

Tape 16, Side 1

CH This is an interview with Governor Victor Atiyeh at his office in downtown Portland, Oregon. The interviewer, for the Oregon Historical Society, is Clark Hansen. The date is January 22, 1993, and this is Tape 16, Side 1.

I guess what I was wondering, and maybe when you came into office the rates were already high, but how much effect can a governor have on interest rates and recessions and things like that?

VA I think that's - going back to my reelection of '82, I think people gave me credit for the fact that this was out of our control. All we were trying to do was manage it, and that I was not responsible for the interest or the inflation.

The strangest part of it all was that the state was a beneficiary of high interest. We had investments, we didn't borrow, and so we weren't paying for it. We were making money off of it. There was a lot of agitation as interest rates were going up - inflation was going up, excuse me, and there was a lot of people striking or - they were getting cost-of-living adjustments in salary, but all cost of living means is that we're going to put you where you were last year. It doesn't mean you're going to get any more money. And, of course, then, they were getting taxed because they were bumping into higher income. But the state was the beneficiary of all that, and it's not right.

CH Had you been in President Carter's situation, what would you have done differently regarding the economy or the interest rates?

VA I can't tell you because it's so complex. I would say to

you that you need to be very alert and perceive at the beginning what's going on and why it's occurring and get at it while you've got a chance to get at it. Once this thing goes out of control it's so much harder to deal with it. So that would be my only action. It's very generic. I tried to - remember early on I said I was not only a participant but an observer. You know, I try to see what's going on, what's happening, what might come up next, what's occurring. There are some things that sneak up on you, like our recession. I really wasn't mentally prepared for that. [Inaudible] say, Oh, it looks like we have a recession coming, didn't say that. But I can't tell you. It's very difficult for me to even figure it out. I would say to you that had Gerald Ford been reelected, I don't think that same thing would have happened. You asked me was Carter to blame for it. I don't think the same thing would have happened.

CH Going back to some of the issues in the 1973 session, you know, time and again we see various issues resurface. One issue that comes up quite a bit is the various issues over commercial fishing. I notice that in this legislature there was a bitter fight to increase commercial fishing license fees. What kinds of things enter into that? There's discussion of what Native Americans should be allowed, what sports fishermen should be allowed. What kind of discussions did the legislature have on this issue?

VA Well, they have - a lot of it, you know, they choose up sides. Let's get to the spotted owl and the wood products industry. There's those that want the spotted owls and those that want the jobs, and they want people working. So there's always that tension. The sports fishermen had been wanting for a long time so they'd have more fish available, then, for the sport fishing, chewing up on the commercial fishing industry for taking

all these fish. I got to a point where I - the question was asked to me early - we haven't gotten in my first run, but early in '74 - I even remember who it was. It was the West Linn Inn, which no longer exists, and [inaudible] there's going to be a ballot measure about steelhead and salmon. And what's my position on, you know, this very pugnacious question. And I just had my - I just was filled up. I said, "Look, I'm sick and tired of playing this game as to who gets what's left." I said, "I'm going to work - as the governor I'm going to work to enhance it. I'm not going to play this game about, well, what's left, I get a lot of what's left, or you get less of what's left. Everybody's fighting over what's left." That was my answer to them. But there's a lot of tension on it. Commercial fishing, there's a lot of fishermen who make - they're not full time professional commercial fishermen. They do it as a seasonal avocation, but they plug that into their yearly income, and so they've got all these loans on the boats, and We're going to go out of business. As a matter of fact, the only time I was ever burned in effigy was down in Charleston, Oregon, by the commercial fishermen, and we'll get into that when the time comes [laughter].

CH Is it a difficult - is it an awkward equation, trying to balance the interests of these groups?

VA It is to some, but whether we're talking commercial fishing or any other subject in which there are diverse views.

CH I was speaking in reference to the commercial fishing and the interests of people whose livelihood is dependent on it, versus the Native Americans, who I know you have a great attachment for, whose livelihood also - as well as traditions are associated with it.

VA Yeah, it can be very difficult. I would tell you - let's stick to the Indians versus commercial fishing, or any other, which includes recreational fishing. The Yakamas were very contentious about this issue. The Oregon Indians, particularly Warm Springs, which were river fishermen, had historic rights of fishing - they had the Celilo Falls taken away from them, and all the rest of that - they were more deliberate. They were not contentious. They did not abandon the position that they were entitled to their historic fishery, but they weren't combative about the whole thing. They were willing to listen to reason and work reasonably and discuss this. To me, that's the way you ought to go about it, instead of threatening and intimidating, whether it's this or a lot of other things. Demonstrating, placards, and all the rest of that stuff I don't think is productive. And you have to understand that they have a position that's a legitimate position. When there was a lot of fish, there was never these arguments because there was plenty for everybody. Basically, what took it away wasn't the commercial fisherman nor the sports fisherman nor the Indians. It was the dams. That's what really took it away. And so how do you kind of reinvent history. You can't do it; there aren't that many fish. The arguments came about when we all of a sudden, like I said to you earlier, were fighting over what's left. And the thing to do is to try to enhance it. Incidentally, there is a very fine hatchery at Warm Springs. Very fine hatchery. It's a federal hatchery. The salmon come up the Warm Springs River and enter the hatchery, and the propagation and more fish, and release them back out again. That's a good way to go about it.

CH There was a bill to force state agencies to make their records available to the public. I guess I was unaware that the records were not available to <sup>the</sup> ~~an~~ public. What was the issue concerning that?

VA Oh, it's continuing even today as to what can be confidential. You know, it's less here than at the federal level. But I do think there needs to be laws that define it, but there's always - once you define it, it needs further definition, meaning closed or open. In other words, this ought not to be opened, maybe we ought to close it; but we ought to open this. It's a continuing - I, first of all, believe that the public has a right to know as much as possible and that there should be no borderline protection of the records. And the same thing with public meetings. The public meeting law is related to the same thing; do things in public. It can become difficult. Again, it's hard to not go forward, but I use this as an example: The ~~landlord~~<sup>LAND BOARD</sup>, which is the governor, the secretary of state, and state treasurer, three people, well, you can't talk to one because now you have a quorum. You can't go talk to - I couldn't go talk to Norma Paulus about some ~~landlord~~<sup>LAND BOARD</sup> matters, or Clay couldn't talk to me or Norma couldn't talk to Clay, because all of a sudden - there's only three members - you've got a quorum. So you have a staff that does all the talking. It's really very difficult.

CH You couldn't talk to them because - unless you made it public?

VA Yeah. Any time - well, obviously we could talk to them, but we couldn't talk to them about anything that relate to ~~landlord~~<sup>THE LAND BOARD</sup>. You know, we talked about anything else, but not ~~landlord~~<sup>LAND BOARD</sup> matters. It becomes very difficult. But I still think that as much as possible records and meetings should be open to the public.

CH In the senate bill - there was a senate bill in the Rules Committee to provide the death penalty for persons who killed

police or prison guards, but it was killed in the senate. Why was that killed?

VA I don't recall. I can tell you my position, and it is that I did support the death penalty, and I do believe that it does prevent the crime of murder. I think we touched on that at some point back there as to...

CH Yes, we did talk a little bit about the death penalty earlier.

There were some other issues here that we've talked about. The senate sent to the house a bill to make it illegal to drink in automobiles and carry open liquor, but then the house voted to reduce the drinking age from twenty-one to nineteen and put that on the ballot. Was that defeated?

VA I think so, yes.

CH There was a controversial bill to expand the Port of Portland to Clackamas and Washington Counties, which was passed by the house and sent to the governor. Why was that controversial?

VA Well, because the people of Washington and Clackamas counties were going to be taxed for the Port of Portland, and we weren't voting on that. We did have a right to put it in, but we had no right to vote on it. I do recall the issue itself and saying to the other legislators, Now, wait a minute - they were voting, and it passed - you're voting taxes on my constituents, my county. We don't even get a chance to vote on it. You're not going to - they're not going to tax you. What right do you have to do that to us? Let us vote on it. Oh no, we can't have people voting on these issues. You know, they might turn it down

[laughter].

CH And they did?

VA Well, no, we got taxed.

CH You did?

VA Oh yeah.

CH Were the people in those counties actually given the opportunity to...?

VA No. Extend the boundaries and be taxed.

CH The senate sent to the house a bill to put limits on spending by candidates, and candidates for statewide office would be limited to \$180,000. What happened to that bill?

VA It passed.

CH And did you support it?

VA I don't think so. I operated my first campaign with the limitation, that is, 1974, and I believe it was unconstitutional, and I still think any limitation is unconstitutional. Freedom of speech and that sort of thing. However, it was law then. It was, incidentally, declared unconstitutional and went out.

CH Was that in the state court?

VA Yeah. That was after the '74 election.

CH Also in the session the house passed a senate bill to replace the public utility commissioner with a three-member commission. I guess previous to that it had just been one person, hadn't it?

VA That's right.

CH Was there any controversy in that?

VA Oh, there was. It failed, and I opposed it. I couldn't see where three people were going to be any better than one person. Everything was done in public, and if there were people who didn't like what the commissioner was doing, they could either turn down the governor's appointee to that or pressure the governor to get rid of him. I could see no value - and today we have it. It was on the ballot, the people passed it, and I would tell you that nothing is any better than it was before.

CH Why did it become an issue?

VA Oh, there's those that think that a single commissioner was going to get the little people at the behest of the big utilities. It's always good to be against something big, unfortunately. And it would be harder to persuade three people versus one; or, We'll get our person on there to represent the people - as if the PUC commissioner wasn't representing the people - we'll get somebody on there that will represent the people, which I think is a lot of nonsense; not representing the people, the fact that the incumbent was not representing the people. And, at the time, utility rates were going up quite consistently.

A lot of people don't understand the law that relates to utility rates. Utility companies cannot automatically raise



their rates. Well, let me take one step back. The state said that this was of statewide interest for us to regulate utilities. Now, the utilities we have in Oregon, mainly, are investor-owned utilities: PGE and Pacific Power & Light. The state of Washington, incidentally, has mostly public utility districts. Anyway, we said - and, incidentally, the state does not regulate public utility districts; they only regulate investor-owned. So we said, We're going to regulate it, and we will - because you're investor-owned and there are stockholders that put money in, we will allow you to have a certain level of profit. Now, that doesn't mean you get it, it means we allow you up to that. Now, you go ahead and regulate it and make as much as you can within that, but that doesn't mean you are guaranteed the profit. You're guaranteed up to that. You could make a loss, and that's just one of those things that happen. So we regulated to that extent. So the utilities come and say, Look, our costs are going up; we can't make a profit. It doesn't mean that profit, we just can't make one, and we need to raise our rates. And, then, there's all kinds of hearings and testimony. You know, this is not done automatically.

But anyway, during that period of time there was sort of progressive increases because the cost of power was going up, and I suppose that brought the issue around, as well.

CH Where did you stand on public versus private power?

VA I prefer, in my own personal philosophy, private power.

CH Why?

VA When you have a company that has to respond to stockholders and that has to be efficient enough to make a profit, there's a great pressure there to work as efficiently as you can. Public

bodies don't have to work efficiently. As a matter of fact, they have to work less efficiently, because when we established Bonneville, which became Bonneville Power, the preference goes to public utilities, and they get a cheaper rate, so they can be a little sloppier and still cost less than an investor-owned utility. So there's even greater pressure on an investor-owned utility to be as efficient as they can and keep their rates as low as they can. So there's a pressure at work there that I understand as a businessman, where it is not present with a PUD. That's my answer.

CH Well, maybe we can talk more about that later, because I'd be interested in that controversy in regards to trying to get the rates changed through the BPA. I presume that while you were governor that came up.

VA It came up, but I resisted it. Obviously, if there was going to be a ballot measure, governors aren't involved in those kinds of things. By that, I mean I can't veto a resolution.

CH No, but I'm thinking in terms of the battle to get the rates that BPA charges changed so that there isn't a difference between public and private.

VA Well, we'll get into it, and we'll get into the recent power bill and all those kinds of things.

CH There was a joint committee that recommended lobbyists be required to report spending. Was there an incident or anything that provoked that?

VA No. There's always evil-lurking-in-the-shadows kind of thing, and, really, I would say to you that my experience totally

has been the lobby has been, I would call, very professional. But there's always this suspicion that someone was being bought and we don't know about it. I don't share that, and I don't share it because of my own personal experience. You know, after twenty-eight years, by then almost - well, not twenty, about eighteen, fifteen, sixteen years, whatever that was, sixteen years, something like that - I've seen a lot of lobbyists, I've gone through a lot of controversy, I've gone through highly controversial bills. You know, I've seen a lot. So I'm saying, Hey, the real world ain't like that. But there's still those people that are just somehow assured that evil is lurking in the shadows.

CH Well, there's probably a tendency, do you think, to take what might be happening on a national level and superimposing that on what's going on at the state level, which might be entirely different?

VA Oh, absolutely. That's why it's very difficult for a legislative body to get credibility. Again, watching - and you probably watched the same program where it was 10 percent of the North Carolina legislature was convicted - actually convicted - of taking bribes. Well, the listener watching that says, Aha, see? I always knew they were all crooks. So everybody gets painted with their brush. So how does Oregon extract itself from being a crook? Because I watched that in North Carolina; that's what they did; ergo, that's what's happening in Oregon. I've said so many times, people really ought to be very, very excited about the honesty and integrity of the Oregon legislature. I'm not saying anybody else is bad, I just - I know Oregon, and they should really feel pretty smug and proud about it. But you see those things happen, so they said, Aha; remember, I said they were all crooks. So it's tough. It's tough to get credibility.

And incidentally, jumping fast forward to day, I don't think that the senate did any good toward gaining credibility by first seating Peg Jolin, but especially, second, giving her a chairmanship of a committee.

CH Why do you think that happened?

VA I have no idea. You know, if they want to gain credibility, that was not one way to do it.

CH Was there some debt being paid off by Bradbury for getting the senate presidency?

VA Could be. I don't know. I don't know, but I don't know why they would accede to that.

CH You don't have any idea why they would accede to that?

VA I don't know why - if Peg Jolin said, you know, if you give me a chairmanship and make sure I get seated, I'll vote for you, why he would accede to that. I would say, Well, Peg, I'm sorry. If it costs me the senate presidency, I can't do that. But, you know, we're suggesting that's what happened. I don't know that it did. But in terms of credibility of the senate, the people really are very angry about it. I was talking to a fellow just yesterday. He said, "What do I do about this? I'm really mad." I said, "What you should do is express your opinion to the senate president and to the Republican leader of the senate," because the Republicans were a party to the seating as well, "and tell them how angry you are." But apparently - I just heard that they're getting a lot of mail and a lot of phone calls on this same subject, and I think they deserve it. But, you see, it's so hard to create a sense of credibility and so easy to tear down.

Very hard to build it up, very easy to destroy it. So you have to be super cautious about it.

CH There are a number of other bills here, but some of them are issues that we've already talked about. There was a bill to prohibit condemnation of farmlands for the Willamette greenway, which was sent to the senate. I'm not sure what happened to the bill after it got to the senate.

VA I don't recall, but condemnation always has been a controversy, the idea that big government can take your land, so there's always a real caution about it. Even the highway department has been - I would say in all the years that they've been operating and acquiring land, they're very reluctant to condemn in the process. It's just not a good, pleasant way to do business.

CH There was also a house bill that went to the senate to increase the size of the court of appeals. The court of appeals is a pretty busy court, isn't it?

VA It's a busy court, yeah.

CH Was that something you supported?

VA I can't remember. I think there needs to be somewhat of a limit, but - which increases their efficiency to do things better. But yeah, it's a busy court. Actually, our hope was that in the process of creating the court of appeals it would also lighten the burden of the supreme court in the sense that once they went to appeal, they would not take the next jump to the supreme court.

CH And is that the way it turned out?

VA I think somewhat so, yeah. But, you know, this society of ours wants to sue at the drop of a hat, so I think everybody's job has increased. But I'm sure that - we happened to add the appeals court. Yeah, it probably did lighten the load, but I'm sure the supreme court is heavier than it used to be, but the appeals court is heavier than it used to be, and circuit courts are busier, and district courts.

CH We've talked about this issue before, too, but it came up in this session. The senate passed a house bill to prohibit Oregon residents from serving in the armed forces overseas in wars that had not been declared by Congress. The purpose was to obtain a court test of the president's war-waging powers. Do you recall the debate on that?

VA I don't. It's kind of a fallout to Vietnam, and I don't recall what happened.

CH There was an unusual bill here that was sent to the governor. It was to let counties pass laws, and I didn't find anymore detail on it. What would that have been in reference to? Do you have any idea?

VA We'll have to go get the bill. There's what's called a home rule - well, this is counties?

CH Yes.

VA In our constitution cities have what they call a home-rule provision. For example, state government cannot tell cities what kind of tax they should have.

[End of Tape 16, Side 1]