

Tape 27, Side 1

CH This is an interview with Governor Vic Atiyeh at his office in downtown Portland, Oregon. The interviewer, for the Oregon Historical Society, is Clark Hansen. The date is May 20, 1993, and this is Tape 27, Side 1.

VA As long as it was all generic - let's use tide, let's use wind - everybody could kind of impede whatever we wanted to do. Once you get a determination - this could be done, this is how much you could generate, this is how much it's going to cost, this is how long it will take to get there - at least now you've got some plan of action, you've got something to look at, something to determine what needs to be done and how to go about doing it. Again, this is a matter to assure ourselves of energy, and that's - so these are all behind my own thoughts in terms of the Department of Energy, what we're supposed to be doing, and how we're going to go about doing it. And, incidentally, conservation was one of them, and that's probably the cheapest source of energy we can get. But those are the reasons that we began to delve into this whole matter of energy, because I was concerned about our future needs for energy and whether or not the state was going to develop it the way it should.

CH What was your feeling about a state-run utility?

VA I was opposed to that. That was Bob Straub's idea. You know, I don't think the state can do things better than private enterprise could. I don't believe that.

CH How about the whole issue of getting our fair share of low-cost energy from the federal government?

VA That was a hard nut to crack. Oregon has remained pretty much in the realm of the investor-owneds, and Washington has been pretty much realm of public utilities. And that's just not a nut that's easy to crack. And there's the advocates for PUDs, public utility districts, or whatever, and there are advocates for investor-owned. I don't know if you can say one is really better than the other. On the other hand, if there's competition, I would believe competition is good, it's good for the consumer. So that's where the investor-owneds come in.

CH How was your feeling, and what involvement did you have, in the Northwest power bill that was before Congress at the time?

VA I really would take credit for it. I don't do that very often. But I thought it was very important that we deal with energy as a large lake, meaning the lake would be Oregon, Washington, Idaho, and western Montana, and that you can't lower one part of the lake. It's just got to be one lake. So I sent Lee Johnson to do my Kissinger thing. I said, Go out and talk to the governors, which he did, the shuttle thing. I said, Don't back them into any corner at all. Just go back and talk to them and tell them what we're after and what we're trying to do, and how we want to achieve it. And so he talked to Schwinden, he talked to Evans, he talked to Dixie Lee Ray, and it kept moving around, and we finally evolved what we thought would be the right plan. Once the governors agreed, then the bill began to move. It wasn't going anywhere. It wasn't going to go anywhere; it was just there, it was just sitting there. One of the keys was who's on the Power Planning Council - well, first of all that there would be a power planning council, that it would be just the federal government running this whole thing, and that there would be a planning council and that it would - again, the key was that there would be two members from each state. That was a little

tough to push down Washington's throat because Washington had the largest population, and the one-man-one-vote kind of thing, but we finally got that part of it done. I think, by and large, that's worked to our benefit, although there's been some arguments about it. But once we achieved that, then it was just a matter of getting the job done. And if we hadn't done that, we wouldn't have a Northwest power plan.

CH So did the Northwest power bill go through Congress pretty much intact, then?

VA Pretty much, yeah.

CH And it's still the basis of which the Northwest is operating on?

VA Today, yeah.

CH Did you actually go back to Washington at any point, or did any of your - did you have any representatives?

VA Oh yes, very good communication. In Congress once the affected parties agree it makes it a lot easier, and each governor can talk his own senators and representatives, which we did and they did.

CH Was one of our senators carrying the bill? Hatfield or Packwood?

VA I think Hatfield was the lead senator, from Oregon that is. I don't recall if they got together and figured out who was going to lead that fight. The introduction, incidentally, of fish was our proposal out of my office, which is the one that's creating a

problem right now, and that really was part of it. So I would say that my administration had a major part to play in the fact that there's a Northwest Power Planning Council.

CH What about the Pebble Springs Nuclear project?

VA That was Sprague's' - is that the coal-fired plant?

CH No, that's Boardman.

VA Oh, that's right, you're right. My own personal view was, there's no sense fighting that fight. You're not going to get it done. There's too much political pressure against a nuclear power plant. It wasn't a matter of moratorium or anything else. It was just a pragmatic recognition that it just wasn't going to happen. It just isn't going to take place.

CH Did you want it to take place?

VA I didn't think it was essential. I wasn't fighting it and I wasn't for or against it, I just said it isn't going to happen. There's times in which you use your energy where you think you've got a chance, and there's times when you say there's no sense fooling around with this sort of thing. It isn't going to happen.

CH There was a senate bill, 644, that had awards for alternative energy designs. Was that something that your task force took a look into or had a part in, alternative energy?

VA I can't recall. There was a lot of people that jumped on board, and in the legislature. That was okay. There were some good ideas.

CH Was the senate bill - this other bill, Senate Bill 927, was concerning an alternate energy development plan and a comprehensive presentation. Was that part of the task force? Was there much interaction between the task force and what was going on in the legislature regarding it?

VA Not during this '79 session. They actually went to work after the session, and they made the report to the '81 legislature.

CH You ordered Public Utility Commissioner John Lobdell to take the first step to obtain low-cost federal power for Oregon homes and farms through the Domestic and Rural Power Authority, isn't that right?

VA Yeah. That was, again, Bob Straub's DURPA.

CH His what?

VA DURPA, Domestic and Rural Power Authority [laughter].

CH What happened to that?

VA I can't remember.

CH I guess that announcement startled critics who had been predicting that the free-enterprise Republican governor would never activate the state power authority put forward by his predecessor, Bob Straub.

VA It wasn't a bad idea. Again, he was keeping things in the political sense. You know, it might work, it might work. I didn't hold out much hope for it, but it might. Give it a try.

CH What was the reaction from the power companies?

VA Oh, I'm sure they weren't particularly happy with that. I don't remember.

CH The paper also said that, Atiyeh indicated he is ready to call for a state takeover of public utility districts or private power companies or both if necessary to win Oregon's fair share of cheap federal electricity, only 20 percent right now.

VA It was all saber rattling, that's all that is.

CH So did you really mean this?

VA No, I had no intention of doing anything like that.

CH So why were you doing it, then?

VA It was saber rattling. It gets things...

CH Why were you trying to stir things up?

VA Oh, just to get people's attention in terms of energy, the need for energy, and the fact that we had to cooperate to get the job done. And if we try to do it all by ourselves, one at a time, PP&L, PGE, you know, they're going to do their thing and we've got PUDs that are going to do their thing. You know, you don't have a comprehensive policy. Let's get together and work together.

CH So you're basically stirring up the mud at the bottom of the glass to...

VA Yeah. Let's get together. I mean, if you're going to serve Oregon, you can't serve it in pockets and totally ignore anybody else's right to power.

CH The papers also said that you preferred congressional passage of a proposal to reallocate the federal dam-generated electricity. The plan at that point had been approved by the U.S. Senate but was stifled in the house.

VA Yes. There was - when the Bonneville Power thing came along, there was - the PUDs had first crack at the power, and what was left was to be sold to the private utilities at a higher rate. But the PUDs always had preference. They had preference. If there was any shortage, the first ones cut off would be the investor-owned. It's always been Oregon at a disadvantage because of our major utility companies. We're always a threat that we'll get cut off, and so that's why we wanted more assurance for the Oregon group. We have PUDs, but our larger ones are PGE and PP&L, and we had to assure ourselves. It was always an uncertain thing, because whenever it became - we had a low year of water or something, the preference always went to the PUDs, which is mostly Washington. That left Oregon consumers kind of in a bad position.

CH Was there anything else on your energy policies at this point, or proposals that...?

VA No, there really wasn't. The terms of - the theory of what I'm trying to do is to get a comprehensive, well thought out plan for power for Oregon and to remove some of the doubts and questions that existed, so all these other things came into play.

CH Would this be an appropriate time to talk about your ideas

concerning the econometric system for Oregon, for the state?

VA Yeah, because this is when it started. It was activated in '81, but it began in 1979. It actually came out of my executive department and Bob Smith. ~~Of course, I wasn't fully aware that all these years prior we had~~ I think it was Paul Eggers [sp?], as a matter of fact, that comes to my mind now. He was the single state economist, and he was the one who would tell us what was expected in terms of income for a two-year period. We could never really ask a question - you know, do you take into account congressional action, do you take into account a wet season or a dry season - because that's what he was selling. See, the formula, whatever formula he'd ever had, was in his head. If he gave it to us, we didn't need him anymore.

CH but isn't that a rational thing to ask, for what factors were considered?

VA Very rational. So we embarked on the econometric model, and basically that's software, is what it is, and we also instituted an Economic Advisory Committee, which is still in existence today. People take it for granted, but it's there. It took a while to shake it down because there was some mistakes in it. We ran it still using Paul Eggers, but we ran it so we could see how it was coming out. You know, you have to run these computer things. And even when we finally converted - in other words, Paul Eggers was no longer there and we were running the econometric model - there were some mistakes and things that were kind of left out, weren't plugged in, because you get the model, but then you had to adapt it to Oregon, our tax laws and our industries and those kinds of things, and so it took us a while. But it was a very fortuitous thing. I thought it was good for government. Fortuitous in the sense that when we started to hit



our downturn, we had to be up to snuff. We had to do it on a quarterly basis; we couldn't do it on an annual or a biannual basis because it's too late to do anything about it. And it was particularly valuable in '82 because now we could keep really up to snuff. And when our economist came and said, Governor, we're going to be \$200 million short, you know, you were able to deal with it right away, because if you waited, each day you wait you're spending money each day, you have a shorter period to save money. So it worked out very well. Today it's been very useful to the legislature and the governors, but now it's just as though it's always been there. It's not always been there. It began in our administration.

CH Looking back on it, it had a very rocky road ahead of it, and judging by the number of special sessions that followed, do you feel that it still would have been better than the previous method, at that point in getting it...?

VA There's no question. If we had not done that, we would have been in real trouble, real trouble, because, first of all, a single economist cannot predict nearly as well as this econometric model can. Then you put that alongside an economic advisory council, which are real people that are economists themselves for the banks, down at the University of Oregon and those kinds of folks, and they can analyze what the machine is telling them. It's about as good a way as you can to really get a pretty good handle on what the future of the state is going to be.

CH Is that used across the country pretty much by other states?

VA How many states do use that, I have no idea. The complexity of this problem is immense. The legislature is now working on

process as much as we can. So we began reforming the welfare, and in a variety of ways, a variety of ways. We pared down the size of the welfare load. That was fortuitous, because when the time came that we had to make all these cuts, we didn't have that overburden which we would have had if we'd left welfare alone. It was one of those things you didn't know was going to happen, you just knew that was good government, but it worked in our favor when the recession really hit us.

CH You had a number of other bills that you sponsored as governor. One, which was Senate Bill 2, was on criminal records access and authorization and criminal justice agency designation. Do you recall what you were trying to accomplish in that?

VA I think, if you get another chance, there's summaries on bills. Was that the only summary you had?

CH This is the only summary I had from the Journal.

VA I don't recall that.

CH But being early on in the - and being Senate Bill Number 2, I thought that was probably something you must have introduced as the session had opened.

VA Well, those things you plan early and get into the process early.

CH You had another senate bill on Indian matters, and, of course, that was always a concern of yours, and you carried that on in through your governorship. What were you trying to accomplish, then, as governor in the realm of Indian affairs?

the budget, today, and the budget that they're working on today is a budget that will commence July 1, 1993. The governors have been working on this budget - they've been working on this budget beginning about the middle of 1992, and so they're working on building the budgets to present to the legislature this session for the next two years, starting July 1. We have to begin to plan - start thinking back from '92 what's going to be the condition of the state of Oregon in January of 1995. So, you see, what we're trying to deal with is a pretty complex matter, and for someone to sit there and figure out in their own head all of the complexities of what might happen in Congress, the legislature, the economy, wet weather, dry weather, they're in the woods or out of the woods, spotted owl, who knows what, and on it goes, to sit down and figure out what the income is going to be is not an easy task. So you begin to see why this econometric model with an economic advisory council is a really good idea. It gives a pretty good handle on what needs to be done. That's why in '82, when I called those three special sessions, we were able to jump right in. Governor, we're going to be short. You can jump in right away. And then we jumped in in June, and we jumped in in September, because that was September of '82 and the biennium would have ended in June of the next year. So we had fifteen months - no, not that long, nine months to save money. We had to jump right in and get the job done. So it helped.

Another fortuitous thing happened, and what that really amounted to was in welfare. A year on the econometric model. I think we pretty well covered that one. And I said to myself, We've really got to reform welfare, we've got to do something about this. And it was not on the theory that there's a bunch of lazy people out there that are just going to hang on and take tax dollars, because the fact is there was a lot of people there that didn't want to be there, and that we had to help them through the

VA I had a great respect for the Indians in Oregon. Actually, what I was going through during my term as governor was the return to tribal status of many tribes. I attended the ceremony - the first of those was Siletz. They were the first one <sup>to ever</sup> have their tribal status restored. Now, that was a little bit different, because we have the Umatillas and we have the Warm Springs and we have the Paiutes - these are all reservations in Oregon - but there were a lot of - there was a period of time during Eisenhower's administration when we shouldn't have these things anymore. These people should integrate into the United States of America totally. Forget the Indian stuff. So a lot of the tribal statuses were just dropped, they just no longer had tribal status. Tribal status had some meaning in terms of their being able to deal with the federal government. Mostly social programs, but the fact is, they could deal with the government. So during my period of time, a lot of that happened. It always took the acquiescence of a governor for a return of tribal status. I think the Grand Ronde were the next ones - I'm trying to remember in order how it came - and I was supportive of it.

CH You also had a bill on interstate cooperation, interstate cooperation committee, and also a proclamation on the International Year of the Child.

VA [Chuckling] I laugh because it was the year of the woman, the year of the child, and it got a lot of static, all of those got static from the conservative side of the - conservative philosophy, right-wing kind of folks. They thought the government was meddling in things. Those are all good things.

CH There was also a house joint resolution on the succession line. Was there a change in the order of succession of the governor?

VA There was, but it had nothing to do with the legislature. It was a referendum. I'm not sure when it took effect, to be honest with you. I do know that all during my term as governor, I was governor. Whether I was out of the state or out of the country didn't make any difference. I was still governor. In prior times, and I don't remember when it took place, it went to the vote of the people to change succession. I don't remember what year that was. Prior to that, if the governor went to Vancouver, Washington, the senate president became governor, and it just didn't make any sense under today's communication and transportation. It just didn't make any sense. So the League of Women Voters actually made the change. Prior to that it was governor, senate president, speaker, secretary of state, state treasurer. After that it was governor, secretary of state, state treasurer, senate president, and speaker of the house. But also after that the governor remained governor. There was nobody that stepped in.

CH Only of his death occurred.

VA Death or illness of some kind or something like that, that's correct. But it was very comforting to know there wasn't anybody else in charge. And there was no need for it, there was really no need to have that kind of thing take place, except for these emergency situations. So I don't know what - maybe the legislature wanted to change it, they didn't like it, but I don't know what that bill was. But it was the League of Women Voters that actually made the referral to the people, and the people passed it.

CH In your first major address, it was at a luncheon of the Northwest Agricultural Show. You, according to the newspaper, scorched the U.S. Department of Labor for a shortage of field

help. You said, We know that it is simplistic and ineffective to look toward the ranks of the unemployed for labor, and you called for the implementation of the program allowing U.S. products to contract for foreign labor.

VA Yeah. Well, it's, again, one of these theories that say, you know, why use migrant labor. There's a lot of people unemployed, we'll use them, that are citizens. That's not the way it works. By that I mean either in the lives of the migrant worker or the farmer. The migrant worker actually looks forward to these opportunities to make some money. But there's always that illegal alien and all that sort of thing going on. So they came up with this theory that, you know, don't use migrant labor, use the unemployed. These things don't work. They don't work that way. And I keep coming back to the real world rather than this is the way - why don't you do it this way? Well, this way isn't going to work, meaning their way. That's why.

CH You also had an Oregon wilderness bill that - maybe that's an oxymoron, but it would reduce the U.S. Forest Service's recommended wilderness acreage by 83.3 percent. And it was presented to the Oregon delegation in Washington, D.C. Of course, Oregon environmental groups lambasted the plan.

VA I was going through, again, this wilderness thing. Oregon already had 1.2 million acres of wilderness, but the Forest Service was having their wilderness study, how much more wilderness to add. I don't remember that particularly, but I was recounting, even this morning for another reason, we made our own study in my office as to my recommendation for how much more wilderness should be added in the state of Oregon. I recommended 25,000 acres. Jimmy Carter recommended 400,000 acres, and the industry just went bonkers about that. Hatfield finally came up

with his proposal of 600,000 acres. Well, they didn't like that either. When it finally passed, they added 1.2 million acres. They should have taken Jimmy Carter's offer.

CH Another 1.2 million?

VA Another 1.2 million. Subsequently, when you start talking about the spotted owl and things like that, I'd say, Fine, okay. Let's give the spotted owl 2,000 acres, but give us back 2,000 acres out of the wilderness. No, no, no, no, no. We want the wilderness and we want the spotted owl. I also proposed at one time that the state take over all of the duties of the U.S. Forest Service. That didn't fly very far. I thought it was a good idea.

CH Well, we'll talk a little bit more about that, because later on, then, you came back to that, you revisited that issue when a possible addition to the Hidden Wilderness system and some land that your family had been connected with up near Detroit Lake...

VA Oh, Opal Creek?

CH Opal Creek, right, and your nephew.

VA We'll get to that.

CH You also recommended that the state's three boundary commissions be abolished because, according to Lee Johnson, to the extent that they are political decisions and responsibility should be vested in the locally elected officials rather than appointed by then-appointed state commissions, and the LCDC already makes land-use decisions. But many felt that the boundary commissions were making other than land-use decisions,

for example service and tax base issues.

VA I didn't see any need for it. Again, it gets back to my theory of government, although it does happen an awful lot, meaning nonelected people effectively passing laws.

CH Were they in fact abolished, the boundary commissions?

VA I don't...

[End of Tape 27, Side 1]