

Tape 11, Side 2

CH This is an interview with Governor Atiyeh. This is Tape 11, Side 2.

What kind of bills came up in that session...?

VA On taxes?

CH On taxes. I notice that there were - there was a bill on taxation of insurers, which was tabled, and another bill relating to investments by insurers, which was left in committee; investments by savings banks; and a property taxation of open-space land, which was signed by the governor; another one on alcohol, which was tabled; a Public Employees Retirement System bill, which was tabled; a watch- and clockmakers taxation bill [laughter]...

VA I'll tell you...

CH And tax assessments on certain properties.

VA I remember that. The open space - was that my bill?

CH Yes. It was Senate Bill 541. Those were all your bills.

VA Oh. Okay. The open space bill was really - it was kind of a two-pronged thing. First of all, one of the thrusts was golf courses, which is open space. I really became concerned - and this is not bad to show you how people perceive things. There was a great pressure - let's take, for example, Portland Golf Club, which is really - it was in the middle of a growing area and a highly urbanized area, and it - prior to that time the values of properties - property was going up, including golf courses. As the property taxes went up, they've got this large acreage - all golf courses have this large acreage. Their

property taxes are really going up because they had all this that was going to be just a golf course. It wasn't going to be subdivided, but it was - subdivided property was very expensive. And my worry really was that the pressure would get so great that they'd really have to close, they just couldn't afford to keep it, and, then, you wouldn't have open space. So my concern really was open space. But someone would look at it and say, Here's Vic Atiyeh saving the rich folks at the Portland Golf Club. Well, obvious. So now you get both sides of that particular story. But that was not my interest. Also in that same bill was a provision that some people owned fairly large pieces of property, and I thought to myself, well, if they could put that into open space, then their property taxes would go down. They could maintain it and keep it as open space. So that was in that bill as well. The protective side was that if they ever converted it, which they could do - meaning the golf courses as well as this person that was putting their own land into open space - then they'd have to go back and pick up the back taxes. And I thought to myself, great, because maybe one year they could do it, two years. Well, when you get to five or six or seven years, all of a sudden it's not economical, and so you kind of lock in open spaces, is really, basically, what you do. Anyway, I remember that bill, and that bill did pass, and it did a lot to keep open spaces where open space should be.

CH Did that affect land use decisions, then, around the state?

VA There were some people - that part, you know, golf courses, were already established and were there, and so that wasn't much of an impediment. The assessors had a little problem with an individual setting off their property as - some part of their property into open space. They didn't really like that too much.

CH Did counties fight you on that?

VA Not - well, they complained about it, but not enough to beat it.

CH How did you figure out a formula for determining how to tax open spaces, either for groups like golf courses or individuals who were setting aside land?

VA I'm trying to remember under what designation that it would fall. [Pause.] Well, I think they may have just had to put a value on a golf course. Now, we're talking about the open space itself. The clubhouse, that was a different cat, and that would be taxed according to value. Of course, there's not many clubhouses being sold, nor are there golf courses being sold, so it's very hard to put an evaluation on a golf course or a clubhouse, but they may use comparables or something like that and come up with a value. I don't remember how they actually do it, technically.

CH Some people would complain that trying to make improvements on their houses was a disincentive because you get higher a property tax, especially for older couples and people on fixed incomes that were not planning on just fixing up their house and selling it. They just wanted to fix it up because they had pride in their property, or whatever. Was that issue ever addressed?

VA Always. We even got to a point where we were going to say specifically what the assessment could not take into account. As a matter of fact, legislators got quite angry, and I did too. You know, if you painted your fence, all of a sudden your value is going to go up just because you wanted to make it look nice. Or paint your house. So we got quite specific, and assessors didn't like it. But, yeah, we were really worried about the fact that people wanted to update, improve, fix up, clean, whatever, or put a new roof on, and all of a sudden your values go up. I mean, this is - you're saving value, you're not - if you don't do

it, you're destroying value. Yeah, that's always been an issue; that was always an issue.

Another continuing issue, which we really haven't talked about but persisted all the way through, was senior citizen property tax. They couldn't afford it. Oh, I've had some long and continuing arguments with people, and it's really hard, you know, to figure out what people - how people really - how their mind works. It's hard for me to figure out. I think earlier we talked about Don Husband and his incentive to live^{a Bill} a bill to have reduction in senior citizens' property taxes. There was a bill - I don't recall when it passed, but I do know when it was debated. It was while I was in the house. But it was passed, and it was a deferral. To me, that was the perfect example of what government should be doing. It became law, senior citizen deferral, and it's still on the books. When you gave a senior citizen an exemption or a deduction on value, what you really were doing was creating an asset for the heirs, because the values were going up. I said to myself, that's not the state's problem, that is, to create an estate for the heirs; the state's problem is to keep senior citizens in their home. So that's where the deferral came, and so anyone could defer their property taxes, and whenever it became an estate, the taxes were owed. So okay, that's fair enough, because we don't really care about the heirs. That's not our problem. Our problem is the senior citizen. To me, it's a perfect solution to what government ought to be doing. Oh, you can't believe what - oh, terrible. And the seniors particularly. "Oh, we don't want charity." I said, "What do you mean, you don't want charity?" I said, "If you give an exemption, that's charity, and deferral is not charity." But they saw that as a charity of some kind. Some woman would write to me continually, and she complained about her property taxes, and she would never accept the answer, You don't have to complain, you don't have to pay your property taxes. You just decided you were going to, that's all. Well, she didn't like that answer. I had decided that when I left - you had to be

sixty-five or sixty-two or some age - that when I left office I was going to take a deferral on my house. But they changed the law, because, up to that point, anybody can take a deferral. And, then, they changed the law, and under certain - I've forgotten what the break-off is, but they put an income level on there. Only those folks can take it.

CH But that's still in effect?

VA That's still in effect. But I can recall debating with George Annala, and that would have been in the house. George Annala was a conservative Democrat, and he was arguing against me, and I remember - we actually sat next to each other, and I'm looking at George, and I said, "George, I don't understand this. You." If it had been some liberal Democrat, I could understand, but not George Annala. So I'm sure it didn't pass then, while I was in the house, but it did eventually pass. But that was a good example, in my view, of what government ought to be doing. Our problem was the senior citizens staying in their home, not creating an estate for heirs, and, yet, exemptions all were creation of wealth for heirs.

CH You touched on an interesting subject, here, which I've never asked people about, but you mentioned a woman that wrote you continuously. Did you have other people, either when you were in the legislature or as governor, that constantly wrote and called?

VA Oh yes, oh yes.

CH Who would you put in that category?

VA Oh, I had another woman. She was really a conservative. She was the one that wanted me to put - when the bill was in there to - remember we talked about sex education. It said there

should be sex education in the schools. Oh, she was climbing the wall. She wanted me to amend that bill to say that there should not be. "Mary," I said to her, "I wouldn't go for either one of them. The reason I'm not supporting 'there shall be' is because I don't think we should mandate curriculum, so yours is the same thing." I didn't often please people like that.

CH Did you have cranks or sort of crackpot people that pursued you?

VA Oh yeah. Well, not viciously, except this guy that wanted to beat me up one time on the full crew law. Do you remember that? "Come on outside. We're going to fight."

Maybe now is a good time for me to mention a change. When I first was - I'm going to paraphrase it because basically that's - if someone were to go through all my mail, and it would take them a long time ever to do that, they would see what I'm saying. Early on, I'd get letters like: "Representative Atiyeh, you voted against such and such a bill. I'm sure you had a reason for it, and I'd just be interested in knowing what it is." As time moved on, people got angrier and angrier, and so, then, later mail would come in: "You dumb so and so. I'm gonna to get you next time, I'm gonna" - it got to be combative mail, rather than mail that would maybe respect the office, respect you. There was a change, and it continues today. People get angry today. They don't think that a person is doing something out of good intent or having given it some thought. There was always some self-interest involved. Well, that always got me, you know, that somehow there was a personal self-interest. And I'd say to myself, you know, if I was really personally self-interested, I wouldn't be doing what I'm doing, because this is not the place, meaning public office. That's not where you do these things to pad your own pocket or make yourself wealthy or anything like that. If you want to do that, stay out of public office. So the ones that are talking about personal self-interest always kind of

made me really quite angry internally. And oftentimes, when I'd get some especially nasty mail, and I would get some especially nasty mail, my method, then, as I got moving on in the legislative body, would be - I would always write back to everybody, regardless. But if somebody sent me a really nasty letter, I'd send ~~it~~ ^{these letters} back to them, and my letter to them would be, How would you like it if I sent you a letter like this? That's all they'd get.

CH Did you ever get a response from...?

VA No, I never heard back from any of those folks. But that was my feeling. Just because I'm a public official doesn't mean I have to take a lot of crap. I never believed that.

CH Did you get ~~few~~ ^{form} letters very often?

VA Oh, a lot of them.

CH How would you weigh people's opinions? Maybe we're getting into a point where we're talking about your governorship, too, where you might have gotten a lot more of that kind of mail.

VA No, it would fit either place. That's what I used to tell people, to communicate, let their legislators know, but I would always warn them against form letters, because when you get form letters, and we used to get a lot of them, or one letter with a lot of people signing it - and my own personal view was, look, if you don't feel that strongly about it that you're unwilling to sit down and write me your own letter, I guess you don't feel very strongly about it. And I ~~could~~ ^{could} detect form letters. They would have less impact on me than an individual letter.

CH Did you ever make tallies on, say, a particular issue if people were coming in - sending letters in or calling on one side

or another of an issue?

VA No, I didn't do this by body count. You know, the question always come up, do you vote with your constituents in mind or do you vote from your own views. The answer really is yes and yes, but very much like in my inaugural address I talked about a common voice of Oregon. I would listen to what people had to say, and then I would sort of capsulize it. It wouldn't be necessarily what you tell me or they tell me or you know, a whole different - it wouldn't be that, it would be maybe a combination. I'd kind of put it in my head. That would be how I would arrive at it. I wouldn't say that Clark sent me a letter, and, therefore, I voted yes or no, whatever it happens to be. I couldn't tell you that with anybody. And, then, too, my own personal views. That's the way I operated.

CH This session you were also on Environmental Affairs and - oh, by the way, you don't recall your bill about watch- and clockmakers?

VA I only laughed. I don't remember that bill. But the - you know, the state licensed so many people, and - so many different groups, I should say, including clock- and watchmakers. What in the world was that bill? I'm getting a vague memory of it.

I'm going to get off the subject a little, because the legislature finally passed a sunset bill, which I knew would never work. And what sense that was, was that every single licensing board would come up for review at a certain time. Every one. I knew it would never work. It sounds good: We're going to sunset. But I knew it would never work. And the reason it wouldn't work is that the only ones that would come down and appear would be those special-interest groups. Let's talk about the clock- and watchmakers that were licensed by the state. How many citizens walking the street are going to go to Salem and say, You ought to sunset this thing? Nobody. But the clock- and

watchmakers will be down there telling you we ought to keep it. And all that is, of course, is to keep everybody else out. That's what licensing really is all about. People say it's there for the protection of the public. It's strictly to carve your niche out and not let anybody else in. That's what it's all about. But this particular bill - all I'm doing is relating to it. What's happened since sunseting laws have been in, I think they got rid of the clock- and watchmakers, and they got rid of - what would it be? I don't know, pillows and mattresses or something like that. They got rid of that. But since then, I think we've added a whole flock. Added, not gotten rid of.

CH Well, in terms of sunseting and whatnot - well, later on, when you became governor, as soon as you got into office you got rid of many governmental advisory committees and...

VA Yeah, and whenever they tried to create a new one, I could put a stop to it, which I did. But, you know, you've got the outside world, and they want to kind of protect themselves, and so they - they're licensing. And the licensing thing is - you know, if you really had a police force - really had a police force - then I can understand it. I have a plaque on the wall that says I'm a licensed watchmaker. Now, I see that, and I say to myself - I'm the public - gee, I'm protected. You're not protected at all, unless there was somebody policing the watchmakers, but nobody polices the watchmakers. They've just got the thing up on the wall. So I'm not really protected.

We ran into this at a later point, if we make a note to, in regard to licensing daycare centers.

These are all just to make people feel comfortable, but they really don't do the job they're supposed to do. You know, I'd ask you, from your own knowledge, probably the strictest licensing boards we have are the Oregon Medical Association and the Bar. How many doctors have you seen kicked out? How many lawyers have you seen disbarred? And they watch it, supposedly,

as carefully as anybody. Now, how about watchmakers, for crying out loud, with nobody hardly watching [laughter]?

CH Well, what kind of - is there an alternative for that? I mean, is there something that would work in place of that?

VA Well, of course, I'm a retailer; I come from that background. Let the buyer beware. The point is that if I go to a watchmaker and he fouls it up, I don't go back there again. Although I know this is ridiculous, it would seem to me that our streets would be safer if we took away all stop signs and traffic lights, because when you see a stop sign, you presume you're safe, or you see a traffic signal, you presume you're safe, so you're not guarded. But if you don't have any, then you're cautious as you can be crossing the streets. Well, obviously, we're not going to do that, but I'm trying to exaggerate a point, that you've got to leave it up to the intelligence of the consumer. And being in the retail business, Atiyeh Brothers is still here ninety-three years later. A lot of our competitors have come and they've gone. That's just the nature of what goes on in life. I can understand strong protection probably in the medical field. Now we're talking about life and death. That I can understand. That's human life. But to get to the ridiculous, a clockmaker? Is something going to happen to society because my watch isn't fixed right?

CH What about for sunseting? Is there some kind of substitute for watching over needless...?

VA Oh, we have a consumer protection in the attorney general's office, and if there's some flagrant violation, they can be prosecuted under civil law.

CH But for getting rid of an agency or...?

VA You get rid of them because - again, I'm a retailer. I just don't shop there anymore.

CH No, I'm thinking more in terms of sunseting government agencies and groups that may no longer be relevant to the needs of the people. If it's not realistic to have a sunset law to try to do that, do you just leave that up for the legislature or the governor to initiate that?

VA Yeah, that's right, but what you're doing is, you're jumping a little bit. One is licensing boards of the different entities that are out there; the other are agencies of state government. Now, there you have to be a little bit more cautious, because there's oftentimes very small constituencies, and the question is, shouldn't the state protect them as much as they would large constituencies. Somebody has to speak for the smaller constituency. Now, that doesn't mean that you shouldn't consider if it's not necessary getting rid of it, but you always - at least I always face it on the basis that there are small constituencies, there are very few people speaking for it, but it is essential that they be protected in one way or another. And so okay, they're a small voice, but they need protection. So as you look at what you're doing, you always have to consider that aspect of it. Now, there are some that wouldn't fit there, and they ought to go.

CH Going on to Environmental Affairs, you were on the - Don Willner was chair of that, and you were also on that with Jason Boe and Ted Hallock and Hector Macpherson, Tom Mahoney, and George Wingard. This was in 1971, so this was before the LCDC Senate Bill 100 was created. That was in '73, wasn't it?

VA That was in '73. Well, '73 was Senate Bill 10, and '75 was Senate Bill 100.

CH So Senate Bill 10...

VA That would have been '73. We're not there yet, are we?

CH No. Were there bills that came before the Environmental Affairs Committee in '71...?

VA I'm trying to remember when the first of the - can you look to '73? Was I chair of the Economic Development Committee?

CH In 1973 you were - I don't see you here as being chair of that. You were vice chair of Environment and Land Use in '73. You were on Education, Alcohol and Drugs, Per Diem Revenue, Transportation. I don't see you down here on Economic Development.

VA The reason I'm asking the question, I'm trying to get in a position of time, because there was a bill in - Don Willner was chair - about moratorium in nuclear power plants. That would have been the session before I was chair of the - what did we call it, the Trade and Economic Development Committee, something of that kind? Maybe that was '75. Because I want to get it in the right chronology because I have quite a story to tell you about it.

CH Okay. Well, would you want to talk about that now, or would you rather wait on that?

VA Yeah, if you could find when I was chair of the Trade and Economic Development Committee - look at '75.

CH Well was there anything in Environmental Affairs that came up in '71 that you recall?

VA Oh, I'm sure there must have been. There's always

something.

CH I have a list of bills that I guess I'll just go through.

VA What do you have there?

CH Well, I mean, they're just sort of in various categories, and I have, in '71, that there was some kind of land-use planning. I think that just a committee was created by Hector Macpherson for an interim committee, but there - oh yeah, yeah. Here we go. In 1971 there was - field burning was a big issue.

VA Field burning was an issue for a long time, and it always related to how many acres could be burn. It always related to how many acres could be burned. Eugene was a main complainant of this whole thing, and it got to be very volatile, and some great deal of emotion in the senate in regard to that, particularly with John Powell, when he finally came. Again, I keep jumping, but we want to talk about that my first year as governor because we finally dealt with that question, that is, the field-burning question. But it was always a matter of, well, we want to burn - I've forgotten the term. A hundred thousand acres, 125,000 acres. We'll negotiate as to how many acres are going to be burned. And it got to be very, very volatile. My personal view always was, we'll go to maximum. Obviously, the Eugene legislators were going to minimum if you don't get rid of it. Their maximum was zero.

CH That was because they were getting a lot of smoke?

VA Well, they were getting a lot of smoke, and they always figured it was a good...

[End of Tape 11, Side 2]