#### **RONALD REAGAN**

RECEIVED 0CT 20 1980

Grannia Office

October 10, 1980

The Honorable Victor G. Atiyeh Governor of Oregon State Capitol Salem, Oregon 97310

Dear Vic:

Pete du Pont has told me of your willingness to take part in the Oregon campaign blitz the last 10 days before the election.

I want to tell you how much I appreciate your help, especially during this critical period of the campaign. We are anticipating a close election, and I believe it is essential to our success to have a strong, final push from your office.

I am very grateful for your continued support and look forward to your input and active participation during the next few weeks.

With warm personal regards.

Sincerely,

.....

RONALD REAGAN

March 12, 1981

Dear Governor Atiyeh:

I thought you might enjoy having the enclosed photographs that were taken at the White House State Dinner in February.

Kind personal regards,

Cordially,

Richard S. Williamson Assistant to the President for Intergovernmental Affairs

The Honorable Victor Atiyeh Governor of Oregon Salem, Oregon 97310

Enclosures





June 19, 1981

### Dear Governor Atiyeh:

I want to thank you for your warm expression of friendship and concern. I am certain that, if not for the prayers and good wishes of so many wonderful people, the road to recovery would have been a lot longer and a lot more difficult.

With heartfelt thanks,

Sincerely.

Ronald Reagon

March 18, 1982

#### Dear Vic:

It was good to see you and to have the opportunity to talk in my office on January 7. I certainly appreciated receiving the bottle of "Pinot Noir" that you brought at that time, as well as the additional bottles which Scott Henry kindly sent to Jim Medas for me on your behalf. Many thanks, Vic, for remembering me with these award-winning wines from your home State.

Again, with gratitude, and best personal regards,

Sincerely,

Ronald Reagon

MAY 1 0 1982 Governor's Office

# THE WHITE HOUSE WASHINGTON

May 6, 1982

#### Dear Vic:

I am in receipt of your letter of March 25, 1982. I can appreciate your concern over the impact of the recession on the State of Oregon. I share that concern, not only for those people presently unemployed in Oregon, but for those unemployed throughout this country. I have asked OMB to do a detailed analysis of your letter.

At the beginning of your letter, you mention the economic situation I inherited when I became You state "no one expected you to President. instantly correct the runaway rate of inflation and the awful burden of twenty-two percent interest rates, but you provided the hope we needed." My Administration's Economic Recovery Plan had to be designed to meet this nearly unprecedented dislocation of our economic system. Nearly all of the points you raise in your letter were considered during lengthy discussions, both during 1981 and again this year in the preparation of the proposed Fiscal Year 1983 Budget. Apparently, from a reading of your letter, you disagree with the approach I have chosen.

However, I believe the approach taken in my Economic Recovery Plan is one which will reverse the debilitating economic trends which lead to our present situation. Already we have received encouraging signs that inflation is being brought under control. It is important that our economic recovery be built on a solid base. I believe my program provides that base.

I appreciated your support during the 1980 campaign and for the initiatives undertaken by my Administration during this past year. When times are difficult it is easy to waiver and follow the politically expeditious path. I hope that you will see your way clear to continue to support our efforts.

In your letter you close by stating that "this country's number one goal must be to revitalize our economy and put our people in productive jobs." I cannot agree with you more. Sincerely,

WASHINGTON

January 25, 1982

Dear Governor Atiyeh:

I am pleased to send you the enclosed photographs taken of you with President Reagan in the Oval Office during your recent visit to the White House.

With best regards.

Sincerely,

m

James M. Medas Special Assistant to the President For Intergovernmental Affairs

The Honorable Victor Atiyeh Governor of Oregon State Capitol Salem, Oregon 97310

Enclosures

July 26, 1982

Dear Vic:

Bill Verity has written me about the meeting you had early this month on New Federalism. He was high in his praise and is sending your format to your 49 fellow Governors for their guidance. He hopes they'll see the great value of what you've done and follow suit. I just wanted you to know that one ex-Governor (me) sees the value and says thank you and God bless you.

Warm regards,

Rom

The Honorable Victor Atiyeh State Capitol Salem, Oregon 97310



February 3, 1983

#### Dear Vic:

I was delighted to receive the beautiful pictorial book, <u>Oregon</u>, and your warm greetings. My only regret is that I was not in Washington to personally accept it from Brenda Epperson, Miss Oregon United Teenager, when she visited the White House on December 29.

Nancy and I send our best wishes to you and Dolores.

Sincerely,

Ron

December 7, 1984

Dear Vic:

Nancy and I are proud to have your friendship and support. There is no better reward for all our efforts than the knowledge that people like you are behind us.

Now that the American people have reaffirmed their confidence in the course we set four years ago, we can move forward and complete our New Beginning. With your help and prayers, we shall see fulfilled our nation's dream of a peaceful and prosperous future.

With our appreciation and best wishes,

Sincerely,

Ron

The Honorable Victor Atiyeh Governor of Oregon State Capitol Salem, Oregon 97310

February 12, 1987

#### Dear Vic:

Nancy and I are pleased to join the citizens of Washington County in saluting you as you retire from 28 years of service to the people of Oregon.

For 28 years, you have ably served first Washington County and then all of Oregon with the highest of standards in public service. As State Representative, State Senator, Senate Republican Leader and then Governor, your commitment to the people of Oregon was repeatedly demonstrated. Whether as a community leader active in the Boy Scouts, or as Governor stressing the need for citizen volunteerism, your example of participation served as a beacon to all Americans who believe the service of the individual is one of the keystones of democracy.

Your re-election as Governor of Oregon by the largest gubernatorial margin in 32 years is surely the signal that the people of Oregon were greatly satisfied with your leadership. Please accept my best wishes as you and Dolores retire to the many satisfactions of private life and the knowledge of a job well done.

Sincerely,

Ronald Region

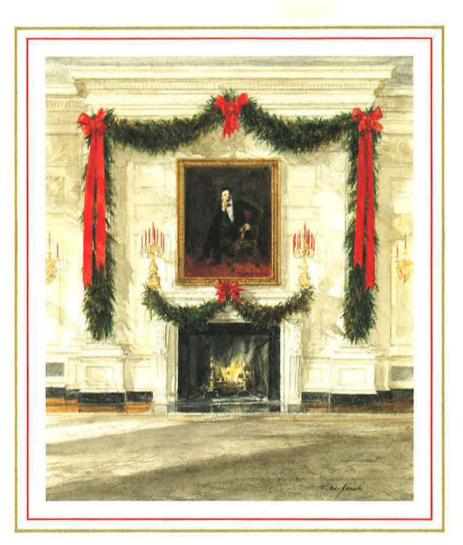
The Honorable Victor Atiyeh

Beaverton, Oregon



# The President and Mrs. Reagan extend to you their best wishes for a joyous Christmas and a peaceful New Year.

1.982



The President and Mrs. Reagan extend to you warm wishes for a joyous holiday season and a happy and healthy new year.

1987





The Asnovable Victor G. Atiych 1690 S. A. Fairmose Street Portland, O'regon 97225









Congratulations on your nomination for the 1987 President's Volunteer Action Award. Your dedication to serving your community and your fellowman has helped to revitalize the spirit of voluntarism in our Nation. I commend the way you have shared your time and talents. Nancy joins me in expressing our heartfelt appreciation and good wishes.

Roused Reagan





Mr. Vieter Atiyeh 519 Southwest Park, Suite 208 Partland, Oregon 97205 Victor Atiyeh

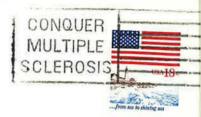
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PHONE CAR FROM DRES REAGAN.







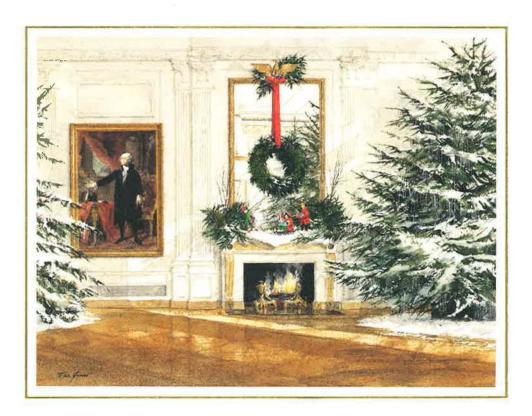


The President and Mrs.Reagan
extend to you their best wishes
for a joyous Christmas
and a peaceful New Year.

1981







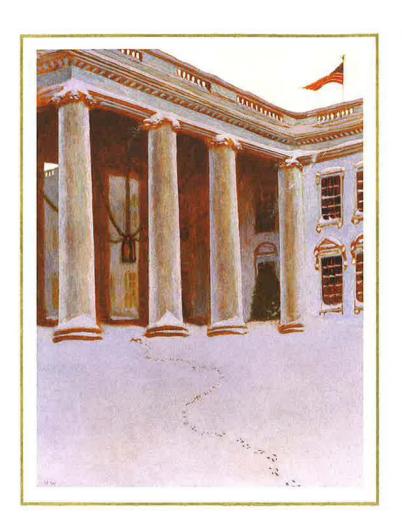
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The President and Mrs. Reagan extend to you their warmest wishes for a joyous holiday season and a happy new year.

1986



The Honorable Victor G. atiyeh State Capital Salend, Aregon 97310



The President and Mrs. Reagan
extend to you
their warmest holiday greetings
and best wishes for the new year.

1984





She Hanarasse Victor D. Atrijeh Somernas af Aregon State Capital Salem, Aregon 97310



OFFICE OF THE GOVERNOR
STATE CAPITOL
SALEM 97310

June 2, 1982

FOR YOUR INFORMATION

2 June 1982

from

Oregon Governor's office

Communications

This packet includes letters from Gov. Atiyeh to President Reagan and to David Stockman, Office of Management & Budget director.

The Honorable Ronald Reagan President of the United States The White House Washington, D.C. 20500

Dear Mr. President:

I wrote to you two months ago about my concerns for your 1983 budget. You indicated in your letter of May 6 that I would be receiving a more detailed response from David Stockman. I have now received that response dated May 19. I must sadly report that little has changed in Oregon during this period. Unemployment has risen to 11.4 percent and 50,000 more Oregonians are out of work today than were out of work a year ago. Housing starts, so important to Oregon's economy, are at the lowest point since the early 1960's.

Mr. Stockman believes that our hardships will be relatively short-lived. I must remind you that Oregon has suffered longer than most other states because Oregon never recovered from the 1978 recession. I fully recognize that the baseline from which the President started was far out of balance and I am fully aware that the President inherited deep problems that need correction. Because Cregon has been faced with similar problems for which I began to take corrective action the day I was elected, I am not yet convinced we are doing all we can to reduce federal spending. While I recognize we cannot have it both ways, I am concerned that my state is suffering more than most. Our suffering today is generated primarily from the fiscal and monetary policies on the national level. I as Governor prepared our state quickly for new federalism and because of my immediate action upon election to reduce state spending have protected the state from worse budget shortfalls than we have had.

As I wrote you earlier, Oregon has made major spending cuts since 1979. We have done so, not because it was a pleasant thing to do, but to live within our budget. We have not made cuts in a punitive manner, but have looked hard to eliminate all nonessentials before we cut back on direct services. We have been able to meet our challenge for two major reasons.

First, we have a workforce with both the tools and dedication to do the best possible job for the people they serve. We have budget and expenditure control systems which enable us to identify and address problems before they get out of hand. We have a statewide financial reporting system directly tied to our budget system. We budget under a modified zero-based system which clearly identifies priorities and the impact of program changes for decision makers.

Second, and more important, is the philosophy of management we have put into place. We approach the business of government with the same kind of common sense we find in private enterprise.

I have given my managers the flexibility they need to be creative in their jobs. I have challenged them to use their talents and knowledge to be innovative. They have accepted it.

We have found when we approach our job in this way, we often find great opportunity for major changes and savings. More often, however, we spend our time making improvements which by themselves seem minor, but add up quickly and serve our people better.

All of the changes have been made with as much precision as is possible. This must be an underlying approach so that we understand the nature and effect of our actions.

I have attached a list of some of the changes we have made over the last few years. They align behind three themes — retargeting government programs, operating government like a business, and making government more productive. The individual items are not as important as the philosophy. Challenge your bureaucracy and they will respond.

Finally, Mr. President, whether intended or not, your comments in your letter of May 6 that said, "When times are tough it is easy to waiver and follow the politically expeditious past" were construed by some that this was the reason for my letter to you. I am going to presume that you did not mean that in my case. However, to anyone who may think that, let me categorically state that my concern for this nation is as deep as the most devout and my love for my state and its people is unwavering. I will speak out whenever I think either is endangered, politics notwithstanding. My tenure as Governor will some day come to an end, as will my life, but both our nation and my state must remain vital and strong. Nothing will move me from that conviction and that is the sole reason for any actions I may take.

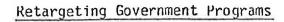
Sincerely,

Victor Atiyeh Governor

VA/dr Attachment

cc: David Stockman

National Governors Assn.



Better targeting of government programs requires that both methods of providing services be changed and less essential services be reduced or eliminated.

We have modified our Aid to Families with Dependent Children (AFDC) Program to establish standards so that someone on assistance would not be any better off financially than if working at a minimum wage job.

We have established a state Jobs Program to provide both the incentive and tools to help individuals find work as an alternative to public assistance. We were also one of the first states to apply for and receive approval for a Work Incentive Program (WIN) demonstration project to integrate this program into our public assistance program.

We have redesigned our state financed day-care program to eliminate the subsidy for many people who could afford day-care on their own and revised the program to provide subsidy to those who need it to avoid dependency upon public assistance.

We proposed eliminating public assistance for two-parent families for the half of each year when employment is most available. The Legislature, instead, eliminated the program for the entire year. We did not abandon these people, but established a state financed program of emergency assistance and job services to help in the transition from the public assistance rolls.

We have made other changes in our public assistance programs that, individually do not have the impact of the items listed above, but reinforce the concept that public assistance is not a preferred option to a job. We have reduced our public assistance caseloads from over 120,000 persons in 1977 to under 80,000 today. Our caseloads have declined over the last two years in spite of a worsening economy. We have:

- Reduced the allowance for shelter costs in "children only" grants where the child is living with a relative or another adult who is providing shelter.
- Adopted a two-month prospective budgeting concept to use more of the client's income in the initial two months to fully offset grants by anticipated income.
- Eliminated cash assistance for single pregnant women with no other children during the time they are still able to work.
- Tightened eligibility in our state General Assistance program to require individuals to be unemployable for at least sixty days before qualifying for assistance.

We have found holding down costs in our medical assistance program to be the most difficult. We only offer categorically needy services, whereas, almost 70 percent of the states provide both categorically needy and medically needy services. To hold down medical costs we have:

- Eliminated payment for optional surgical, laboratory, and x-ray procedures which exceed basic needs.
- Limited adult dental services to emergency only treatments.
- Required that services be prior authorized in both our General Assistance and Title XIX Medicaid programs for drug and alcohol treatment.
- Required that clients enroll in drug or alcohol treatment programs as a condition of eligibility for cash assistance.

We have made a concentrated effort to reduce nursing home care costs through alternatives. In 1979, we initiated a pilot project to expand community based care and intensified our efforts to screen clients to assure appropriate nursing home placements. We were the first state to receive a waiver under Title XIX to use this funding for community programs. This enabled us not only to reduce the costs of care, but improve the appropriateness of care.

We have reduced costs through expanding in-home and adoptive services as an alternative to substitute care for children.

We have substituted parent training as an alternative to preschool classroom instruction for mentally retarded children through age three.

We have redirected our vocational rehabilitation services for the handicapped to short-term vocational training and away from long-term college programs.

We have saved money and improved service through a pilot project to make cash payments in lieu of issuing food stamps. We are currently moving to expand these efforts.

We have closed our work release centers for parolees and substituted cash grants and other services to help parolees find jobs and live in their own communities instead of where our centers happened to be.

We have stopped doing testing in our public health laboratory that did not relate to public health and could be done at patient expense in a private laboratory.

We have redirected mental health resources to provide community care in lieu of state hospital inpatient care for those who can be appropriately treated by alternative care.

We have streamlined our higher education programs with their help and support by:

- Eliminating unnecessary program duplication.
- Placing emphasis on programs to meet current employment demands in high technology industries.

## Operating Government Like a Business

We have provided managers with the tools to enable them to manage effectively and allowed them the flexibility to manage. We have developed new operating policies, business strategies and management practices, and have implemented private business concepts in many of our agencies. These have not only resulted in savings to the taxpayers, but to the direct consumers of state products.

We have also looked at our financial resources and the way we manage our money. We have improved cashflow and created greater equity between those who pay for and benefit from services.

We have eliminated or reduced automatic cost-of-living increases to help hold down inflation.

We have established new fees or increased existing fees to match the costs of programs where services benefit both identifiable groups as well as the general public. We have:

- Established day-use fees for state parks.
  - Established fees for laboratory tests at our state public health laboratory.
- Established fees for participating in diversionary programs for persons charged with driving under the influence of liquor.
- Established fees for home studies in privately arranged adoptions.
- Increased tees for copies of vital statistics records.
- Increased various permit and licensing fees to fully finance costs of the service.

We have established general fees or taxes dedicated to the particular service or problem which is related to the subject being taxed. We have:

- Established marriage license fees to fund shelter homes for victims of domestic violence.
- Increased fire insurance premium taxes to fund state fire prevention programs.
- Established a telephone tax to fund emergency communication services.

We have recognized that all ongoing capital improvement and construction needs could not be met during the period of revenue shortfalls and have deferred all construction not related to life and safety improvements.

- In our highway program, we have emphasized safety and road preservation and deferred maintenance of lower priority.
- In order to retain parks we now have, we have eliminated new park development and improvement.
- We have reevaluated our capital equipment replacement strategies and increased the life of existing capital equipment through improved maintenance.

We have made major improvements in our cash management systems which have both increased the timeliness of our cash flow and interest earnings. We have:

- Expanded audit and collection staff in our Department of Revenue to improve equity for all taxpayers.
- Increased the interest penalty for delinquent taxes closer to market levels.
- Required corporate excise and income taxes to be paid quarterly instead of annually.
- Scheduled tax relief payments to counties three times a year instead of annually.
- Changed our Basic School Support fund payments to school districts from annually to monthly.
- Changed the schedule for insurance premium taxes from annually to quarterly.
- Required that dividend and interest income taxes be paid quarterly instead of annually.
- Required withholding payments to be deposited within 15 instead of 45 days.
- Required disputed tax amounts to be paid pending resolution of the tax appeal.

We have undertaken an aggressive risk management program to reduce the costs of insurance to the state. We have instituted safety programs to cut our workers' compensation insurance costs. We have consolidated state insurance programs and strengthened our loss control functions. We have saved money by using a single agent of record instead of individual bids, increased our catastrophe coverage at a premium savings, and eliminated duplication of policies for further savings.

We have cut back on our subsidy of publications, conferences, and employe membership dues throughout state government.

We have reduced energy consumption and costs by retrofitting our buildings and placing a lid on travel mileage. We have a statewide program to review our use of telephone lines for computer terminals and have drastically reduced costs.

We have eliminated over 2,400 positions through organization improvements, reducing technical assistance, eliminating layers of management, and increasing standards of performance at all levels.

We have evaluated equipment and supply inventories and made major cost savings while still maintaining a high service level.

We have developed measurable performance specifications for competitive bid purchases. We have also taken advantage of such things as manufacturers' rebates and promotions.

We have adjusted our price agreements to take advantage of declining markets and prices through the use of deescalater clauses.

We have implemented a central mail presort program which has saved approximately 1.7 cents postage on each first class letter.

We have intervened successfully in two separate telephone rate hearings resulting in a cost avoidance of almost \$10 million.

We have improved our telephone management reporting system to assure that the least costly systems are used to the maximum.

We have gone to regional telephone service networks to reduce our long distance charges.

We have consolidated our copy centers while still meeting our needs.

We have established new systems for managing both our state-owned and private rental space.

We have improved our economic analysis and revenue forecasting systems.

#### Making Government More Productive

We made productivity part of our everyday business. As part of their 1981-83 budget request, state agencies were required to report actual cost reductions in operations and cost avoidances through productivity improvements. We have found that productivity is a concept that not only applies to business and industry, but is equally applicable to government services. Improvements come from better paperwork systems, consolidation of operations, workload scheduling, and changes in procedures, reports, records, and filing systems.

We have eliminated uneeded regulation. We have moved to registration and self-certification systems with enforcement on a complaint basis.

We have adopted a modified zero-based budgeting process and automated our budget system.

We have made extensive use of the telephone instead of travel for making client contacts and conducting other business. We have increased the productivity of our hearings function by over 50 percent in both our Department of Revenue and Department of Human Resources Employment Division through the use of telephone hearings and other procedural changes.

We have made good use of high technology resources to reduce labor costs. We have successfully married data processing and word processing technologies.

We have both merged and linked separate computer systems to improve utilization and efficiency.

We have developed programs which enable us to make greater use of volunteers to supplement paid staff.

We have decentralized the state personnel function to allow agencies more flexibility in managing their human resources.

We have established an Employe Suggestion Awards Program which has already produced major savings and increased employe morale.

We are developing cutback management training programs to help agencies deal with the issues of a shrinking workforce.

We have an ongoing program to improve organization of government in Oregon. We have eliminated layers of government, combined similar programs, and established new organization units to focus on critical programs.

We have consolidated the statewide court system.

We have an active program to share technical resources and professional skills between state agencies.

We have been number one in conserving fuel through enforcement of the 55-mile per hour speed limit even with reduced staffing.

We have used value engineering clauses in all highway project construction bids.

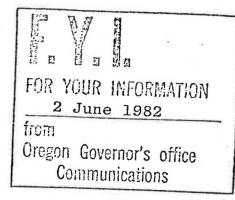
We have pioneered efforts to implement private sector "Quality Circles" concepts in state government. This has increased the involvement of first line employes in improving quality of service and productivity.

ED:BAM 5-25-82 5631B



OFFICE OF THE GOVERNOR
STATE CAPITOL
SALEM 97310

June 2, 1982



David A. Stockman, Director U.S. Office of Management and Budget White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear David:

I just read your letter to me in response to my message to our President. In reading your response I feel like someone poking a balloon and upon pulling back realizing nothing has changed the shape from before. I also must tell you I resent the "kindly" lesson in budgetary science. I do not need it. And do not pat me on the head in a condescending way. No Governor knows the personal pain, drama, and effect on people more than I, having involved myself in each of the budget surgeries since our Special Session in 1980.

Do not tell me how tough it is — Do not tell me what you inherited — Do not tell me how something cannot be done — Just tell me you know that an uncontrolled federal budget is holding up interest rates, that high interest rates are suffocating our economy, and that you will be in the vanguard to reduce that deficit. If you do not care for my ideas that is your choice, but at least I did not just carp and criticize. I offered some suggestions which should be credited for what they are.

Enclosed is a copy of my further definition of our budget actions which I told the President I would send. Hopefully it may be of some value to you.

David, I have said it before and I will say it again — when the national economy cools off, Oregon gets pneumonia. We Oregonians are proud and loyal Americans but are we expected to contribute ourselves into oblivion? I certainly do not think so and feel no shame in fighting for them as vigorously as my knowledge and strength will take me.

lety

Victor Atiyeh Governor

VA/dr Enclosure

cc: National Governors Assn.



# OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

May 19, 1982

Honorable Victor Atiyeh Governor of Oregon Salem, Oregon 97310

Dear Vic:

The President asked that I respond to your letter of March 25, in which you expressed concern about the high interest rates and high unemployment in Oregon.

Unquestionably, the current recession and high unemployment have imposed serious hardships on many people. This is an unfortunate by-product of the economic conditions and policies that this. Administration inherited. I believe, however, that these hardships will be relatively short-lived. I am confident that the dramatic improvement in inflation to which you referred, together with the Administration's continued emphasis on stringent control of Federal spending, has set the stage for substantial reductions in interest rates and a sustained economic expansion.

You stated that you found it incredible that the President recommended a budget for FY 1983 that was shockingly out of balance. But you failed to recognize that the baseline from which he started was far more out of balance — partly because of the recession itself — and that the President proposed ways to reduce the deficit by \$56 billion in fiscal year 1983, \$84 billion in 1984, and \$99 billion in 1985. Subsequent discussions and negotiations with Congress are pointing toward a solution that will yield even larger deficit reductions.

We have analyzed your proposed budget changes, for which you claim \$40 to \$60 billion savings in fiscal year 1983. The analysis, which is summarized in the table below, excludes any reference to Social Security reforms, because your discussion was not sufficiently specific to determine the budget implications. Your reductions, we presume, are in addition to the \$55.9 billion in deficit reduction measures already proposed by the President.

### SUGGESTED SAVINGS (in billions of dollars)

	Estimate	es.
Policy Changes Outlays: Lower real growth in Department of Defense (4% real growth)	13	
Receipts: Repeal of tax leasing provisions	3	
Subtotal, policy changes	16	
Improved Economy  Lower unemployment (one percentage point)  Lower interest rates (3-1/2 percentage points)	7 _16	ž.
Subtotal, improved economy Total	23 39	

Your suggestions include savings of approximately \$16 billion resulting from changes in policy, and almost all of this comes from reductions in the Department of Defense. Defense reductions of the size you propose are not acceptable to the Administration in view of the rapid military build-up of the Soviet Union. From what we know, they do not appear to be acceptable to the Congress or the American people either.

As we measure them, most of your suggested "savings" -- nearly 60 percent -- come from assumptions about a more optimistic economic performance than we have assumed, not from difficult political decisions to reduce programs. While we would like to see interest rates and unemployment rates drop sharply, we do not think it would be prudent to make budget plans and estimates on the basis of such optimistic assumptions. However, I should point out that the budget resolutions currently being considered in Congress do assume that the deficit reduction measures contained in them will bring about a reduction in interest rates of 2-1/2 percentage points. In that sense, we are in agreement.

In any case, policy savings of about \$16 billion more than the President proposed are unlikely by themselves to generate an additional \$24-44 billion of savings through an improved economy, as suggested by your letter.

You also object to the impact of budget cuts on Oregon. An essential part of the Administration's program is to reduce or eliminate unnecessary Federal programs, and at the same time give States and localities more control over the funds they receive. The reductions have some impact on all States, but they are reductions in programs for which there is no overriding need for a Federal role. Continued funding of those programs by the Federal Government would only accentuate the Federal deficit problem that concerns us both.

In short, it is simply not possible to cut the Federal budget without reducing the flow of funds to Oregon or any other State. While I know you recognize this, I must admit to finding some incongruity between your sharp criticism of the size of our projected deficit and your complaint about a \$128 million reduction in Federal funding. We cannot have it both ways, nor can you.

Restoring the economy to a sound basis after years of neglect takes time. We have made considerable progress. I hope we can continue to count on your support in the future as we continue to put policies in place that move this country forward.

Sincerely,

David A. Stockman

Director

MAY 1 0 1932 Governor's Cares

## THE WHITE HOUSE WASHINGTON

May 6, 1982

Dear Vic:

I am in receipt of your letter of March 25, 1982. I can appreciate your concern over the impact of the recession on the State of Oregon. I share that concern, not only for those people presently unemployed in Oregon, but for those unemployed throughout this country. I have asked OMB to do a detailed analysis of your letter.

At the beginning of your letter, you mention the economic situation I inherited when I became President. You state "no one expected you to instantly correct the runaway rate of inflation and the awful burden of twenty-two percent interest rates, but you provided the hope we needed." My Administration's Economic Recovery Plan had to be designed to meet this nearly unprecedented dislocation of our economic system. Nearly all of the points you raise in your letter were considered during lengthy discussions, both during 1981 and again this year in the preparation of the proposed Fiscal Year 1983 Budget. Apparently, from a reading of your letter, you disagree with the approach I have chosen.

However, I believe the approach taken in my Economic Recovery Plan is one which will reverse the debilitating economic trends which lead to our present situation. Already we have received encouraging signs that inflation is being brought under control. It is important that our economic recovery be built on a solid base. I believe my program provides that base.

I appreciated your support during the 1980 campaign and for the initiatives undertaken by my Administration during this past year. When times are difficult it is easy to waiver and follow the politically expeditious path. I hope that you will see your way clear to continue to support our efforts.

In your letter you close by stating that "this country's number one goal must be to revitalize our economy and put our people in productive jobs." I cannot agree with you more.

Sincerely,

The Honorable Victor Atiyeh Governor of Oregon Salem, Oregon 97310





## OFFICE OF THE GOVERNOR STATE CAPITOL SALEM, OREGON 97310

March 25, 1982

FOR YOUR INFORMATION
26 MARCH 1982
from
Oregon Governor's office
Communications

The Honorable Ronald Reagan President of the United States The White House Washington, D.C. 20500

Dear Mr. President:

I write to you greatly disturbed and saddened. When you took office, Americans had high hopes that this nation's terrible mess would be corrected. No one expected you to instantly correct the runaway rate of inflation and the awful burden of 22 percent interest rates, but you provided the hope we needed. The old governmental policies clearly were not working and so a new idea was welcomed.



We have been patient. Some of us have been severely criticized for recommending that patience.

Clearly, we recognize that inflation has been lowered—dramatically. However, the overriding, overwhelming need of Oregonians has not been met. Instead we are being punished by high interest rates. And the mate to that in Oregon is awesome unemployment.

The nationally agreed upon villain of this effect is your proposed federal deficit. I cannot allow this to happen without speaking out for those 162,100 Oregonians without work, representing 11.2 percent unemployment, or those who tremble at the thought they may be next. We are now impatient, especially when the solution is so well known—a controlled federal deficit which would lead to lower interest rates.

You, Mr. President, acknowledged that the high interest rate was the barrier to economic upsurge in this nation when we visited together on February 7 of this year. On the same day Jim Baker and Murray Weidenbaum also voluntarily identified this impediment to economic vitality.

I found it incredible when you recommended a budget so out of balance that it surprised and shocked even your strongest supporters and threw freezing cold water on the money market.

You may say, Mr. President, that I do not really understand the complexities and difficulties of working for a controlled deficit. That may be true in detail, but not in practiced fact. No one has been more involved in understanding budgets, the legitimate role of government in our society, the balance between needs of people and the taxpayers' ability to provide those needs and the desperate urge for a strong economic base than I. It is also well known that I have a deep, unswerving devotion to the survival of our nation and our system of government. It is because of this experience and patriotic emotion that I feel compelled to speak out strongly to you.

-MORE/OVER-

The Honorable Ronald Reagan President of the United States March 25, 1982 Page Two

We need to get Oregonians back to work. We need to revive our national economic vitality as a priority above all other goals. Tragically, the major obstacle to achieving these goals is high interest rates. There seems to be a growing concensus among this nation's leading economists and the business community on Wall Street that interest rates will not come down significantly until the projected federal budget deficit is significantly reduced. That, Mr. President, is the bottom line.

Oregon's and the nation's economy cannot continue to decline as they have in the last two years. Steps must be taken now to create jobs and put people back to work. I believe the first step in that recovery is reducing the federal budget deficit. The questions you have raised in your proposed new federalism all pale compared to the critical need to lower the federal deficit and get this country's economy on the upswing. I have said repeatedly, in Oregon, that the best social program government can provide is a successful economic recovery program; one that puts people back to work.

It is not my wish, however, to just criticize but to offer some suggestions that taken with other constructive recommendations will be the answer to the awful condition in which we find ourselves.

First is the interest on the national debt itself. If interest rates go down, this figure will also down dramatically. A healthy economy with its resulting lower interest rates would save the federal government \$16 billion or more in 1983. A reduction of the federal deficit would lower interest rates and give you even greater control of the deficit.

Second, I support your efforts to try to recover from the dangerous damage done to our national security in the last few years. I question, however, a policy which attempts to regain lost ground in too short a time.

No enterprise can expand very rapidly in an effective and efficient way. An example of this fact is found in the huge social expenditure increases in the 60's and 70's. We know much of that money was wasted because it was impossible to spend it all wisely and efficiently.

I think defense spending growth should be limited until the deficit problem is solved. Limiting the real growth in defense spending three percent to five percent would reduce the projected 1983 federal deficit significantly.

Any elected official takes an awesome risk by stepping into the arena of Social Security benefits. However, the Social Security program must be protected and stabilized to protect the basic integrity of the program. I would, therefore, make a recommendation for you and Congress to consider.

Those now on Social Security and who live very carefully and frugally on the money which belongs to them by their own contributions must not be disturbed. Any reform and control of the system must be phased to allow those yet to retire to plan for that retirement. With the growth of pension plans, IRA and Keogh incentives, this could be responsibly accomplished. I realize this solution is long range, but someone has to start somewhere to assure a well-funded program for the millions yet to retire and protect those now in retirement. This would be a good start.



The Honorable Ronald Reagan President of the United States March 25, 1982 Page Three

You have gained Congressional approval for reduced taxes on individuals and businesses. The purpose of most of these tax reductions is to stimulate economic growth. The general tax cuts on personal income taxes scheduled for 1982 and 1983 should be neither reduced nor delayed. Similarly, the hard-won improvement in business depreciation schedules should be maintained. On the other hand, I think the statutes allowing businesses to sell tax loss benefits to profitable corporations should be repealed. This provision provides no jobs and is contradictory to the above stated two other reforms.

In closing, I would like to comment on your budget cuts for domestic spending for 1983 and your proposed new federalism.

First, your budget cuts would cost Oregon \$128 million. We cannot find this acceptable. Since I took office in 1979, I have proposed over \$1 billion in budget cuts. We have reformed our welfare in words that can only be described as dramatic and we have squeezed our agencies to a point where all slack is gone. Additionally, we have asked for all the taxes any citizen should bear. As a matter of fact, our taxes are considered a deterrent to our economic growth. May I respectfully suggest you look at Oregon and our budget as profitable areas for reform in the federal budget. My staff is currently preparing a summary of the various actions we have taken to reduce expenditures. I will forward that list to you when it is completed. As you said, Mr. President, all knowledge does not reside in Washington, D.C.

In regard to the new federalism, I wired Governor Snelling prior to the last National Governors' Association meeting to make every effort to see how we could make it possible rather than how it could not be possible. (I could not attend because we were in special session eliminating a projected deficit of \$313 million.) I will continue that effort, but I must fairly tell you my number one priority is to strengthen our economic base and provide jobs for Oregonians. Only after that is accomplished can I, as Governor of Oregon, consider a newer, and eventually better, national program.

In summary, Mr. President, this country's number one goal must be to revitalize our economy and put our people in productive jobs. This will not happen until interest rates go down. The first step to accomplish this goal is to lower the federal budget deficit. What I have suggested could save \$40 to \$60 billion as starters. Once the economy has rebounded, revenues will be available at the federal level to enhance defense spending and at the state level to cushion the necessary federal funding cuts and to finance the new federalism. But, first, the economy must improve.

Singergly,

Victor Atiyeh

VA/sb

cc: See attached

-MORE-

#### ATTACHMENT

Sen. Mark O. Hatfield

Sen. Robert Packwood

Rep. Les AuCoin

Rep. Jim Weaver

Rep. Denny Smith

Rep. Ron Wyden

Sen. Robert J. Dole

Richard S. Williamson,

Asst. to President,

Intergovernmental Affairs

Richard Richards

Republican National Committee Chairman

Stephen B. Farber, Executive Director

National Governors' Association

Gov. Forrest H. James, Jr.

Gov. Jay S. Hammond

Gov. Peter T. Coleman

Gov. Bruce E. Babbitt

Gov. Frank D. White

Gov. Edmund G. Brown, Jr.

Gov. Richard D. Lamm

Gov. William A. O'Neill

Gov. Pierre S. du Pont IV

Gov. D. Robert Graham

Gov. George Busbee

Gov. Paul Calvo

Gov. George R. Ariyoshi

Gov. John V. Evans

Gov. James R. Thompson

Gov. Bob Orr

Gov. Robert D. Ray

Gov. John Carlin

Gov. John Y. Brown, Jr.

Gov. David C. Treen

Gov. Joseph E. Brennan

Gov. Harry Hughes

Gov. Edward J. King

Gov. William G. Milliken

Gov. Albert H. Quie

Gov. William F. Winter

Gov. Christopher S. Bond

Gov. Ted Schwinden

Gov. Charles Thone

Gov. Robert List

Gov. Hugh Gallen

Gov. Thomas H. Kean

Gov. Bruce King

Gov. Hugh L. Carey

Gov. James B. Hunt, Jr.

Gov. Allen I. Olson

Gov. Pedro P. Tenorio

Gov. James A. Rhodes

Gov. George Nigh

Gov. Richard L. Thornburgh

Gov. Carlos Romero-Barcelo

Gov. J. Joseph Garrahy

Gov. Richard W. Riley

Gov. William J. Janklow

Gov. Lamar Alexander

Gov. William P. Clements, Jr.

Gov. Scott M. Matheson

Gov. Richard A. Snelling

Gov. Charles S. Robb

Gov. Juan F. Luis Gov. John Spellman

Gov. John D. Rockefeller IV

Gov. Lee S. Dreyfus

Gov. Ed Herschler

#### OFFICE OF THE PRESIDENT-ELECT

WASHINGTON, DC 20270

DEC 12 1980

Governor Ative KCEIVED

D 10 1000

ealthor's Office

December 3, 1980

Governor Victor Atiyeh State Capitol Salem, OR 97310

Dear Governor Atiyeh:

As you know, you have been suggested for consideration for a position in the Reagan Administration. We are presently collecting and evaluating information on many candidates for service in the new Administration. Your background will be given careful review when we start filling positions.

Although we cannot predict when we might be in touch, please be assured that you will be seriously considered as we seek the most qualified team to serve President-elect Reagan after he takes office in January.

Sincerely

E. Pendleton James

Director of Presidential Personnel

Pen Jam



October 11, 1982

The Honorable Victor G. Atiyeh Re-elect Governor Atiyeh Committee 325 Northwest 21st Avenue Portland, Oregon 97209

Dear Vic:

Thank you for helping me and my administration to fulfill the campaign promises of 1980.

As a former governor myself, I understand the challenges involved in managing the business of state government. You have done an outstanding job in difficult times, and your caliber of service, leadership and judgment is important to the future of Oregon.

Though our task of rebuilding this nation's economy is far from finished, the job is well under way. Your leadership and cooperation has helped make it possible, and your continued service as Governor of Oregon is critical to the completion of our work.

Please accept my appreciation for all you have done, and my support in your reelection campaign.

With warm personal regards and my best wishes.

Sincerely,

Ronald Reagan

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TWX WHITEHOUSE WSH DLY PD

ZCZC 084 GOVT DLY WHITE HOUSE DC FEB 18

PMS THE HONORABLE VICTOR ATIYEH

GOVERNOR OF OREGON

SALEM, OREGON 97310

BT

Telegram

Telegiram

NANCY AND I ARE PLEASED TO EXTEND OUR CONGRATULATIONS AND BEST WISHES TO THE GOVERNOR OF OREGON -- HAPPY BIRTHDAY/

IT IS OUR HOPE THAT FEBRUARY 20 WILL BE FILLED WITH MANY FOND MEMORIES AS YOU CELEBRATE WITH YOUR FAMILY AND FRIENDS.

GOD BLESS YOU.

RONALD REAGAN

NNNN

/ REPLACES CHAR(S) ON SENDERS KEYBD UNAVAIL ON YOURS

1134 EST

IPMØ30R





Governor Atiyeh



Governor Victor Atiyeh

Please respond to The Social Secretary

The White House

at your earliest convenience

(202) 456-2510

### In honor of the Governors of the States

and Territories



The President and Mrs.Reagan request the pleasure of the company of Governor and Mrs.Atiyeh at dinner

on Sunday, February 26, 1984

at 730 o'clock

Please send response to The Social Secretary

The White House

al your earliest convenience

The Governors of the

States and Territories

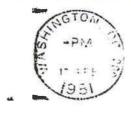
FUR. 76, 1981



The Bresident and Mrs.Reagan request the pleasure of the company of

Governov,andMrs.Atiyeh ,at,dinner

onTuesday, Gelvuavy 24, 1981 at 7:30 o'clock THE WHITE HOUSE





The Lovernor of Oregon
and Mrs. Atiyeh
State Capital
Salem. Oregon
97310

fbb.74.1931

## REAGAN ADMINISTRATION EXECUTIVE FORUM

Friday, January 25, 1985 10:00 a.m.



Constitution Hall 18th & D Streets, N.W.

This Pass Admits Only The Properly Identified Holder DOORS OPEN AT 9:00 A.M.



You are requested to join the President at the Annual Reagan Administration Executive Forum

on the twenty-fifth day of January one thousand nine hundred and eighty five at 10:00 a.m.

Constitution Hall 18th and D Streets, N.W. Please respond to The Social Secretary The White House

at your earliest convenience

(202) 456-2510

## In honor of the

Governors of the States

and Territories



The President

requests the pleasure of the company of Governov and Mrs.Atiyeh

at dinner

on Gunday, February 27,1983

at 7:30 o'clock Bluck Tie

Governor's Office FEB. 27, 1993 Social Leay. 202-456-2570 2/14 assisted

FAST ENTRANCE

Soverno Victor Atiyeh) will please present this card at The While House

NOT TRANSFERABLE

(202) 456-7787

The Social Secretary

Please respond to

The White House

at your earliest convenience



Dept. 15 3 PM DC

The President and Mrs. Reagan request the pleasure of your company at a reception to be held at

The White House on Tuesday afternoon, Leptember 15, 1981 , at five o'clock

South Lawn

## On the occasion of Technical Assistance Workshop for

Deinstitutionalization of the Chronically

Mentally Ill

FAST ENTRANCE

Governor Victor Atiyeh will please present this card at The While House

NOT TRANSFERABLE

Please send response to The Social Secretary

at your earliest convenience

The White House

Please send response to

The White House

at your earliest convenience

The Social Secretary

In honor of The Governors of the

States and Territories

Theater Party following John F. Kennedy Center for the Performing Arts Eisenhower Theater

The Elephant Man





The Adonorable and Mrs. Victor B. Atiyeh Bovernor of Oregon State Capital Salem, Oregon 97310

# National Prayer Breakfast Non-Transferable

I will attend	I will not attend
My spouse will attend	My spouse will not attend
Admits will be sent to address given	ven below.
Name	
	please print
Address	

Please return this card no later than January 7.

2209 Rayburn House Office Building Washington, D.C. 20515

National Prayer Breakfast

2209 Rayburn House Office Building

Washington, D. C. 20515



Members of the United States Senate
and the House of Representatioes
request the pleasure of your company at the
33rd Annual National Prayer Breakfast
with

The President of the United States and Mrs. Reagan

and other national leaders in the Executive, Judicial, and Legislative Branches of our government

Thursday, January 31, 1985

at eight o'clock

Guests to be seated by 7:45 a.m.

International Ballroom, Washington Hilton Hotel Washington, D. C.

R. S. V. P. by Thursday, January 12

Adjournment by 9:15 a.m.



"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed."

The Declaration of Independence July 4, 1776

"God who gave us life gave us liberty. Can the liberties of a nation be secure when we have removed a conviction that these liberties are the gift of God?"

Thomas Jefferson

到istorically the leadership of our Nation has turned to Almighty God for strength and guidance.

In this spirit, the United States Senate and the House of Representatives Breakfast Groups, which meet to deepen friendships, to pray and counsel together, inaugurated the National Prayer Breakfast to specifically seek the Lord's guidance and strength as well as to reaffirm our faith and to renew the dedication of our Nation and ourselves to God and His purposes.

This event in the Nation's Capital seeks to encourage men and women throughout the United States and the world to recognize their privileges and responsibilities before God.

Hith the desire to deepen the spiritual life and moral fiber of the people through a leadership led by God, there have been, in all fifty states, similar breakfasts inaugurated by governors, mayors and other responsible persons.

As a natural outgrowth of such gatherings, many people throughout the world are finding through the power of Jesus Christ a fellowship that is helping to build true community in the family of nations.

And when He saw the Multitudes, He went up on the mountain; and after He sat down, His disciples came to Him.

And opening His mouth He began to teach them, saying,

"Blessed are the poor in spirit, for theirs is the kingdom of heaven.

"Blessed are those who mourn, for they shall be comforted.

"Blessed are the gentle, for they shall inherit the earth.

"Blessed are those who hunger and thirst for righteousness, for they shall be satisfied.

"Blessed are the merciful, for they shall receive mercy.

"Blessed are the pure in heart, for they shall see God.

"Blessed are the peacemakers, for they shall be called sons of God.

"Blessed are those who have been persecuted for the sake of righteousness, for theirs is the kingdom of heaven." "Is not this the kind of fasting I have chosen: to loose the chains of injustice and untie the cords of the yoke, to set the oppressed free and break every yoke?

Is it not to share your food with the hungry and to provide the poor wanderer with shelter when you see the naked, to clothe him, and not to turn away from your own flesh and blood?

Then your light will break forth like the dawn, and your healing will quickly appear; then your righteousness will go before you, and the glory of the LORD will be your rear guard.

Then you will call, and the LORD will answer; you will cry for help, and he will say: Here am I."

> Isaiah 58:6-9 (New International Living Bible)





The Honorable Victor S. Atiych and Mrs. Street, N. E. 196 Stinter Street, N. E. Salem, Oregon 97301



## The Presidential Box The John F. Kennedy Center for the Performing Arts

Nancy and I are delighted to welcome you to the Presidential box at the John F. Kennedy Center for the

Performing Arts.

We hope you will find it, as we have, an oasis in the workaday world of Washington-a place dedicated not to the pursuit of policy or law, but to the enjoyment of dance, theatre and music.

With best wishes, Ronald Reagon



Enclosed is the refrigerator key for the:

\_\_\_\_\_\_\_ Eisenhower Theater
\_\_\_\_\_\_\_ Opera House

Concert Hall

It must be returned the day following the performance to Nell Yates, West Lobby, along with your name.