

VICTOR ATIYEH

June 3, 1991

Tape 30, Side 1

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 May 3, 1993, and this is Tape 30, Side 1.

In this session we're continuing to talk about the issues of the '79 legislature, and I had planned on asking about one issue that's become, I guess, more recently popular than perhaps it was back then, but it was an effort to ban disposable diapers.

V.A.: Yes.

C.H.: That's become a big issue nowadays, because of the landfills and things like that.

V.A.: Yes. You know, you get up against convenience, but that's created a lot of problems for our landfills. We're back to our earlier discussion, and that basically is the discussion of how you deal with solid waste. Instead of trying to deal with solid waste, you know, as a total problem, you find people picking one item and then another item, and I think most recently it's been styrofoam and that sort of thing. So we're really not getting at what needs to be done. We're either not working at it like we worked for - as thoughtfully as we did for air and water pollution. We're not doing nearly as well in the area of ground pollution.

C.H.: Is it more complicated for ground pollution than it is for air and water?

V.A.: Well, here again, you see, you get into a situation - one of the things that's been discussed has been incineration, and yet some people bitterly complain because of air pollution. So, you know, which are you going to pollute and how much can you

pollute it? It's impossible for a civilization to live without some kind of pollution, of some kind.

As a matter of fact, even when the earth was being born, there was an awful lot of pollution going on with the volcanoes, and all the dust that was in the air, and all the things like that.

There was an article, incidentally, years ago - I still have it somewhere - and this was a professor at Oregon State University. The paper was that the earth can take pollution, you know, without any harm - obviously, at some level; not a heavy dose, but that that's just a normal cycle of this earth. But when we start talking about - for example, back to air pollution, backyard burning. Remember people used to burn leaves and it smelled real good. You can't do that anymore. So what happens? It goes to landfill. You know, you can say compost, but heck, how much compost can anybody have? We have trees growing all the time and limbs being cut and leaves falling and all the rest of that thing that goes along with it, trimmings from the yard and one thing or another. You can't burn it. So it goes to landfill, which is now solid waste. And we're running out of ground to put solid waste.

And I don't think anyone really looks at it in terms of balance. "Okay, we'll do some of this and we'll less of that." But it's really strange: Backyard burning is forbidden, that is, for residential people. Outdoor burning is permitted in agriculture. That's allowed. And of course, outside barbecues are acceptable. So if you had a built-in outside barbecue, you can burn all the leaves and limbs in there you want. That's legal.

But I still say the thing is we haven't sat down and really done a good job of trying to figure out how to deal with it. I think incineration is a good idea. Maybe if there are some pollutants that come out of there, you know, you've got technical

assistance, scrubbers or whatever you need to do, and allow this to take place.

I've noticed in my own fireplace, I burn a lot of paper and things of that kind, egg cartons and milk cartons and whatever, and I just noticed there's this huge - or sometimes of cardboard or something that I can't recycle. We have recycling and I do that. But I noticed that it would amount to over a period of, you know, it takes me, I don't know, a month, two months, whatever, and then I clean out the fireplace. But I end up with a small pile of ashes. And had I thrown this in the garbage, this would have been I don't know how many cubic feet, but it would have been a lot of cubic feet of stuff. And we're only talking maybe one cubic foot.

So, you know, we've got to deal with it and deal with it in a good way.

I was involved personally, incidentally, I'm a member of ~~Rydel~~ ^{RIEDEL} Environmental Technology, and we had built this recycling plant to make compost in Northeast Portland. And what was occurring was that we actually were recycling; that was the whole idea. You'd get 100 percent from a garbage truck and maybe - oh, I've forgotten, but maybe 60 percent of it would go to landfill. It's going to vary; it depends on what comes in the thing. But so that means 30 percent isn't.

The remaining 30 percent is either recycled or made into compost. The compost is then used by the agriculture industry in a variety of ways. That's okay, there's nothing wrong with that. Well, the particular problem is, the thing did work, it worked really well. The only problem basically was it was put in the wrong place because there was an odor. In order to combat the odor, it took another \$3 million to build some kind of a shelter to contain the odor and ~~Rydel~~ ^{RIEDEL} wasn't able to come up with that extra

money, so as it turns out, we turned it back to the bonding company and they've got it.

But it's still a good system. Well, okay, maybe that didn't work exactly, although it was working, and I truly believe because I was close to it that's a good system, it does work, and it works well. It just happened to be in the wrong place. Okay, you know, why not encourage some of that and work toward it, deal with it.

But anyway, that's an expanded version of disposable diapers. Then the argument that comes, of course, is that it's convenient, and then you've got the industry that's involved with it, and what's Oregon, just -. There's always the question, you know, "Okay, if Oregon does it, Oregon is one percent of the population of the United States. A disposable diaper company can just write us off. And obviously it would be one percent of whatever sales they've got because we've only got one percent of the babies. It's all relative. So when you start dealing with things like that, you say, well, the companies don't care. What's Oregon to them? It isn't like California or New York or Illinois.

C.H.: I guess Oregon's always looked upon itself as a trend-setter in terms of environmental issues.

V.A.: Oh yes. That doesn't stop us. But if we think we're going to change the whole world - I understand you've got to take the first step, and I have no problem with that at all. Well, like our land-use which we talked about; I think we're still the only state in the Union that's got statewide land-use planning. And we were the first state on what they call, the bottle bill.

C.H.: The bottle bill. Was that the effect on the bottle bill? I mean, did companies write us off on ...

V.A.: Well, there was always that threat, but you know, you just take it and say that's the way she's going to go. Our main problem is we did lose a bottle-making - it was one of - I've

forgotten which of the large companies was making bottles out here. There's no point making a bottle.

But I don't have any problem with that, and I know we have to start somewhere. And I don't mind that Oregon does it. But you've got to be kind of rational about it. I still think instead of trying to do things a piece at a time, with whatever seems to catch your fancy, we really ought to sit down and figure out what are we going to do with solid waste and what's the best way to deal with it, and create incentives for having it done.

C.H.: We've been talking about legislation that was not passed during the 1979 session. The disposable diaper issue is one. Another one was purchase or construction of a visitor center at the state prison for inmates to have overnight visits with their spouses.

V.A.: Conjugal visits is what it's called. I can summarize my own view of that whole subject. And that is: If you can't do the time, you shouldn't do the crime. It's that simple. They can have all the conjugal visits, and they can watch all the television they want, and they can come and go as they please, and they can drink all the beer they want - if they just stay out of prison.

In terms of conjugal visits, that all fits in this same category. They committed a crime. They were convicted by a jury, or if they want just a judge, it went to the judge. They committed a crime. There's no question about that. And to say that now you've committed a crime, but you still can have all the freedoms that you had before you committed the crime - that to me is nonsense. It's that simple.

C.H.: There was another one for authority for plea bargaining in drunken driving cases.

V.A.: Plea bargaining has always been a real sore point with me and other legislators. I'm not alone in that. And the public

at large. Again, we've talked about my views on traffic safety. It's just that you can't get too tough on those that drink and drive, in my book.

C.H.: There was a creation of a three-member Public Utility Commission, and an extension of the one dollar income tax check-off for political donations and a limit on campaign expenditures. Were any of those issues things that you had strong convictions about?

V.A.: Yes. The three-member - you know, I never could see the value of it. Now we have it; I don't see the value of it. I just didn't think it was necessary.

The dollar check-off for political parties, I've been opposed to that all along. I do not believe in the use of public funds for political purposes. I don't believe in it. There was a sunset on it while I was governor. They wanted to renew it, and I said, "Go ahead, but I'm going to veto it." And actually it was not renewed during my tenure as governor. It all began, this dollar check-off, with fish and wildlife, watchable wildlife; that was the good cause, and everybody jumped in because this was an easy way to get a few extra bucks. And you've just got to keep the tax form as clean as you can.

The third item is which?

C.H.: A limit on campaign expenditures.

V.A.: Yeah, well, we've talked about that.

C.H.: We've talked about.

V.A.: That just guarantees the incumbent the advantage over the challenger.

C.H.: In terms of the assessment of the '79 legislature, the 60th legislature in 1979, your administration fared pretty well, didn't it?

V.A.: Very well. You know, there's the notable things like Kelly Wood being turned down and things of that kind. But when I

weigh all out, I just - this is not a precise measuring stick - but I bet you I got 95 percent of the things that I wanted. And that's darned good for a first-term governor.

I can recall Tom McCall's first term. It was so rough on him that he genuinely was genuinely thinking about not running for re-election. It was so tough on him.

C.H.: The news media considered one of your major contributions to this session was the alternate energy development commission. Did we discuss that?

V.A.: Yeah. Briefly.

C.H.: We talked about the energy program.

V.A.: I asked for \$265,000. We created that commission. They did make a report to the next session of the legislature. I really believe it's one of the great pieces of work done by anyone. And if the federal government was going to do that, they would have spent millions and millions of dollars, and probably not with as good a result. We did talk about it.

And my question to them was, you know, "Okay, let's not talk in this abstract sense about wind and tide and all the rest of that sort of stuff. Let's find out: Is it possible? How much is it going to cost? When can we get there? What are the barriers, political or social barriers?" And they had a fine report. John Grey was the chair. Had I think it was six subcommittees, each one of them dealing with a certain subject.

C.H.: The *Statesman Journal* said that the \$700 million tax relief package was a major accomplishment. Did you feel that way?

V.A.: We talked about that, and I told you that it was one of the mistakes I made by not vetoing that bill because we wasted an awful lot of money. We did talk about that.

C.H.: That's right.

V.A.: And they put that into property tax relief, and I'm not saying that it there shouldn't have been property tax relief, but what it was was for everybody. I'm not sure we covered it that carefully when we talked about it. It was for everybody, for billionaires and the lowest of low income. Everybody got it.

Well, it was very clear. Remember, we talked about the desired and the essential? And so we wasted a lot of money by giving property tax relief to people that didn't really need property tax relief.

Anyway, I didn't do it.

C.H.: The *Journal* said that the Atiyeh-Johnson proposal to expedite land-use litigation won plaudits in that field. Was Lee Johnson really a major contributor on that program?

V.A.: Lee Johnson - this was a legal thing, and this was the land-use appeals. I'm trying to put the right name to it.

C.H.: LUBA? Land-Use Board of Appeals?

V.A.: Land-Use Board of Appeals. And that was sort of a legal thing, and that's the direction Lee, of course, was going. And the whole idea was to kind of move this whole process along so that we could close it out, somebody making a decision - and in this case, sort of an external somebody.

Remember way back when we were talking about being in the legislature and the tax court - again, I think that's the right term - but anyway, somebody without a lawyer could go appeal outside the Department of Revenue. Because up to that point the only appeal you had was to the body that was assessing you.

This is the same idea, sort of outside the process. Again, like all the other processes, all of a sudden it gets much too stilted and much too built in concrete, and it perpetuates itself and it doesn't solve all the problems that we hoped it would. But that was the intent.

C.H.: Going on to some of the other activities, were there any interim involvements in terms of dealing with the legislature that you were involved with?

V.A.: Not particularly. The thing I noticed - of course, having been a legislator, I didn't notice it that much, but being a governor, I did, and then of course I noticed it then, but it kept coming - that government almost grinds to a halt when the legislature comes into session. Your department heads and management of government, they're constantly at the beck and call of the legislative body, and it's good to get them to go home so you can start running the government.

C.H.: You're making it sound as though the legislature is an annoyance.

V.A.: Well, I came from that body, and obviously they're a very important body. But you know, it doesn't mean there aren't some problems in terms of management of the government. And it's a definite, it's a definite handicap, to try to run government when the legislature is in session. They just consume the time of not only department heads but division heads and other people working to answer questions that the legislature wants.

C.H.: Is there an alternative to that?

V.A.: No. Remember way back I said that democracy's an inefficient form of government. That's part of the inefficiency of it. I've tried to explain to my business friends - you know, I say to them, "Okay, so you have a board in every month or every two months or every three months, whatever it is. They come, meet for a day, jolly each other, and go home. And they're out of your hair for a period of time. I've got a legislature that comes in - my board of directors - and they're there for six months. Day in and day out."

C.H.: What is your relationship as Governor to the Emergency Board, or any of the other standing interim committees?

V.A.: Obviously, what the Emergency Board is, the theory of the Emergency Board, I find it a stretched theory, is that some things will come up that are unexpected, and there should be a body of people that can deal with it - that is in the budget sense, strictly budget sense - and that there should be a body to take care of it.

It got pretty well bent out of shape and it got to be a process of, I noticed, was that many agencies would wait until the session's over. It's easier to get money out of the E. Board that it would be from Ways and Means. So my relationship, and I made it very clear to my agencies, that I had to know what the appeal to the Emergency Board was and I had to agree that yeah, it_ was something necessary, and it be no capricious going to the E. Board. That's because of the legislative experience, I said, "I'm not going to have that happen in my administration."

That would be my relationship.

C.H.: Does the Governor have a relationship with what the E. Board dispenses with during that interim? Or any say?

V.A.: If I were to agree that my agency could go to the E. Board and indeed there was an emergency - or something unexpected; emergency's a little bit overdrawn - then all I could do is have them appeal to the E. Board and the E. Board's going to make a decision. They'll say yes or no. I don't have any part in that. It's just like a legislative session. I can propose a bill, and they can say no or they can say yes. Same thing.

C.H.: What about in the drawing up of your budget, do you have an actual Budget Director?

V.A.: Yes.

C.H.: And I presume that the Budget Director is working all the time, on the next budget or getting the current budget passed. Does that Budget Director have any kind of relationship with people in the legislature? Is he or she working with the legislature on trying to coordinate the budget?

V.A.: Yes. But still, it's the contest between executive and legislature. But let me just take a second.

We have what's called the Executive Department. In the Executive Department is the Budget Division, Personnel, Intergovernmental. That's in the Executive Department. The largest part of what they do is the budget.

And so the head of the Executive Department by and large his major job is the budget, development of the budget, and then of course watching agencies to see if they're spending or overspending.

Again because I was part of the process, I wanted to make the Executive Department, but that would be the Budget Division, really more an ally of state agencies. They were the enemy of even state agencies because in the budget process, they would submit their budget to the Executive Department, and we would have analysts, quite a few of them, and they would review with them. And sometimes they'd say, "No, we're not going to do that." Now, they're making decisions, and I wanted to make the decision.

At the same time, I thought it was necessary - that is, the Executive Department, Budget Division - and I wanted to make them more an ally, a working partner with the state agencies, rather than the enemy of the state agencies. The Budget Division - I said it rather quickly, but let me do it simply - I'm going to use the word "analysts," that's not quite right, but the fact is that there are people there in the Budget Division that are assigned certain

agencies. That's their job: to analyze it, go through it, deal with it.

So let's take one step. The one step is building the budget. And the agencies build the budget, and in my case, the Budget Division worked with them, and obviously the final choices are all mine.

And let's now say that that's happened, and they went to the legislature and the legislature passed it. Now the Budget Division is the one that watches what goes on in the agency, and are they overspending, or you know, kind of keep an eye on a continuing basis. It's an important part, an important position, in state government. Very important position in the state government. We have some very, very good people. We have, like they say, born and raised in the Executive Department. Excellent, very bright people. We've been very lucky over all the years when I was in the legislature and as Governor. They do a very good job, and it's not an easy job.

Actually, remember we talked about econometric model for projecting revenues and then watching how the revenues were matching the projections, rather than the single economist who said what he expected the income in Oregon would be. And that actually initiated out of the Budget Division, came from Bob Smith, who was then my Director, and it just worked very well. Very well. It's a good division of government.

In my case, we really basically removed the antagonism between the Budget Division and state agencies. Didn't mean to say that they're always going to agree with it, but the fact is they were more allies than they were enemies.

C.H.: That seems like it would be a major accomplishment, to be able to resolve that kind of ...

V.A.: It was just a matter of talking to those folks and talking to state agencies, and say, "Look, I want you guys to work together. I don't want you to work independently of one another." And that was - well, it's a fundamental thing that I believed in, moving in as Governor because had observed - and we touched briefly on that - that there often wasn't clear direction from the top, and agencies were kind of left on their own devices. Nobody was really running the thing. A whole lot of people were running it.

And so my own personal theory was, "Okay, I'm going to give them a clear direction from the top. This is what I want to accomplish. Now, you go ahead and work out the details of how you want to do this. You know what my objective is." And that's good. That's good in the sense that they know the direction that the Chief Executive is going. And that's good. Now they know what the parameters are of what they're supposed to do, and then they're devoted to doing just that. It becomes more efficient that way, rather than just keep casting about.

I told you the story how the nursing home inspector came out and said, "You've got to do this, this and this, " and about three or four months later another one from the same agency came and said, "No, no, you're supposed to do this and this and this." Well, you see, there's no clear direction from the top.

And so I can't really blame the state agency because they're left to their own devices. Everybody's in, you know, sort of an anarchy kind of thing. Anyway, that's what the Executive Department is. It's very good.

Bob Smith, who went over to lottery, I needed him. He's a bright man, and I made him the head of the Lottery Division. There's some good people that's still there. I mean, not in the Budget Division necessarily, but in state government. Very bright people.

C.H.: Going on to some of your other activities that year as Governor, you were co-host of a conference on international trade sponsored by the White House and the National Governors Association in Seattle in June of 1979 with Washington's governor, Dixie Lee Ray, and Idaho governor John Evans. First of all, what was your relationship with Ray and Evans? Was this your first getting to know them, basically?

V.A.: Not really with Dixie. After I was elected, I went over and visited with Dixie. I met her for the first time, and she had an office at Fort Vancouver. You know, they have those old houses there and they've refurbished one for the Governor.

And we hit it off just really great. As a matter of fact, in the short period of time that we were governors together, which was two years, we understood each other better than I did with Spellman and later on with Gardner. We just hit it off real well.

Dan Evans I got to know, because - I think we mentioned to you this regional commission thing, this boondoggle I referred to - and the governors are the ones that make these decisions, and that's how I got to know Governor Evans. We worked together very well. We respected each other and got along together extremely well. I just felt maybe more comfortable with Dixie. I obviously didn't agree with a lot of the things she did and wondered sometimes why she did some things, but we really hit it off extremely well.

C.H.: She's quite a colorful person, wasn't she?

V.A.: Yes, she is. But, again, it's just this whole idea of back to what we talked about earlier, diversifying the economy, international trade and support, and this is the beginning of it. But that international trade thing is another regional commission thing on the side of the federal government.

[End of Tape 30, Side 1]