

VICTOR ATIYEH

July 7, 1993

Tape 44, Side 2

C.H.: This is an interview with Governor Atiyeh. This is Tape 44, Side 2.

V.A.: Well, we did go to ...

C.H.: But the agreement was not formalized?

V.A.: In China. Yes. In Fuzhou.

C.H.: And then you also went to - did you go to Korea that first trip? You had planned on going to Korea, did you actually end up going there?

V.A.: You know, I'd have to go back and look and see, I can't remember.

C.H.: I didn't find anything in the news about that.

V.A.: '84 was a good year, the year we got the announcements by Fujitsu, for both Fujitsu America and Microelectronic. '84 was the year we got rid of the unitary tax.

C.H.: Then you also went to China during that same fall of '84.

V.A.: That's right.

C.H.: That was a separate trip, though, wasn't it?

V.A.: Strange, I can't remember.

C.H.: I had down here that it was your third trip to Japan and your first to China as governor in September.

V.A.: Well, that could very well be. We would go from Japan. I'm trying to think about air carrier and all the rest.

C.H.: You did so much traveling in that period of time, it must be easy to get confused.

V.A.: I think we went from - gosh, did we go from Japan to China? I can't recall. I cannot honestly recall. But the trips were there, both of the trips.

C.H.: The early news article said that you had planned on going to Hong Kong, South Korea, and Singapore during that trip, too, but then those sort of fell off your itinerary.

V.A.: Yeah, we never did get to Singapore during my entire career.

C.H.: Why was that?

V.A.: Oh, it just didn't work out well enough. My motivation is, okay, I'm gonna go where our likeliest prospects were, and then I'm getting now near the end of my term, as you know, in terms of missionary work, which is, you know, you have to go several times, that are really kind of hard to crank up a missionary when we're got about another two and a half years to go. Or three years. So I just, we just never did get to Singapore. Maybe should have done that earlier.

There was even some discussion about seeing what would be done in South America, because that was a potential market as well. But I consumed so much of my time and energy in the Far East, and that's where our best prospects were anyway, in my mind. I was going to go where the best prospects were, that just to go and start doing the - you know, cranking up some more missionary work was just a little late for me to be doing that.

C.H.: You also on this trip were planning on opening up a new trade office in Tokyo for Oregon.

V.A.: Yeah. We opened it, yeah.

C.H.: Did that get any news coverage over there?

V.A.: Oh, I think it probably did. It's probably hard to tell how much and who paid any attention to it, but we were joining some other states that already had offices there.

C.H.: It was the largest trade mission in Oregon's history, fifty-plus members.

V.A.: God, that was a tough job - oh, that was tough.

C.H.: I bet.

V.A.: That was maddening. It really was. We went over several times. I ended up by going to Japan nine times as a governor, which they tell me, I didn't keep track, was the most trips of any single governor. Doesn't mean that states may have gone, but there was different governors. No governor made as many trips to Japan as I did. But you know, you go where you think you can get some work done.

C.H.: But it must have been incredibly difficult to organize fifty people.

V.A.: It's terrible. From there on, it was just me and Tom Kennedy, you know, someone from Economic Development and me, and we'd just go do it, because it was so time-consuming for the staff to help set up appointments or arrange transportation for the delegation; you know, they all had their different plans. It was an overload, is really what it was.

C.H.: One interesting thing in terms of publicity that was going on at the same time was that there was that very popular program in Japan called *From Oregon With Love*, and the filming of that was going on, it was playing in Japan during that period.

V.A.: I think I mentioned earlier that the - beginning with the NEC announcement there was a great deal of penetration by Oregon in the business community. *From Oregon With Love* spread the

word of Oregon throughout all of Japan. It was exceedingly popular. It continues even today. They're going to come out - whether they have filmed or they're going to film, I'm not sure.

C.H.: A sequel?

V.A.: Well, now they've got a change of stories a little bit, but they still come here and have a story that relates, but it's not the same story. It's a wonderful story.

C.H.: The story's basically about a Japanese family that comes to live in Oregon.

V.A.: Well, yeah, there's a sister and brother, and if I recall correctly, their parents were killed in automobile accidents. The young sister was involved in sports at school, swimming or something, competitively, and so she stayed, I think, with some relatives in Japan, and he, the young boy, came to visit and stay with his uncle and his uncle's wife in Oregon.

Great story. I've watched it on television in Japanese, and you really, you can tell what the story is just by watching it. Beautiful photography. The only problem with it, if there's any problem at all, is of course that's what the Japanese saw, which was Central Oregon. That's where the uncle was, and he had a farm, and so they think that's what Oregon looks like.

C.H.: Ironic in the sense sense that most of the people in America think that it's just a complete rain forest over the whole state.

V.A.: Yeah, I know. But the photography is magnificent, just the photography itself.

I kind of chuckled, because the uncle, I can recall, picked up his nephew at the airport, this little boy, sort of lost-looking, uncle really not knowing him very well except he knew that was his

nephew, and they met up. And he gets in this pickup truck, this old beat-up pickup truck - which is kind of hard to imagine the Japanese driving a pickup truck. But then they're heading toward Central Oregon.

So they're driving. Well, I recognized - and again, they wanted some homes and some flowers and you know - they're actually driving up here in back of the Zoo. And I know that, I know where it is, and I'm laughing. I know that's not the way to Madras, you know. But it was just a matter of, you know, as far as their audience was concerned, it was just homes and flowers and rhododendrons and azaleas and that sort of thing. But I'm kind of chuckling.

But it's a great story, you watch the story and you don't really need to have it interpreted. The other thing that I found so fascinating would be his aunt, that would be his uncle's wife, Nana. She played the part of the farmwife. She is in Japan a very well known entertainer, singer, theatre, very attractive woman, dresses very high style in her private life, or her entertainment life. And there she is in the film with braids and an apron, very plain-looking.

It was very hard for me to make that conversion of seeing Nana in Central Oregon, and having seen Nana in real life, a very, very attractive Japanese woman, very vivacious, an entertainer, singer, and all the rest. I met them several times at the airport. We actually put some state money in just to encourage them to come. The benefit we couldn't have paid for, there's no way, if we were trying to get that message out to all of Japan, there's no way we could have ever afforded anything like that. And that kind of induced them to come, and they liked it, and continue to come.

I got to be very good friends with - now, I understand Mr. ~~Hiyeda~~<sup>HIEDA</sup> was, I think, a general manager, I'm not sure of the title. He became president, I just learned the other day that now he has moved up in their hierarchy. The Fuji television has publications as well as the television, and now Mr. ~~Hiyeda~~<sup>HIEDA</sup> has even moved, so his responsibilities include both.

That breakthrough came because the - in Japan, it's a family thing - and the son died. And so instead of the son moving up the ladder, Mr. ~~Hiyeda~~<sup>HIEDA</sup>'s the one that has done it. We got to be very good friends. And then Nakamura came initially as a producer of *From Oregon With Love*. He is just the neatest guy in the world, great sense of humor, and I got to know him. Now he's moved up in their hierarchy as well.

And when I go to Japan, we play golf, get together and have dinner and play golf. It's marvelous. They speak very little English, and maybe understand a little, but not a great deal. And I don't, you know, I don't speak any Japanese at all. And we have Mr. ~~Motomuro~~<sup>MOTOMURA</sup>, who is a special advisor to our Oregon office, formerly Japanese State Department, formerly consul-general, and he was even a consul-general here in Portland. He is our special advisor in the Oregon office. He is my interpreter. He doesn't do too well with interpreting, but he is my interpreter. And we get together, the four of us, and we have the grandest time.

And you know, this is as if we were talking in languages we understand, but it isn't. But we just play golf and have dinner and just have a whale of a good time. Got to be very good friends, so it's one of those good relationships that happened. It isn't that we expect, I don't and they don't, you know, any economic, directly economic [benefit]. Of course they're helping Oregon

immensely. But it isn't a business relationship, it's a friendship relationship. It's very good.

C.H.: You also had Kenneth Meyer as assistant state agricultural director on that trip as well?

V.A.: Ken Meyer, I think he has a false leg. I've never seen anybody work as hard or move as fast as Ken Meyer overseas. He worked hard. He's retired from the Department of Agriculture, and I understood was doing his own consultation work. But we've been together in Hong Kong, we've been together, you know, on several overseas trips, and he works, I mean, he goes out. Nothing gets in his way. He's just is a hard-working guy and a good representative to Oregon.

C.H.: Have you met Mike Mansfield?

V.A.: Oh, yeah, yeah. God, that was great. I really admire that guy, and we would visit every time I'd go. I'd call him, Mike Mansfield. And I really liked him a lot. We'd call on him, he'd be in shirt sleeves, and "Hey Vic, you want some coffee?"

"Yep." And his assistant, you know, would come along. "Do you want coffee?" Whatever his name was. Yeah, that'd fine. And he would go - he would go get the coffee, bring it in cups. That was something he liked to do, and we'd just sit there and shoot the breeze and talk about relations and, you know, the economy and whatever. Japan.

C.H.: Did you know him prior to when he was senator?

V.A.: Not really. No. But we struck up a good relationship. I like him, I would think my trip wasn't complete if I didn't get to call on him when I was in Japan. Every time I'd go, I'd make that attempt.

C.H.: Is he still alive?

V.A.: Yep. And I understand lives in Florida. But I think he's a consultant for some company in New York, probably spends a little time there.

C.H.: Does he go back to Japan?

V.A.: I doubt it. They really liked him very much. They regard him very highly, and I think deservedly so. He was a good ambassador.

C.H.: He followed the footsteps of - who was it that had been there since World War II?

V.A.: Oh, yeah. I can't think of his name, but I know who you mean.

C.H.: That ushered in Japan into the modern post-World War II era.

V.A.: It was interesting that Mike Mansfield was a political appointment, not a career appointment, and as a matter of fact, the most recent appointment by Clinton was a political appointment, not a career. Bush appointed a career person for Japan. But most often these political appointments are not too highly regarded by the State Department. But Mike Mansfield got very high marks out of the State Department as a political appointee. But he deserves it all.

C.H.: In terms of - and of course after this trip to Japan you went back to China - what are the advantages of being in an economic zone? What does that designation do in terms of trade?

V.A.: I'm not that good an authority on it, but the central government held some pretty tight reins over their entire country. The governors aren't elected like our governors, they're appointed by the central government. And actually, a more powerful person is the secretary of the Communist Party in that particular area.

There's a secretary of the Communist Party in the Fujin Province. That person is even more important than the governor.

But they had decided they were going to have some special economic zones, giving the provinces freedom to do things without having to check with the central government. I can recall conversations, but it was something like they could issue bonds if they wanted to. There was a limit, though - what was it? I don't know, five or ten million dollars, or something like that. They didn't have to report to the central government. They were fairly free.

The freest of them, though, was in ~~Shamen~~<sup>XIAMEN</sup>, not Fuzhou, and that's even closer to Hong Kong. And there, there was quite a bit of economic activity, fairly modern economic activity that you didn't see anywhere else. I saw some very modern electronic plants, they were doing assembly work. They were very proud of a contract of manufacturing cigarettes, and we went to the cigarette factory, and all of that apparently is improved even more.

I'll see it this year. I'm going back again this year. There's been some major improvements. Well, I will tell you that my impression, then, 1984, it was almost like stepping back at least fifty years in time. Going to China. You know, leaving the U.S., leaving Japan, or Korea or Taiwan, doesn't make any difference. And you go there, and they were still building roads with the Chinese carrying baskets on their shoulders with rock. They had a, and I took a picture, a steamroller, great, big, huge old thing, it was just sitting there, it wasn't really working. And actually, it's cheaper for them to use human effort than it was to try to buy a piece of equipment.

And the people delivering on bicycles, very few automobiles. I was amazed the first morning, and I took a photograph. Woke up -

we got into China at night - and I saw this heavy, heavy smog, and I couldn't believe it, because I knew there weren't that many cars. What, where's this all coming from? And people were heating with, and cooking with, coal. That's what was going on.

They had no central sewage disposal. Every night, people would put buckets out on the streets and somebody would come by and pick it up. And really, a bicycle traffic jam. I'm talking about Beijing. Obviously, Fuzhou was no different. But I'm talking about Beijing.

So that was my reaction: "Gee whiz, it's like stepping back in time." They use steam engines. Now we just hauled out one here, it was on the front page of *The Oregonian*, it was kind of nostalgic? They're using them over there. There's no nostalgia, they're actually using steam engines. You know, choo choos. Steam coming out of the top and everything. But they want to move forward, and they're working at it, and I will see some improvements, I'm certain, from that time, which now would be nine years ago.

C.H.: As a result of that trip, there was a Chinese party that came to Oregon.

V.A.: That's right. Governor Hu Ping came. Great personality. He now is a important, relatively important, person in the central government in Beijing.

C.H.: And he came with a seventeen-man party, and I guess about ten tentative deals in Oregon were completed?

V.A.: Yep.

C.H.: It was during that same time that you also unveiled an impressive, highly-visible tourism campaign called "Oregon - You're More Than Welcome" that combined with economic development, and I

believe that you also used lottery and general funds for economic development, \$115 million, including venture capital.

V.A.: Yes. The whole idea was to stimulate economic development in every way we could, and that was part of the program that I began in 1979 and continued unabated until I left office.

C.H.: You also had the Governor's Media Excellence Awards for travel coverage. Expo '86 and ...

V.A.: Expo '86 - that was viewed with a lot of suspicion by a lot of people. But that turned out to be extraordinarily successful.

C.H.: In Vancouver, *B.C.*

V.A.: Yeah. Very good. Very good for Oregon.

Every time I'd do something, I was criticized for doing it. You know, when I was just taking a trip I was criticized, and doing this I'm criticized, but the point is that being a businessman, I knew where I was going and where I was heading and what I wanted to do. And so the criticism really wasn't something that was a heavy burden for me. I said, "Well that's their view, but I know what needs to be done."

C.H.: Did that bother you at all, that you got that kind of criticism?

V.A.: No. No, I knew I was on the right trail and doing the right thing.

C.H.: You went back to Japan then in May of 1985, and that also was a large mission. There were nineteen representatives?

V.A.: Yeah, but we cut that down, though. There was a fairly large group that went to China with us, quite a large group.

C.H.: You were attempting to get the Sharp-RCA Corporation in a joint venture to push - and you were also pushing for a Sony

plant, and I think you had mentioned that before that you had told the president of Sony that there was one four-letter word that wasn't in Oregon.

V.A.: That's right. I'd been working them. Actually, the Sharp-~~Sony~~<sup>RCA</sup> thing was an interesting deal. Had that been left to Sharp, the decision, it would have been in Oregon. I had a very good, honest, straightforward relationship with Sharp. Yeah, with Sharp.

The most disagreeable communication was with the RCA. That was most disagreeable. We went back and talked to them, they entertained us, they were deceptive, they - I don't know, the whole thing was very, very unsatisfactory. With RCA. I know for a fact, being told that had the decision been Sharp it would have been in Oregon, but they were joint-venturing and it ended up in Washington.

That was the other thing. You know, I'm so intensely competitive and I want things for Oregon and the press that came out, that they were going to go to Camas, that's okay, it's in our area. You know, it's something for our area, and the businesses, that was accepted by the business community. Well that's, you know, it's in our area.

My reaction was baloney. I'm not the governor of Washington, I'm the governor of Oregon. I get no satisfaction that it's<sup>in</sup> in the area. There was no comfort to me that it was in the area. I was very upset that it went to Washington and not to Oregon.

C.H.: The papers said, "A new episode in the long rivalry between Oregon and Washington was in full swing last week as blind rhetoric masked a trans-oceanic flurry of secret meetings and intrigue worthy of a spy novel."

V.A.: Well, that basically was RCA intrigue. It wasn't Sharp. Sharp was not into that intrigue at all. They were pretty upfront. That was most unsatisfactory.

C.H.: I guess Governor Booth Gardener was taking the same representatives from the companies on tours at the same time.

V.A.: Yeah.

C.H.: Was this the one that went to Camas then?

V.A.: Yeah. You know, it's interesting, again, how you view things. To me it wasn't a matter that I don't want Washington to have something. That's what you mean, this fierce rivalry. It's that I wanted Oregon to have something. It wasn't that I want to keep something out of Washington, I wanted something in Oregon.

So I view it differently, you know, than this what you call fierce rivalry is a matter of fighting because you're going to fight against Washington. I wasn't fighting against Washington, I was fighting for Oregon. And that was my own view of it.

It's the same thing when I began my economic development, Oregon was competing against Washington, Arizona, New Mexico, California, Colorado. When I left, to my great pleasure, they were competing against us. We had a good team of people, well-organized, well-equipped, we knew what to do and how to do it. And you know, you can't expect to make every sale. Yet I expect to make every sale. I'd get disappointed if I didn't make every sale. Realistically, you know, we aren't going to get every sale.

C.H.: Your director of economic development for quite some time had been John Anderson, and then he switched to - started working for Washington.

V.A.: Booth Gardener stole him from me.

C.H.: How was he able to do that, and how did you feel?

V.A.: How did I feel?

C.H.: Yeah.

V.A.: I was delighted. Oh yeah, I was just thrilled that he stole him from me.

C.H.: But you were happy with John Anderson's work.

V.A.: No. No, I was very unhappy with John Anderson.

C.H.: While he was in Oregon?

V.A.: Yes. I hired him. I hired him. I don't mind this being on tape. You know, usually I don't want to show somebody a bad time, but he had been working for Spellman and the City of Eugene had him heading up their economic development. I looked at him as a very bright guy, very well-organized fellow, and when I talked to him in the office about taking the job as the state director of economic development, I can recall it very vividly, and he was thinking about his relationship with Spellman.

And he said, "Well, Governor, there's one thing I really want. I want to have access to you."

"John," I said, "that's no problem at all." You know, access to me by my state agency was something that I wanted. It wasn't something that I was trying to avoid. The year, oh it was a year, year and a half later, I got him in the office. I said, "John, do you remember that conversation we had?"

"Yeah."

"That you wanted access to me?"

"Yeah."

I said, "Then goddamnit John, I want access to you." He wouldn't return phone calls, took credit for everything that happened. I kept trying to remind him, "John, you know, we've been working real hard to build the foundation for the economic growth

that we have." Then I'd get into land use planning, and of course unitary tax, and a whole bunch of things, organizing my state agencies and a team of people, one stop permitting and licensing, all of that, and this was all in place. You know. "Sure you had something to do with it, but you weren't the only one."

He had some CIA background or some spy background, you know, in military bases, he was in military. And really, I was just delighted when he got stolen from me.

C.H.: And you were happy with his replacement - with Kennedy?

V.A.: Tom Kennedy. You bet. I wished I'd started with him years earlier because Tom was a good, good director of economic development, and of all of them, you know I had my problems - there were varying problems. But where *The Oregonian* was lamenting that this great guy John Anderson was stolen from us and all the rest, I was quietly smiling.

C.H.: Is there anything else about all these trips up to this point, up to 1985 - Japan, Korea, China, Taiwan, the Middle East - that you want to add to what you've already said? We'll have an opportunity later on, because you made some other trips.

V.A.: I don't think so. It's that I want to repeat continually that this was a - ongoing from January 1979 til January of 1987 - continually pushing, moving forward, to diversify the economy of the state, and it is something that I would tell you was extraordinarily successful. We had as our base agriculture and wood products, timber, and about half tourism. When I left, we had the wood products, agriculture, full-blown *TURISM, the 4-7-87 + 10/10/1987*  
*THOS.*

[End of Tape 44, Side 2]