

VICTOR ATIYEH

June 7, 1993

Tape 33, Side 1

C.H.: This is an interview with Governor Victor Atiyeh in his office in Portland, Oregon. The interviewer for the Oregon Historical Society is Clark Hansen. The date is June 7th, 1993, and this is Tape 33, Side 1.

So we were talking about the Northwest Power Planning Council.

V.A.: I recall telling you that I thought this was important. I looked at power as being - that is, in Oregon, Washington, Idaho, and western Montana - as a lake, and that you can't regulate a part of the lake. You can't lower than the water level in Oregon and raise it in Washington, you know, that kind of thing. It was all one pool, as you will. That was the general concept and that's when, I know I told you, I got Lee Johnson to do a little Kissinger-shuttling and told him, "Don't shove anybody into a corner, and let's just kind of slowly work this around." And he made many trips to see Governor Schwinden and Governor Evans and then Governor Ray, and finally Spellman and - let's see - no, I guess Dixie was still there. And you know, just gradually get it closer so that we could begin to agree on something as four governors, which of course we needed to, and inform our congressional delegation, "Now we four governors have agreed on all of this," and it deals with the Northwest, so when you go to Congress, you've got the governors agreeing and you've got most of all of your congressmen and senators agreeing. And so, back in Washington D.C., "Well, if you guys all agree, I guess it's okay with us." And away you go. So that's the general theory of what we did. That's how it actually all came about.

C.H.: What about the problem - and I'm not sure whether we discussed this before or not - about the public versus private power rates?

V.A.: We weren't dealing with that. PUD's versus public investments and all the rest. That was a separate battle, and D.C. had to deal with it on its own.

The point was, the basic fundamental source of power - at least as far as Oregon and Washington was concerned - was the Bonneville system. That system itself was one that favored PUD's because that was part of the legislation that created the PUD's; that they would get, we could say, first choice. But that was entirely different.

We were trading about power in its broadest sense and how much power was available, and that we all share in it equally and that we all understand each other's problems, and if we're going to conserve, we'll all conserve. And you know, it gets into it now with fishery. Fishery was something we introduced, and that's a big deal now. But that was something we put in. But you can understand it right away: Idaho's got a problem with Oregon's use of the fishery - and Washington's - but that's been long-standing. And you know, they want to get some of their fish back, just like they would want some of the energy comes out of Bonneville. But those - I mean, we get more complex when we need to. But the whole point is that there was this interdependence, and it was essential that we all work together.

C.H.: Who did you first appoint for being representative?

V.A.: I appointed Herb Schwab and - oh my goodness, I can even see his face.

C.H.: It wasn't Bob Duncan, was it?

V.A.: No. No, Bob Duncan came later. Roy Hemingway.

C.H.: Right.

V.A.: Roy Hemingway. Roy was very instrumental, incidentally, and was helpful at the time we were running this whole power bill back in Congress. Herb Schwab was a highly respected chief judge of the appeals court, and very knowledgeable. That was a tandem of two good people, very good people. I wanted - you know, when you start something new, you really have to start off on the right path. Herb was there at the beginning of the appeals court; he got it started on the right path. So I wanted him there on the Council. Hemingway knew all of the ins and outs and all the details of the bill itself. So that was a pretty good team of people, to get the thing started with.

C.H.: *The Oregonian* had some comments about activating the Domestic and Rural Power Authority. It was devised by the Straub administration and was a mechanism for getting cheap power in the state. What was your relationship with that setup?

V.A.: I didn't think it was a very good idea, but I said, "What the heck. I don't think it's really going to work, but what the heck." It was not something that I had the same degree of energy behind that as I did the power plan itself.

C.H.: Going on, then, there was a special session, and at one point you said, "There are those in society whose voices have been loudest in recent years, who scorn the need to provide jobs and who are angered at profits. These same individuals are hailed as champions of government services. The fact that you are here today to cut budgets is proof enough how wrong they are." Do you recall that? What was the session like, that special session?

V.A.: That was in '81?

C.H.: That was in 1981. Actually, we could talk about that in a little bit, because that actually comes after the first session, so we can -. There was a special session on October 24th...

V.A.: That was to reduce the ~~senate~~^{STATE} budget. What I was saying was that government only runs if there are people working to pay taxes. I was trying to get the message across that if people aren't working - the only source of revenue so we can spend money, at the government level, was the taxes from people that are working. I was trying to make that connection in people's minds. Some people think it just comes out of nowhere, not realizing that it's working people - and successful companies - that make profits, or make wages, that pay taxes so the government can spend money. It doesn't happen any other way.

C.H.: One newspaper referred to this sentiment of yours as best illustrating your own world view that if there's a shortage of jobs, there's a shortage of income, and if there's a shortage of income, there's a shortage of taxes to pay for the government programs. Which is just what you're saying. "His proposed 1981-83 budget bears out his theory when the economy is unhealthy, it is those people dependent on government services who invariably suffer the consequences." Do you feel that's pretty accurate?

V.A.: It's very accurate.

C.H.: That was *Willamette Week*. Of course, they're quoting you. But do you feel that that sums up your philosophy pretty well?

V.A.: Actually, no. That's the problem with the federal level. See, they can operate with a deficit. The states can't. Most states can't. Certainly Oregon can't. And so there is a real truism. Back there in Washington, they can print more money. We don't print money. The only way we exist is from the payment of taxpayers. The entire state stops working, there's no money. You can't do anything whether you want to or not. Welfare, or put people in prisons, or whatever you want to do, you can't do it.

The only source of money is people working, paying taxes. There isn't any other.

C.H.: Also, in terms of programs that you were looking at, legislative proposals for this coming session in 1981, you were looking at the possibility of adjusting laws regulating Oregon's scenic rivers and also the future of the state LCDC. What did you have in mind in those areas?

V.A.: Well, nothing had much been done about really a good review of whether or not - you see, it wasn't a matter of what streams we were going to put into it, that is, scenic rivers - but whether or not the rivers should be put into the Scenic River Act. And so nothing had been done. You know, no real review had taken place for quite a long period of time. It just seemed appropriate to do it. This wasn't any great push by anybody, it just seemed like a good idea to get that in a less combative spirit, you know, at a time when it's cooler in the shade, you just take a look at it.

The LCDC, that was kind of an ongoing thing with me. I'd been greatly disappointed by some of my appointments. I'd pushed real hard to get acknowledgment of all cities and counties, which took me into my second term to get that job done. Constantly alert. All of it related to the fact that I was aware that effectively there was moratorium during the course of coming to an acknowledged plan. And once there was an acknowledged plan, all of the emotions just cooled off. Now there's a plan. It's done. It's finished. I mean, there's no point in arguing any more. It's done. And so the things and all of that controversy would cool down once there was a plan acknowledged.

Prior to that time there was constant agitation, and an effective moratorium. So I was pushing to get that - I wanted to get over that hump, I wanted to get over that hurdle. Again, this

is part of my economical development in diversification. That was part of the thing I was working on.

C.H.: Was L.B. Day running the LCDC while you were governor?

V.A.: No. DEQ. It was DEQ.

C.H.: Oh. I thought he was on LCDC, but he ...

Who was that, was that Hansel that was ...

V.A.: Yeah, it could have been Hansel. I'm trying to recall back, but I know specifically working with L.B. on some DEQ matters. So that's why I say DEQ.

But I made some appointments that just didn't work out. I met with the commission at dinner with them. You know, try to cajole them or get them to get a perspective of what really was happening and how they had to really move it along. I kept working with Wes ~~Gevarsen~~ ^{KVARSTEN} and ^{JIM} Ross and, you know, kept pushing, you know. "Give me a list of where the acknowledgments are and who was not yet acknowledged," and it went on and on. Constantly.

But the whole thing was a matter of putting the whole thing to bed. We had to get that job done. You know, this was again that matter of economic development, to me. That was really part of it. I would say this: that I used the fact that we did have statewide land use planning as a reason why companies ought to come to Oregon.

See, a lot of people hated it, and I can understand that, and didn't like it, thought it was an impediment. And yet I used it as a plus. I'd say, "And besides, you can come to Oregon, you know if you pick a piece of property that you can build a plant on. You know what was going to happen around you. And this is a plus for you. You can go to California, you don't know what's going to happen to your next-door neighbor. You don't know what's going to happen in back of you. In Oregon you know." So I was using it as one of my tools in attracting people to Oregon.

C.H.: And you were successful in that.

V.A.: Yeah. People liked that.

C.H.: You also said that you were going to seek legislation to make racial harassment a crime, because there was a growing problem with bigotry in Oregon. What kinds of programs were you thinking of, or policies?

V.A.: This was really a surprise to the legislature. And anybody. I used that in my address to the legislature, and it came as a, you know, just sort of out of nowhere. To them, that is. But what really triggered it was there was cross-burning in a black man's home in Milwaukie. And I was personally incensed by that. I remember we were talking earlier about bullies, how they become more aggressive if you leave them alone. And so I talked to Dave Frohnmeyer, and we talked to the people of the Justice Department out of Region 10 in Seattle. I said, "I want to come up with something that's going to really hit these people hard."

Well, what we ultimately came up with was making racial and religious harassment a felony. It was a misdemeanor, now we're making it a felony. That's how we finally came down. And it was just a matter that - not even the law, which we did get passed - but just that the government was saying that this is unacceptable. The Governor was saying this is unacceptable. Just saying that. But we had a law to go along with it. But just to say it was unacceptable, this is not something we're going to tolerate. So that was part of what I wanted to get done.

I will now collapse time, because that bill, which I thought would pass - you know, Democrats controlled the legislature; they're for the little guy, they're for the blacks and minorities - I thought, "This is going to go sailing right through." It passed at 1:30 in the morning on the last day of the session. And I had

to badger Ted Kulongoski and Ruth McFarland to get that bill passed.

C.H.: Why? What was their opposition to it?

V.A.: I don't know.

C.H.: They didn't explain?

V.A.: Well, they were just trying to jack in some other things and, I don't know. Can you imagine Ted Kulongoski and Ruth McFarland?

C.H.: Were they concerned that maybe you might get credit in an area that would pull in votes for you that might otherwise go to them?

V.A.: I can't answer that. You know, we talk about some things, but you know, one thing is talking actually behind their minds.

C.H.: At this point ^{Kulonyowski} ~~Kuwandowski~~ was probably thinking about running for governor, wasn't he?

V.A.: Maybe, maybe not, I don't know. What I'm just now telling you is not public. I didn't use it in the course of my run against him. And yet I find it incredible - well, first of all, incredible it didn't pass earlier. Incredible that we had to wait till 1:30 in the morning the last day of the session. It was probably one of the last handful of bills that passed.

Incidentally, after it passed, I went home and went to bed and they finished off the session. But I can remember sitting in my office with the two of them.

Well, but back to the subject itself. I wanted to state - remember, earlier we talked about the session on one ounce of marijuana, and I said, "The state is now saying that it's okay to use marijuana"? That's what I kind of state that I was looking at. It is not okay in Oregon to racially and religiously harass anybody. And it was very curious afterward, there was somebody - some I

don't know, white supremacist or whatever - up in Seattle, Washington distributing material, and he was from Oregon. Well, what we were doing just now is exporting our bigots and bullies. And it was now a felony in Oregon to do that.

I don't understand even why today that isn't used because this whole thing has been, you know, kind of stepped up, and why that statute isn't being used or why somebody is not again making a strong statement in that respect like I did. But anyway, it just came out of nowhere as far as the legislature was concerned for me to say, "I want this bill to be passed making racial and religious harassment a felony."

C.H.: Speaking of crimes, you were also trying to get bonds passed for building straight correctional institutions.

V.A.: That's another thing I never understood. And I really vented my frustration, because actually during my term we had three attempts at this. Twice by my initiation and once by Jim Hill. And when they failed, I said, "I just don't understand it. People are saying to me, 'Put those rascals in jail!' But why they say, 'But don't build jails to put them in' was a contradiction that I never understood. I never understood. You're right; we needed jails. But it's interesting the electorate, how contrary they can be.

C.H.: In February of 1981, you went to an annual National Governors' Association meeting in Washington D.C. and you met with President Reagan and his cabinet. What were your impressions?

V.A.: That was real interesting. It was really interesting going now into a friendly atmosphere, or relatively so, appointments that you could get. One of the things that I found very interesting was my visit with Interior Secretary Jim Watt, who was quoted as saying many things. What we were concerned about, remember I told you about western states and states' special

interests, and the Interior has ~~at~~ a lot to do with it, and trying to get at least Oregon's viewpoint and some communication going with the Secretary of the Interior. T

he one thing he did say - and I don't quote Jim Watt very often, but he's right - was that he said, "You cannot move fast enough to the left for some of these" -- and I'll use the word now "super-environmentalists because if you finally get to the position that they want, they have now moved to another position further to the left." He said, "You can't move fast enough to the left." I remember him saying that.

Incidentally, there's one thing that he did say, too, which I don't necessarily agree with, but he was quite a imbued Republican. He said, "What's good for the Republicans is good for the nation." You know, I don't really agree with that, but that's the kind of guy he was. But it was good. See, I went from Jimmy Carter's term as president and into the now-Reagan and the new federalism and let's return the power back to the states, and so we jumped on it, you know.

C.H.: He would have been just elected, he would have just come into office the previous month.

V.A.: Yeah, but as you recall, part of the thing he was talking about was this new federalism. So were going to take advantage of that as much as we could.

Briefly, if I may sidetrack, Mount St. Helen's blew up; Jimmy Carter came out. You know, people have asked me about presidents because of course I knew Nixon, but not during the term I was governor, but during this period of time, Carter, Reagan, Bush. Oh excuse me, prior to that, I ran in '74 and got to know Gerald Ford. So now we have four - Nixon and Ford, Carter, Reagan and Bush.

In a general category, the coolest of them was Jimmy Carter. Next in order was, I think, Nixon. I'm going to now shift words.

Reserved was Reagan. The two warmest of the group were Ford and Bush. That's a diversion. But now we go back, let's see, so now I go back, I've got a Republican administration, I'm a Republican, and you know the doors are really kind of open, and new federalism. So we're going to take advantage of it.

C.H.: You also met with David Stockman, too, of the Department of Management and Budget.

V.A.: He was head of Management and Budget.

C.H.: That's understandable.

V.A.: There was a cocky, egotistical man, and brilliant. I met with him later, when he left government and was working for one of the biggies, big companies, big financial companies.

C.H.: In New York, yeah.

V.A.: And opinionated.

C.H.: He was described by a lot of people as brilliant. Would you have described David Stockman that way?

V.A.: Actually, a very, very bright man. Again, though, maybe - Remember we talked about it earlier? These very bright guys just can't tolerate anybody that's not as bright as they are, and I suppose that's part of the - why I say the words I say about Stockman. He was right in many respects; he couldn't really get much done with - he really wasn't very amenable to really conversing with anybody to convince them that this is the way it is and there's no other way. You know. Period. Now get the hell out of here. And yeah, we did, with him.

C.H.: How did the Governors' Association go in general, that meeting? Was it a productive meeting?

V.A.: Yeah, the governors' meetings by and large were mostly non-partisan. And if there looked like there was going to be partisanship, we would kind of rail against it. Once in a while the Democrats - there were a majority of them - they'd kind of want

to take the bit in their teeth, but I would say on the average this was probably - knowing the potential pitfalls of all these big shot governors with their own egos, and the partisan, you know, this would be a good hotbed for that - that is, partisanship - but it rarely surfaced.

C.H.: What is the relationship, the rapport, and the atmosphere like in those meetings? Do governors, when they all get together in a big room, is there a sense of camaraderie or competition or does it vary just from person to person?

V.A.: In a good sense there was camaraderie. We're all governors, we've all gone through campaigns. Yeah, one's a Republican, another's Democrat, but that didn't - we weren't contesting. You know, if we'd been two governors from the same state, dynamite. But you see, I'm a governor from Oregon and I can't really - I'm not a threat to the governor of Illinois.

C.H.: But do you say to the governor of Illinois, say, Jim Thompson, do you say, "Jim, you know, as governor I have such and such problem, or I'm dealing with such and such in Oregon, how do you deal with it in Illinois?"

V.A.: That was the thing that I missed the most. As a matter of fact, with the Republican Governors, where we had some control over agenda, and even the Western Governors, I tried very hard to have what I called private meetings. I mean one-on-one private meetings, where the governors would sit down and talk to each other. Now, here we get back into this palace guard business. Staffs didn't really like that. They didn't want their governor sitting in to talk with other governors, you know.

C.H.: Why?

V.A.: Well, they were afraid their governor might say something, come back with some ideas they didn't like, or whatever. So it was very hard, very hard, to get, you know, where all of us

governors would sit down and talk to each other. And so it would happen, but more on a casual basis, standing in the hall or maybe sitting down for a cup of coffee, or you know, and that's not the atmosphere - you don't get the most out of it.

That was the thing I yearned for the most, the thing I would seek the most, and what I'd find most productive. Going to governors' meetings just to have plenary sessions just was of no interest to me at all. But what I might possibly learn from my fellow governors was something, one reason that I'd wanted to go. So there wasn't as much of that as there should have been.

C.H.: In the next month of '81, there was the Dorchester Conference - and of course, Bob Packwood started that back in the 1960s - and you gave a keynote speech for that. You said at that point that Oregonians have let the elite take over in government and that they believe that government's role is to take care of its citizens. I guess this goes back to what we were saying before, you know, your analogy of a Republican or a Democrat, how they would look at ...

V.A.: Yeah, it gets down to really a level of comfort you have with the people, and respect you have for them. Without being unduly harsh, but I will be, the Democrats say, "We're smarter. You give us the money and we'll spend it and we'll take care of you." And that, to me, gets back to - way early in our discussions I may have said it - gets back to the pre-1776, where the king was going to take care of us. You know, don't worry, the king will take care of us. And Jefferson said, and I'm sure I've said this to you, as we were forming our government, "I wonder if the people could run a government?" And that's how we came down. So I'm on the people's side rather than the government. I still believe that. They'll make mistakes, as I've said before, but I still believe it.

C.H.: How did you feel about the Dorchester Conference in general?

V.A.: Oh, I think the Dorchester Conference was one of the finest formats I've ever seen in my whole life. And I would tell my media friends - they're down there, you know, waiting for something to happen, and I said, "You're down there for a different reason than I am. I'm down here because I think this is a great opportunity for people to participate." But especially is once they decide an issue, there's no blood on the floor. They voted, then they go onto another issue, and so it's an exercise. Young people, old people, politicians, non-politicians, farmers, there's a whole mix of things. And everybody gets to participate, sit around the table, debate with one another, get up on the floor, debate. It's a marvelous format, marvelous, unlike anything else. So I've always thought the Dorchester Conference - I don't care about the issues, you know.

[End of Tape 33, Side 1]