

VICTOR ATIYEH

June 11, 1993

Tape 33, Side 2

C.H.: 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 June 11th, 1993, and this is Tape 33, Side 2.

We left off the last time talking about the Dorchester Conference, and you were talking about some of the aspects of it and its format. You said while you were there, and I don't know if you responded to it, about Oregonians have let the elite take over in government and that they believe that the government's role is to take care of its citizens. That was part of a central core of your philosophy, wasn't it?

V.A.: It's very basic. And I think we touched on it somewhat in that that's a fundamental difference between Democrats and Republicans. Over the years, it's developed in a sense that many, many Americans - as a matter of fact, those who voted for Clinton - you know, feel government should take care of us. If there's a problem, government should take care of us. That's the thing I'm fighting against, struggling against, don't believe in, in the sense that it's my feeling we ought to go the other way - other way meaning put more responsibility on Americans. The less responsibility we take away from them, the more they expect it.

This word apathy, that all comes about because - "Well, I don't have to really worry about this, the government's going to take care of us." Even to the extent that, you know, "I'll try a little bit, but if I'm not successful, if I can't take care of myself, I don't really have to worry about it because government

will take care of me." And sort of they figure that the government's a safety net. But that's not the way it should go.

I've been supportive of things almost reluctantly. You know, we pass these laws - well, let's talk about something we can all understand. The ethics law. Ethics commission, laws about what the legislatures can or cannot accept. And I would prefer that that not be the case. How am I going to put it? I've said that, "You know, we really ought to take away all traffic lights."

C.H.: Right, you've mentioned that.

V.A.: All stop signs, you remember that? Because now we've become dependent upon those. And nobody's going to be coming from the right or left, it depends on which way you're going, because there's a stop sign there. So we don't have to look, we don't have to worry about it. That's the same idea. I say to myself, "Okay, we elect these people to office, but after having done that, we want to make sure we protect ourselves from them." So we've got, say that they can't take things from lobbyists, and there's an ethics law, they can't do this and that and something else.

And I said, "Now wait a minute. Keep an eye on that guy that you voted for. That's part of your responsibility." Well, that's the ideal. That's where I come from. That's what I think should happen. And so, what's happened - and I'm speaking particularly about the Democrats - is that they have convinced the Americans that the problems can be solved by government.

I've got a line in one of my speeches, "If the politicians get you to believe that all problems can be solved by government, how come they're getting worse?" And in fact, they are. So there's got to be a constant pressure on making the American responsible. Jefferson said, "Now the people have a government to which they're entitled." Meaning if they're observant and responsible, they'll have a great government. If they don't, they won't. But he said

"the people." He didn't say "the government." He said "the people." And I believe that, that's democracy. So when I talk about it, it's at the very central core of how I feel. I cannot believe that somebody in government can take my money and spend it better than I can. But they do. They not only took my money, but they put me in debt. Terribly in debt. Watching, what it is, CBS, they run that meter, you know?

C.H.: Right.

V.A.: Now it's approaching, my share is approaching \$17,000. And you know, it's that one wheel on the right of this, like a odometer.

C.H.: You can't even read it.

V.A.: You can't even read it, it's going too fast.

C.H.: It's about, isn't it like about \$10,000 a second or something?

V.A.: Yeah, it's a horrendous amount of money. And so they're not only not doing it, I mean they're not spending it as well as I would, but they're putting me in debt. Well, so I'm saying, "How come I'm going to leave that responsibility of taking care of me to such sloppy management?" To me it's pretty clear. To most people it isn't.

But anyway, back to the whole thing. It is central to my belief of what a democracy is all about. And if we give that up, we're giving up a democracy, and I think that's terrible. Lenin, I think, said at one time we won't be - America - defeated by any outside force; we're going to defeat ourselves internally. Well, actually, it happened to them sooner than it did to us.

C.H.: Yeah.

V.A.: But that's true. Exactly true. And I hate to see that happen. So whenever I speak, and oftentimes I like to talk high school students and tell them, whatever my subject is, but I always

kind of branch off. "Now," I say, "let me get on my soapbox." And my soapbox is, "You are important. You're important in our system of government. Don't think that, 'Oh, my vote won't count' and all the rest of it. You are important." And I always kind of branch off, no matter what happens. In politics, we call that bridging, you know.

C.H.: Right.

V.A.: How's the weather? Well, the weather's just fine, but let me tell you about your role in government, see.

C.H.: You know, it's an interesting concept, and I'm not sure if we've looked at it from this point of view or not, but when someone is elected to office, do you think that person is elected because the people feel that person has the wisdom to make the right decisions, or that they are elected to mirror their views, to represent exactly what the majority of those people say to him?

V.A.: Well, the answer is yes. And that encompasses everything you've said, and even goes to "That person's a Republican, I'm a Republican, I'll vote for him." I mean, it's that simple.

I've told people they ought to pay more attention to government. They ought to elect good representatives. And I did that for quite some time, and then one day somebody said, "Well, how do we do that?" And I'm thinking, "You know, that's a good question. How do you do that?" I mean, the citizens, that's not their full-time job to watch us.

And the only answer I came up with that I was comfortable with was a higher level of awareness. You don't study, but you watch the news, you read the news, you read articles, you know, just as you go along. So you've got now a higher level of awareness. I'm not fooling myself, there isn't anybody that knew exactly how I voted on every issue when I was a legislator, or everything that I did as a governor. That's not their job. But their job is to be

more aware, to make a better decision. And there's a lot of people don't do that.

C.H.: Right after that Dorchester Conference, you also addressed the City Club in March of 1981, and you were supporting Reagan's proposed cuts in federal spending. One of the things you said, which was interesting, is "Let me say flat out that 95 percent of the existing Medicaid regulations must be wiped out." What did you mean by that?

V.A.: Well, again, it's a matter of regulation and strangulation. And they were just pure strangulation, and the bureaucracy likes strangulation. The more complex they make it, the more difficult they make it, the more important their job gets because that's what they have to interpret. And they don't want it simple so that we can understand it, they don't want it to happen easily and well. They want it to be very difficult so that they have to be a part of whatever goes on.

Gosh, we can get into all kinds of things. I mean, my thinking about wasteful spending and bottom line. We've kind of covered a lot of that sort of thing, and I think you get a lot of my philosophy as we move along rather than detailed answers - many times because I can't remember the precise moment. You recall way back when you said. "Why did you get involved?" Because I believe in this system of government and I don't like the way things are going. And that's just me. I mean, that's when I was young and that's going to be when they plant me. That's the way I am and that's how I feel.

C.H.: You also said that you proposed reducing state basic school support from 40 to 36 percent of statewide average operating costs. Were you approaching a general program for schools as you were saying this? I know this comes up later, about the school bases and tax bases.

V.A.: Whenever anyone would to me that they even wanted 50 percent, you know, "Will you support 50 percent of basic school support?", my answer always was "Yes, if we can afford it," knowing full well we can't afford it. But if we could, we would. This is the thing that kind of frustrated me over the years - each year, each session, we would increase the amount of money that's going to the schools on basic school support, and yet our percentage would go down. It was because those costs were going up faster than any money we could put in. And that was another reason, remember, I talked about limiting the growth. That was part of my frustration. There was another reason why, we talked about it earlier, basic education - and "We will describe basic education, and we will pay for that." It was just a matter of trying to get a handle on the amount of contribution the State makes, and they were able to keep pace with those rising costs. When I say 40 percent to 36 percent, you know, I'd say maybe we can afford that much, basically is what I'm saying to myself.

C.H.: Going on to the issues in legislation in the 1981 session, you proposed raising taxes by about \$245 million, but lawmakers - especially Republicans - were not willing to sign up for that amount, and the House passed a \$174 million increase, and the Senate passed a \$197 million increase. I found in my research that they actually compromised at \$167 million, which was below either one of them, so I'm not sure what went on. That included an increase in income taxes, cigarette taxes, but rejected an increase in corporate taxes, insurance premiums tax, federal tax reduction, and beer and wine taxes. How did you reach your original estimate of \$245 million? Or were you expecting that there be a lot of compromise, and it would eventually come down?

V.A.: No. Well, when I say no about compromise, I never geared myself to - "I'm going to make it high because then I'm

going to cut it down." I never did that. I would do what I thought was where it should be. And others, you know, were maybe smart enough or shrewd enough, and they would do it that way. I would never - I mean, if I came up with a figure, that's the one I would battle for.

But how I did it was in terms of preparing the budget, and I made cuts in the budget, and I looked at what needed to be done and whether it was essential and, you know, all of the things we've talked about before, and came up with a gap. And that was the gap that I came up with.

Okay, now we've finally worked real hard on the budget. See, we didn't work on the finances first, we worked on the budget first. And okay, now we've got that in place, now, add and subtract, where are we? Well, that's where we are. Okay, then how're we going to raise that money?

Now, the legislature goes through the same exercise. By that I mean they look at the budgets that I propose and they could raise them or cut them or do whatever they want, and they came up with a different balance. And that's how they got around to it. They operate a little differently. By that I mean they think about dollars, and I'm thinking about budget and programs, but anyway that's the way it finally came out.

C.H.: *Willamette Week* said that "With no further cuts and a decision to maintain the property tax relief program at existing levels, Atiyeh was forced to make a difficult choice after examining revenue projections for the 1983-83 biennium: either reduce state services even further below special session levels or increase taxes. To the surprise of many of his allies and critics, he chose the latter." Why did that surprise people?

V.A.: Oh, I don't know. You know, again, people make observations of how they think the governor should act, or how they

thought I would act. The whole concept of the Republican asking for raises of taxes, you know, is unexpected. I suppose that if a Democrat were governor and raised taxes, there would be no shock or surprise. So I'm not really saddened by the fact that they're surprised. I mean saying, "Republicans don't do that."

C.H.: Don't Republicans have a reputation for cutting the budget, cutting into the services to be able to make the budget make its final - rather than increasing revenue?

V.A.: Yeah. And that's not bad. The only thing that becomes bad is when you pick and choose, because budgets are always priorities. They might choose to eliminate the LCDC, which is land use. You know, that kind of thing. I'm exaggerating now, because they wouldn't do it - but picking something like that. So it's how you cut, and where you cut, that becomes the important thing.

You asked me last time about I was suggesting that the military budget be reduced from what Reagan had proposed. And I said, "Nobody can spend that money well. They're going to waste it. There's too much money." So it wasn't a matter that I wanted to cut defense; the fact is I was going to waste some money out there. And obviously it's very apparent that the military wasted an awful lot of money. That's what I mean. You can press it. You make the dollars. You make them really think about how they're spending dollars.

And so yes, Republicans want to cut budgets. My only judgment of Republicans, meaning my colleagues, would be - "What budgets are you cutting, and where are you cutting?" You know, I came to a point as a Republican that that's as far as I want to cut. I know my government. I know what's essential. I know what's needed. That's as far as I'm going to go.

C.H.: Did you feel that the property tax relief program was too politically sensitive to cut?

V.A.: The property tax relief program I told you earlier was a terrible mistake. If I revisited that \$600 million that I left in my first budget, which developed that property tax relief for everybody, that was a mistake. You give it to those that are in need, not those that would like to have it.

C.H.: Then why didn't you cut back on the property tax relief program?

V.A.: Well, I suppose to a certain extent it's a just a matter of, "Okay, it happened; I don't like it, but it's there and people are expecting it, and at this point I'm not going to cut there."

C.H.: *Willamette Week* went on to make another interesting observation. They said that "There is also the political dimension that cannot be overlooked. The tax increases must be enacted by the legislature and leaders in both House and Senate say they present a painful choice. Vera Katz observes, 'If the legislature refuses to raise taxes, his, Atiyeh's, response is, 'Then you cut \$250 million.' Politically, it's shrewd. You have to give him points for that.'"

V.A.: These are the kind of boxes you put people in.

C.H.: Was that the way you were looking at it?

V.A.: Well, not pure politically, but that is factually correct. They have a choice. I had provided them a choice. I didn't give them the choice, I mean to choose this or choose that. I gave them one, but they still had a choice. Their choice was to raise revenue or cut budgets. It was that simple. I knew that.

C.H.: What did they finally do?

V.A.: They did sort of a combination of both.

C.H.: There was also an effort, a successful effort, to have sweeping reform of the state judicial system. Were you active in that, or did that come through directly from the legislature?

V.A.: Yes, we were active in that. Again, this was a Lee Johnson thing. It actually turned out really well. I was very supportive of that whole concept. You know, people bring ideas to me, I mean my own staff and those within my administration, and I said, "Yeah, this really makes sense."

Here again, I was kind of worried; some judges are lazy and some judges work harder than hell. And if we could put somebody in charge of this whole operation, then we might be able to do a much better job. And as it turned out, it worked out really well. The caseloads went down, which of course means waiting time goes down. Our Constitution - again, going back to basic philosophy - says that part of our rights are for a speedy trial. Well, I'm reading the newspapers, you know. What's speedy? Speedy might be a year and a half. That's not to me is not a speedy trial. Or actually two years, or ...

C.H.: Would you say that your staff was fairly pro-active - I mean, that they were allowed a certain amount of freedom to go after things that they felt that needed to be pursued, and that they could come to you with ideas?

V.A.: That's right. That's right. You know, there's a lot of things - and I can't remember what they are - came and they never got any further than my office. And there were things that came, and I said, "Those are good ideas, let's go forward."

Many times I told them, particularly when we had difficult problems, "Come in with any idea. There's no idea that's bad. None. Just bring it in, and we'll just see how it looks." We'd reject a whole flock of them, pick up the best of it, and go from there.

But this revision of our whole judicial system was good. It's worked much to our advantage.

C.H.: What kind of changes did they make; do you recall?

V.A.: Oh, fundamental. The fundamental change was we put the Supreme Court in charge of all courts. That's the basic thing. And we had a Court Administrator, and so without getting into any further details, that was the fundamental idea that the Chief Judge of the Supreme Court was going to run the whole court system in Oregon.

C.H.: Also there was a new direction stamped on the land use planning laws that would operate throughout the state, where all acreage would be pigeon-holed into designated use areas. That was the newspapers' account, but wasn't that the original intent of the LCDC and land use, was to pigeon-hole all land in the state, or actually zone all land in the state?

V.A.: Yes.

C.H.: I'm not sure what changes that they were referring to.

V.A.: I don't recall that.

C.H.: They did say, and I think that we've talked about this before, that you were trying to eliminate the Metropolitan Boundary Commission.

V.A.: Always.

C.H.: As being repetitious.

V.A.: As being autocratic, beyond the reach of the unsuspected.

C.H.: I see. And you were successful in that, weren't you, to some extent?

V.A.: Yes, we were. Finally. They were a contentious group of people, and had done some things that just really irritated me something awful. And lot of it, I think much of this, came about as a legislator and they were fooling around with Tigard and Tualatin and some of those other areas, and I was just quite angry about the whole thing, and how autocratically they would move. You

know, even today, although there's not a Boundary Commission, you wonder about some things.

I live in Washington County. I live west of the Multnomah County line and east of Beaverton. Unincorporated. Portland and Beaverton are fighting over who gets us, and I'm saying, "I'm perfectly happy. I don't want to be in either one. I've got all my services. All that will ever happen if Beaverton gets us or Portland gets us, either one, is my taxes will go up and I won't get any more services than I'm getting right now. Why should I do that?" And yet, they're kind of like vultures eating into the carcass, you know.

C.H.: Right.

V.A.: I'm just laying there. "Well, we'll forget you, I mean, you're no longer anything we ever worry about." Those kinds of things are really bad. I wrote a letter to the editor after there was an article that appeared, you know, a substantial article. They never printed it. I thought it was a good letter. I said, "Leave me alone."

C.H.: Can they be left alone, I mean, legally? I mean, they can be allowed to ...

V.A.: Right now they could. They just decide who wants us, and they'll step in and get us. There's not a heck of a lot I can do. And this, of course, irritates me. That is, doing something over which I have no voice, right.

They have meetings, but that's cosmetic stuff. They go to meetings and say, "We've had a meeting." But they've already decided what they want to do anyway. They're not looking for input. If they're looking for input, they would have stopped a long time ago. I sent in a letter to the editor. It's that kind of typical do you want to be shot or hung? And the real question should be, do you want to be executed?

C.H.: Yeah. The legislature also worked on issues such as elections by mail, and that is something that was contentious off and on, wasn't it?

V.A.: Yes.

C.H.: Where did you come down on that issue?

V.A.: I'm supportive of ballot by mail. But here again, it kind of goes against my grain. My grain says, "For crying out loud, can't you take one hour out of ..." I think I figured there's 17,000 hours in between the elections, maybe there's more than that, 27,000; I've got to figure it out. But there's a lot of thousands of hours - can't you take one hour out to exercise your responsibility as a citizen?

And yet I don't fight the ballot by mail, I just say, "Doggone it, why can't you just go to the polls? If you can't go to the polls, we got absentee ballots." So, you know. But absentee ballots, you've got to contact the county court, which means you've got to make a phone call.

I'm going to go way back to my first session, and I'm looking at water district elections and sewer district elections. By Oregon law, the polls have to be open from 8:00 to 8:00. Well, who votes in a sewer and water district election? I did, but hardly anybody goes. Why should these people sit from 8:00 to 8:00, twelve hours, in these dinky little districts? I said, "Heck, at least let them be open from noon to 8:00." Why, you'd have thought I was getting rid of the Constitution of the State of Oregon. It took me two sessions to get that bill through.

C.H.: But the parallel issue to this is the deadline for registration of voting. And that got moved back, didn't it?

V.A.: I objected to that. I really did.

C.H.: You objected to what?

V.A.: The whole matter of being able to register and vote on election day.

C.H.: Was that because of the Rajneesh issue?

V.A.: No, no. No, this was a matter of philosophy to me. My thinking was that that kind of person is triggered by something, some candidate, some issue, you know, that's what gets him to go there, register and vote on election day. And I said to myself, "There's a whole lot of things on the ballot. They're going there because they want to vote for, let's say, Vic Atiyeh, or they want to vote for urban renewal." Pick anything you want. That's why all of a sudden they get all worked up, and that's what they're going to the polls for. But there's the county commission, the city council, other ballot measures, other candidates. And if that's all the knowledge they have is one issue or one candidate, I don't want them to go to the polls. They're not going to make a good decision. They haven't read the voters pamphlet. They haven't studied it. I don't want them to do that. So you see, it's a philosophical thing with me. I just want to move it back. I want to move it back so somebody at least has some sense of responsibility as being a citizen of a democracy.

C.H.: There were also new parameters set for the mushrooming state veterans' home loan program. What was the problem there?

V.A.: Well, who we really were getting involved with - because we touched on it earlier, about the expanding bond sales and really, you know, aggressively we added to the debt immensely. Where we really got into trouble is that we were making short-time borrowings - by that - I don't recall now - let's say we're selling 20-year bonds and making 30-year mortgages. Things were out of sync.

[End of Tape 33, Side 2]