over here. But that's the whole idea of it, that we think in terms of a region, that we act in terms of a region rather than act independently, which is what we're all doing. And that's hopefully part of the whole idea.

C.H.: Was it at this point that the Northwest Regional Power Planning Council was formed, then?

V.A.: That's right. It came from the regional power bill that we asked that there be created the power planning council. And there was some difficulty with that, because, you see, that's a federal thing.

C.H.: Right.

V.A.: And here we were interceding with states, and the states shouldn't tell the federal government what to do. So this was another problem we had to overcome. But it became part of it.

C.H.: Do you feel that it's been a successful part?

V.A.: Yes, I do. I do. Now you see, you had two commissioners from each state. And they're sitting at the table, and you know, they can talk about things like, "Hey, Oregon is saving and you, Washington, are wasting." Now, I don't know if that kind of a conversation ever happened, but that's a subliminal thing going on all the time. So they're understanding how - at each cabinet meeting, if you will, they're communicating with one another, and they understand what they're doing is going to affect somebody else. So it's no longer dealing with it separately.

You know, there could have easily been a regional pollution, air pollution because the air pollution from Washington does drift into Oregon; it doesn't stop at the Columbia River. Or visa versa, Oregon pollution is going to Washington.

[End of Tape 32, Side 2]