

my point person, he was a respected senior, and it worked out very well, and it helped the seniors in the state of Oregon.

Part of the 1985 session, I _____ [?] any bit, part of the session, there was a burning of the cross on the lawn of the _____ [?] in Milwaukie, and I was really, really, very angry about that. I hate bullies, and I have since I was a kid. I don't know why, I just hate them, and these are bullies.

Anyway, we finally worked out a bill that made racial and religious harassment a felony in the state of Oregon, and incidentally, I don't really want to put this to the tape, I will tell you that I thought again, I'm working with the Democrat legislature that that was just be a slam dunk; it was at 1:00 in the morning on the last day of the session. It probably next to the last or very close to next to the last bill that was passed, and I argued with two leaders, Democrat leaders, early in the morning to get that bill passed, and it finally passed. I thought it would go winging through because I was angry about the cross burning, these people who were supposed to be both for the little man, I don't know. It was in my message when I addressed the legislature at the start of the session. Anyway, I feel good about that. Court reform, yes...

End of tape 62, side 1.

Tape 62, Side 2

CH An interview with Governor Victor Atiyeh at his office, this is tape 61 – 60A side 2. Go ahead.

VA Okay. Another one of those things that people think has always been there, that is the Chief Justice of the Supreme Court is the, well, I quite mess up [?] what to say that he is in charge of the entire court system of the state of Oregon. What we call court reform,

and the whole idea of course was to speed the process, speed the whole thing up, and it has worked wonderfully well. That began during my administration. It was our initiative and it passed, became part of Oregon law, and it is working extremely well.

CH Now, before that, was the Chief Justice, did he have anything to do?

VA No.

CH Did he have anything to do with the court administration?

VA Not all – well, the court administration for the Supreme Court.

CH But not for the rest of the court system.

VA Not for all the courts.

So this now is with the court reform as we call it, he has something to do with the administration of all courts, District, Circuit, Appeals, and of course, Supreme Court. Obviously, he has someone in his office; he doesn't do it all himself. But the point is [that] he is the one responsible, he is the one responsible for administration of all the courts in Oregon. Now again, people think that has been here forever. It hasn't; it started with my administration. [phone rings]. I appointed the first woman chief of staff in the state of Oregon, Geri [sp?] Thompson, wonderful person. I appointed the first woman Supreme Court judge in the history of the state of Oregon. And I am very proud of that, both of those things, and not so much, and among the recent - you know it is interesting [that] I didn't make a big to-do about it. [[Re-listen: ?OMG, he kind of snarls things up]] These are good people, qualified people, I mean, I am not talking about male-female, they are people, and where somewhat if they were doing it for political effect, and make sure that the whole world knew about it, and so maybe that is why I am bringing it up, because I didn't. The fact is, they were the first, and that is just because they were good people. We opened the first international office in Japan represent[ed?] office in Tokyo.

I signed the Sister State Province relationship with the ____ [Pujin?] province and the state of Oregon. I helped create the sister state province relationship with a province of Taiwan and that was a little difficult, once you do it mainland China, Taiwan wanted one with ROC and I said I can't do that. That is the Republic of China, rather than the People's Republic of China.

Anyway, finally magic finally goes my good and close relationship with the leadership there, and we finally did create that. There was so much said about what's called "Workfare." I think it was in - Massachusetts got great credit (Governor Dukakis) about that. Oregon did a much better job at far less cost than any other state, including Massachusetts, who got all the credit. But we actually set up a program to our human resource department and that would be the Employment Division, and it comes back to what I have said earlier, that we have to help people get off of welfare, or not get on to start with. and so the way we worked it was that if somebody hit an emergency point, they would not automatically go on welfare, we would give emergency help and we would try to get them jobs. And we were very successful, in spite of the high unemployment in the state of Oregon, the recession, we did a wonderful job, and I am very proud of that. I created the state employee suggestions awards program. This one was a matter of - it was more of an attitude of state government, it was what I was trying to achieve. We would give someone 10% of what they saved, up to a maximum of \$5000.00, and we did give several \$5000.00 checks. But, what I was trying to do was change the mental attitude of my own state employees and well, I said to myself, you guys know better than I do about what needs to be done. Let us know, and they did. Two things I want to say about that. One, I went to a group in Human Resource and they had been - received awards from me and so I was kind of going around the table and saying what would you suggest, what do you suggest? And some man - [at the question] what do you suggest? - he says, I suggest that they abolish my job. Oh? And obviously a man like that did get another job, but they abolished that job because it made some sense. The second one was, one morning I picked up *The Oregonian* and the front page the state of Oregon wastes, I think it was \$3,200.

CH \$3,200.

VA \$3,200, three thousand two hundred, waste, and this is front page, and how we wasted it, there was a training session with the OLCC, and the training meant that they wanted all of them to stay together so that everybody was staying at the Holiday Inn near the airport. Now the waste came about because there were some people who lived in Portland. They didn't have to go to the Holiday Inn, and that was a waste...

[Interruption. To third person:] I'll be right with you. Let me just finish this and then we will, no, you stay right there. Yeah, let's finish that one, and you ready?

CH It's on.

VA So, I saw the reporter, and I said, "Les [?], today at my open house I am going to present a check to a person on the employee suggestion award that saved the state \$45,000. That never appeared anywhere. That wasn't even the back pages of *The Oregonian*.

CH Right. How did he respond to that?

VA He thought that was interesting, but they never showed up anywhere.

[CH laughs]. Okay.

CH All right. We'll take a break here.

[Pause.]

CH Okay, go ahead.

VA All right. In my first inaugural address, you can say anything you want, and I decided that mine was going to be more of a philosophical address than it was a litany of

“this program, that program, this program, that program,” and I am certain for the first time, in terms of any a governor, I very strongly highlighted volunteerism in the state of Oregon. It turned out to be very fortuitous because we did get to a point where tax dollars went all the way around and we needed off of the volunteers we could get. Obviously at the time I didn’t think of that; I just thought that volunteerism was good for the soul, because [of] being a volunteer myself. And so, I highlighted it, and I still think [that] it is a wonderful thing for people to do. Every once in a while, I see where somebody brings it up as if it was brand new thing, but I don’t know if any governor ever included it in their major address, in this case mine was very major to me being my first inaugural. I love to tell the story; in the inaugural I talk about volunteerism and I said that I can remember digging a ditch at a Boy Scout camp in the rain. I said that they couldn’t pay me to do this. They would go out there and dig this ditch. I wouldn’t do that for nothing. Only for pay, but here I am a volunteer and I am doing it. The actual story was that I was digging an outhouse hole, is what I was really digging. Those who were helping with the speech didn’t figure that it was very cool to talk about an outhouse hole in an inaugural address, so it turned out to be I was digging a ditch.

Anyway, I told you earlier that I really like people, and I had an open house every day that I was available in Salem from 12:30 to 1:00. So fascinating. People would come and say are you the Governor? “Yeah.” Are you really the Governor? “Yeah.” You know, there would be people visiting from other states or from California. They can’t believe that really this guy standing there is the Governor. I think it drove my security a little nuts, but I enjoyed it. I can recall it was wonderful when the kids would come, particularly the younger ones. When you get to junior high school and high school they just don’t ask any questions and they are very self-conscious. But little kids, they ask you all kinds of questions. A kid I could remember asked me one time how much the building weighed, this Capitol building weighed. You know, I don’t know, but they do you have a dog. I have a dog. How old are you, and I don’t know whether I was in my 60s then, 61, 62 then. Ooh, they would say. I’d say, well, when I was your age, that was the way I felt, but now that I am here it doesn’t look that bad.

But those are wonderful things, and then my media availability. I did that every week, right in back of here. You see this calligraphy thing. Capitol Press, I don't know what the media ever gave a public official anything, but they thanked me for my availability and I am very proud of that. I think that is a wonderful thing. Matter of fact, I would tell you honestly that it was sort of a highlight [of] my week, meeting with the media. This is fascinating. There would be times where I would deliberately say something that would just bed for a follow-up, and I would know that I did it. And so often, they wouldn't follow up. [Chuckles] It really was kind of interesting. Now maybe I will defend them a little by saying that I understand they are all there, all the TV stations, all the radio stations, and newspapers, so obviously they'll all get that piece of news, whatever that is. So maybe they would like to get me aside, but even then, sometimes they wouldn't even follow up on that basis.

CH Begin what you were saying earlier about how some people receive recognition for things that other people don't. I think that Tom McCall is often acknowledged with having this wonderful relationship with the press and being so available to the press.

VA Well, he was quotable. That is why they loved him.

CH Yes.

VA I told Ron Schmidt, who was his press guy, "Why don't you make a deal with the Governor." "What's that?" I said, "Why don't you have him write his speeches and you write his ad-libs?" Because it was the ad-libs that got a lot of attention. Tom was quotable. It's the way he said things, and he was very good in the use of words, excellent as a matter of fact. They liked him for that reason. But I am pleased, the media availability to me was important. Again it was important in the sense that Oregonians ought to know as best they can in as much attention they pay to it, they know what's going on. It was my way of saying that I recognize that relationship. Another thing that no one would ever see is how you run government and how you make it work. I decided I was going to meet with my, call it, my some would say the cabinet. We don't have a

cabinet. My agency heads once a week, two reasons. One is that I didn't ought to be surprised about anything. I wanted to know what is going on, and this was an easy way of finding out, but even more important was that I wanted other [agencies and] agency heads to be able to know and talk with their counterparts, their peers, and government wasn't that way. Somebody in the human resource, somebody over at Congress, somebody at energy and somebody at the – they just don't talk to each other. By meeting, they got to know each other, they got to realize that what they were doing oftentimes affected some other agency. So now, we had a communication between agencies and their respect for one another that never existed before. So here you had a governor that was kept up to date with what was going on, and at the same time, agencies began to talk to each other. It was wonderful thing.

That is not something obviously that - it's not like the Willamette Drainway or saving land, but I would tell you this, that I think most Oregonians are environmentalists. They love what Oregon has, they don't want to see it damaged, and I am part of that, but my emphasis in eight years of government was something that had been ignored, or at least not overtly worked for, and that was the human resource. Part of that was now I want to put a bookend on this, because I talked about the Food Share, Columbia River, and the Planning Council, and things like that, and this is the other bookend. That is the diversification of the economy in the state of Oregon. And that came about actually because being in the rug business, I could easily see how fragile our economy was, and I think somewhere in our types I probably used the expression that when the federal government wanted to cool down the economy, they would raise interest rates, and people would stop buying building houses, and they would stop buying lumber. And so when they wanted to cool down the economy, Oregon, always, we would get pneumonia. [speaks to third party] Come on in.

[Third party] I don't mean to interrupt...

VA No, come on in.

[Brief interruption]

CH Well, you know, just going back for a second here, you said, you were talking about your managing style, and I know that Alan Hayakawa from *The Oregonian* had referred to your managing style when he said, "Atiyeh is generally credited with superior knowledge of the details of state government." "McCall and Hatfield were more aloof from the process," said Richard Munn, Director of the Department of Revenue, "while Atiyeh was much more involved in personally sitting down with agency heads and talking about issues in their budgeting." So that is...

VA Ditto.

CH Somebody recognized that .

VA Well, I'm glad that somebody was trying to, that they, are we on?

CH Yes we are.

VA Okay. In that regard, and we are talking about now in this respect, diversification of the economy, there are two ways you could come at it. There are some that would know the details, like all the small screws, but they don't see the big picture...

[Brief interruption]

CH Okay, so we were talking about the diversification of the economy.

VA Yes, well, my point here was that one thinks in terms of the 'small screws,' I'll call them, but [is] devoid of seeing the larger picture in what you want to do. Or, I'll be very immodest to tell you that I was able to do both and convert because cut me back not to diversification of the economy, that was something I knew I wanted to get done, I pursued it from the very beginning. It was very important in the state of Oregon, and as we have seen today, it is exceedingly important, and just something that I going on. So it wasn't just a matter of quoted somebody to say that I knew, and I did know. I was

twenty years in the legislature. I didn't have to go to school to find out about this stuff. I knew it; I created a lot of what was there, or at least saw it created, and I know the personnel, I knew the people, and anyway, it was said that no one had the length of both legislative and business career that I had, and it wasn't the usual thing at the time.

CH And what kinds of things did you do towards diversification that you see the results of now?

VA Well it was interesting, because it wasn't just something that people would see the trade missions as being part of that effort, and it is true, obviously, you've got to get out there. When I first went out - and again, I don't know, Clark, what I have said before, but when I first went out there they knew, for example in Japan, what a governor was, and they respected that as an important office. But they didn't know where Oregon was. So I am out there telling them, well, it's between Washington and California. Well, hell, a governor doesn't want to tell anybody that. It soon turned out of course that we didn't have to do that anymore, but for instance, well, land use planning itself, it was almost a moratorium on building in the state of Oregon while they were in the process of coming up with the adopted, acceptances [of] zoning by the various cities and counties. We had to - the state had to confirm that that was it, so in the process, it was almost a, almost a moratorium, it was very difficult, so I pushed very hard to get the LCDC to conclude that process, to finish it. I noticed that once there was a large argument, a lot of controversy and a lot of abrasiveness, but once the plan was adopted, it all went away. I mean, now it is adopted. So I pushed hard to get that job done.

That is part of diversifying the economy, because you go to a company and say look, you come to Oregon, you can say I like that piece of property, you know, you can build on it. But not only that, you know what it is going to look like years from now, because here is the planning. So it was a marketing tool for me, but I had to get it done. I, this whole matter of going through the bureaucracy, I created economic - I am trying to think of what I call it - it was an economic council, and what it was, it was my state agencies, the Department of Revenue, LCDC, the DEQ, Water Resource, it depend on what I really

needed, but these were individuals that were part of my council when we had a prospect. We would help them get through our process, and some of it would be – it would depend on what company and what they would have to do. Someone from that agency, that was their job to help them get through the process. You can't see those things, but that is part of diversification and is selling to them. I sold them on the basis of Oregon boys are loyal, they are productive, and incidentally as companies found out indeed that was a truth, which they would say, all governors would say nice things about their citizens, but they found out it was true. I was telling them it was true. I was a businessman, they respected that, and they thought that was something that was good. I decided that incidentally it was wonderful because if you can imagine Oregon with wood products, which it was when I became governor, wood products, agriculture, and half tourism.

So we had 2 ½ building blocks of our economy. Now, imagine if we were today with just those, where wood products is, wherever the timber industry is. Oregon would be really in just the deepest kind of recession today if we hadn't added international trade and high technology, and we also boosted tourism to a full-time deal. I want to take a side route for a second. They kept talking about the tourism industry, and there was no such animal as a tourist industry. There was the restaurant and beverage association, there were destination resorts, there were golf courses, a whole lot of them.

CH There was a tourism basis.

VA But they all had their own individual interest, so then, I created a tourism council where I put all of these folks together, and for the first time we had a tourism industry. And so, you have to understand what the problem is, and how you deal with it. But even during the recession, I kept constantly on this matter of diversifying the economy. At one of our sessions where we are cutting budgets, I increased the department of economic development budget. I made the request, the legislature passed it. And then, a very strong stride forward was the repeal of the unitary tax. Now, we keep talking about Japan but very quietly in the wings was England. England hated our unitary tax, but they kind of let Japan be the leaders in this thing. But we repealed the unitary tax, but now here

comes, and if you talk to Rich Munn for example. I have been on the tax committee for twenty years, so when I decide I was going to repeal the unitary tax and say okay now, you guys come back Department of Revenue, no idea is a bad idea. In the meantime, I am thinking about what I want to get done, and they would come back, and they didn't want to deal with, incidentally - the Department of Revenue didn't want -- we had a multi-state tax commission and the whole idea was to head of anybody who wants to get rid of the unitary tax. That is what the whole idea was.

Finally I said, okay, I want you to do it this way, after they told me the various ways that it couldn't be done. That is the way they approached it.. I said, okay, well I want you to do this. Well, Governor, you can't do that. No, this is what we are going to do! But Governor you c[an't] --. Go back and do it. And so they went back reluctantly and came back with it not quite there. You go back and figure it out. This is what I want to do, and I told them what I wanted to get done, and they finally did. And we called a special session and we passed it, and it was striking news. First state in the union to repeal the unitary tax. Morita of _____ came here with his *kadanran* [sp? listen] - that is the major business association in Japan - and so when he was here, he was talking about how bad the unitary tax was and before he left I told him what I had in mind to do, and when we passed it, I called him, because they were going to write a report, meaning his committee, and I wanted to make sure that in this written report it was that Oregon repealed this. Called him in Japan, got him on a golf course, told him that we repealed it, just to make sure that in the report it said that Oregon had repealed it. So, that is the bookend. That was a significant thing. Now people, I listen to the economists today and they say Oregon is doing well because we have a diversified economy, as if it always existed. It didn't exist before 1979. It wasn't there. And so, I am very proud of that, and I want to take credit for it because it was one of the major things that was done, back to the human resource, that meant that Oregonians could get a job, raise their families, have a decent life, have a home. To me, human resources [are] very important. I really have a great depth of sense of feeling about the people. That is why it hurts so much when I knew so many Oregonians were suffering during the recession. Not only those that had lost their job, but it was all those people out there that were afraid they were going to lose theirs.

CH Right.

VA So we had to do something. We had to move things along.

CH What about dealing with the other side of that equation, which was the lessening or the diminishing timber economy, because it was getting, well, actually during your time it wasn't really that – it wasn't really declining that much was it, the cut was actually preceding...

VA We had some real problems. There was – we had to work for what you would call a timber relief. And what that meant was that we had these timber companies were out bidding on public timber and during this period of time, they were bidding high to get the timber, because the way the economy was going, they didn't have to harvest it for five years. So by the time they had to harvest it, now they are going to make a profit. Before that, if they had to harvest it on the day that they had bought it, they would take a loss. The recession came along and zoom, the stomachs went way down, I mean way down. Now they have this very expensive timber on their bid but they just don't know where they can harvest...

CH So they were defaulting...

VA Well, they had the danger of defaulting because again, they were high-bidder contracts. So it gave us a chance to go back to Congress to get what we call timber relief, that is an opportunity to re-bid that timber and get that off of their back. There were some major timber companies that were terribly affected. We did manage to get that, i.e. timber relief.

CH And some of the smaller timber companies too, weren't they...

VA Small ones, but there were some big ones, I mean, really big ones. Roseburg Lumber was really a gold mine. If there hadn't passed a timber relief, I don't know what would have happened. Well, maybe the same thing, but yes...

End of Tape 62, Side 2