

Richard Munn interview on Atiyeh

An interview of Richard Munn regarding Oregon's Governor Victor Atiyeh, recorded on June 9, 2016. Munn was an economist and expert on tax-related issues in Oregon, serving as the state's Director of the Department of Revenue from 1984-1996. The interviewer, James Moore, was as professor of political science at Pacific University and was Atiyeh's biographer.

The interview includes discussion of: the legislative and gubernatorial career of Oregon Governors Tom McCall and Vic Atiyeh, contrasting their views on taxes and economic development; how McCall opposed a sales tax due to its impact on retailers and advocated for small government; how Atiyeh, a legislator for 20 years, proposed a gross income tax and a 1.5% property tax limit, which faced legislative opposition; the evolution of property tax relief in Oregon; the impact of recessions on state budgets, particular the Recession of the early 1980s; Atiyeh's efforts to attract business to Oregon; how Atiyeh's approach to tax reform was more pragmatic compared to McCall's approach.

Note on the text: This transcript was made through AI in 2025, with some manual corrections. It has been provided in order to facilitate research, but the text does contain errors and inaccuracies. Users should check the transcript against the recording before quoting the speakers.

[Recording begins mid-conversation.]

James Moore 00:00

...So there's just stories like that, but that's not what I want to pick your brain about. But okay, you come highly recommended. Um, so the governor asked me to write this in 2013. And I was able to interview him four times before he died, okay? And then I also he, there's like, 1900 pages of oral history, okay, from the early 1990s okay? And it's pretty clear, I've written the big chapter on 1982 to about 1985 with the sales tax, all that kind of stuff. And it's, it's really clear that he had set ideas about what kinds of taxes were most equitable, what kind of taxes would be most saleable to the electorate, those kinds of things, and the reality of things gets interesting because he didn't like The sales tax, because he called it hidden tax, because people at the end of the year can't add up, don't add up what it is, right? But the literature ever says that's exactly the opposite way.

Richard Munn 01:11

But he also didn't like it because he was a retailer. Because his business that his parent, his father and his uncle created, and that he and his brother were running was a retail business selling rugs at the retail market, and that's -- that was he understood the retailer.

James Moore 01:35

Do you think it was that he saw it as another imposition on the retailer? Or that it would change the price structure? When he was he was about small government and government sitting out of our lives.

Richard Munn 01:47

Yeah, he didn't articulate it that way. One of the things that was great I thought about Atiyeh was that, one, you have to realize that all his legislative career, he was on the revenue committee, either in the House or the Senate, and all -- for a significant amount of that I was not in the legislative revenue office. I created that, but I was in the old tax commission doing research, and so I was sitting with the committee, and if they had a question about the sales tax or any other tax, I would answer it. So I watched him for many years on the committee, and his articulation, and one of the great things that I always thought about him a he read a bill, yes, and, and I've always been amazed that the legislature creates a written document, a law, and yet very few of the people there actually read what they're passing. He would read the bill, and he would actually on a big bill, like the sales tax. He would get out his little pen knife and he'd cut the bill so the pages easily flow, and he'd want he wasn't chair right for the Committee. He was just a member and hits the chair. Let's now. Let's go through this sales tax bill. I'm not he would stay up front. I'm not in favor of it, but I want to make it the best bill I can that will get out there, right? So I, I thought that was a great intellectual process that he would go through.

He would do that on other tax issues, say, and let the committee know way up front before you got anywhere close to a vote, right? No, I'm not in favor of that, yeah, but let's work on this bill and see what we can do. Yeah, because he would sense it's going to pass, right? And if it's going to pass, let's be sure we've cleaned up any problems that enter.

James Moore 04:00

Yeah? So when did you first start working for the legislature? 1964 64 okay, because 63 is when he's carrying Hatfields taxes.

Richard Munn 04:12

Yeah, Hatfield had a really weird he wanted a second income tax, and that just a gross income tax on top of the current income, right?

James Moore 04:26

So I want to get your explanation for what that was, because there's the net receipts tax, there's the gross receipts tax. Sometimes they look more sales, taxis, sometimes they look more income tax. So no,

Richard Munn 04:44

he Hatfield proposed, in effect, a gross income tax, I would say, and it for individuals, you would take your total gross income. Calculate against a rate before you dealt or you weren't allowed to deal with any deduction. And there now the rates were different then, the brackets were different then. And I thought this is only my subjective opinion. I always thought that he proposed this, not in a serious vein, that that he didn't it was an alternative of which, oh, you can't have a sales tax. Everybody's defeated that. I don't want to take the income tax and increase it. I can't deal with the property tax at the state level. Therefore I'm going to propose the second income tax and most people, most legislators, dismissed it rather quickly that it just wasn't viable to them. And then you had the evolution, though, then of of now, of, into the McCall era. And now McCall is again, wants to create changes in the tax system, wants, and his first big run on it was a sales tax again. And then that was shattered again. And then his run, his next big run in 73 was the income was an income tax driven property tax relief program, school finance system. And then, and that was very well, as far as the history of tax programs, that one came the closest, but Atiyeh and McCall were miles apart,

James Moore 06:52

yeah. So I just, I'm just, I'm just spending time in 73 right now in the research and Vic, eventually, is one of the three senators that changes their votes to send it to the floor. And Vic says, I think it's a bad idea, but the people ought to be able to have a say on this

Richard Munn 07:07

right and then, but then he took the lead in opposing it. And so when you have big television debates on it with the governor McCall there Atiyeh, is there opposing, he's the one, and so McCall, as a result, McCall would never endorse Atiyeh, yeah, it was a direct quote, yeah,

James Moore 07:30

I'm sure, yeah. Well, and shortly after this, I haven't paid down the exact date, McCall and Atiyeh were two people who went back to Washington, DC to testify about land use. And on that trip, McCall said to Atiyeh, you know, I've never really liked you. And I found out McCall actually went over to a Tia's house between 59 and 62 ish, he'd occasionally come over for dinner, but people really say that that fit 73 fight over taxes when McCall just Yes,

Richard Munn 08:04

he just froze him

James Moore 08:06

out, yeah, yeah, yeah. So there was also a cigarette tax that that Hatfield was trying to get through. And Oregon didn't have a cigarette tax. We

Richard Munn 08:17

were one of two or three states without a cigarette tax, yeah, that time, yeah. And then it was put up as a four cent

cigarette tax. And I think a penny was going to something like cities, and a penny to counties and four cents to a funny little property tax relief program, right, right? And then that passed, yeah, yeah. And then that started growing, and that's grown ever since, yeah, it's an easy that's a certain tax and so it's easy sometimes

James Moore 08:52

with the voters life, yeah, yeah, exactly, um, talk to me about this concept of property tax relief. Did you see any serious attempts to really reform the property tax system? Because what I what I see is everybody fights there to be a 6% limit. Should be a, you know, a one and a half percent limit. But then that never comes together, and they say, okay, so what we need is property tax relief for X, Y or Z. You've

Richard Munn 09:20

got this evolution you come out of World War Two, and the property tax system in the 30s and 40s was a shambles. In effect, huge variation across the state, what people were doing Mills, not on the role in this county, on the roll in that county. So the legislature created, in effect, a massive program that the old tax commission ran, which was to go county by county and reappraise every piece of property. And as they did that, then you had these groups. Groups come to the legislature saying, oh, you know, that's market value for that property. We can't do that. We can't sustain that. So then you see, through the 50s and into the early 60s, a series of exemptions for different classes of property, which then shifts the value to the homeowner, yeah, and the small business is what it fundamentally did. So then you start seeing cries in the 60s of, Oh, my God, my property tax are going up. How could that be? Yeah? And then you see the legislatures trying to say, Okay, well, let's see about giving property tax relief to the homeowners, or Yeah, or somebody else here. And so you before that, there wasn't, there was concern over the property tax. But it wasn't like the howls that started once you had an initiative on the one and a half percent come forward. So don't confuse property tax limits like the one and a half percent versus the 6% the 6% is is the automatic increase of a levy that has been voter approved.

Okay, so it's a different okay, it doesn't mean your taxes go up 6% it might mean yours go up less or more, right? Yeah. So then you had a whole series of things on the limit. You first had the first property tax limit that was headed for the ballot. Gildermeister, I think, was the chief sponsor, and the Supreme Court took it off the ballot. And they took it off the ballot for very different reason. It hadn't been certified by the Secretary of State's office in time. Then you they came right back with another property tax limit, the next for 69 and that came fairly close. There was real concern. But now, because of those initiatives, then the legislature, well, we can't, if you limit property, the cut is going to be too big. What can we do right? So now you start having them scrambling around for what they could do. And they initially, obviously tried restructuring the tax system, like the sales tax of 69 or then eventually the McCall's program of 73 but you also had them trying to provide direct relief to lower income people, and that was the HARP program. And so that evolved in trying to maybe address it in different ways. And of course, you still had the pressure which of trying to provide exemptions at times, right? Aoi was, was definitely opposed to anything that would provide the homeowner relief and not them relief. So the homestead exemption got kicked around, but never went anywhere. And of course, Atiyeh all the way through that as part of that, yeah, but you see some of it Tia's views on taxes change when he became governor.

James Moore 13:31

Yeah, I'm getting a sense of that just as I because I'm I've done this big tax thing from from 82 to 85 but the way he thinks about things is different than the evolution of him as I'm going through the legislature, yes. So what did you see as some of the the major change when he's sitting on the executive suite?

Richard Munn 13:50

Yeah, well, somewhat when he, when he ran for governor, you had the one and a half percent ballot, yeah. And now he's trying. Straub is running against him and trying to go for a second term, and Straub doesn't know what to do. I mean, he I had several calls from that office. Doesn't know what to do. I he didn't like the limit, and historically, Atiyeh had opposed a property tax limit. Yeah. So he ran, sort of saying, look at that. One's bad, but if I'm elected, I'll do a better one. So then he is elected, and now he proposes to the legislature a sort of one and a half percent limit on more on residential property than anything else. And and that, in it, by itself, is somewhat a change from where he's been. The idea of the limit, the idea of on more on residential property. When I was Legislative revenue officer.

Then when we did the analysis on it, present it to the committee, the House Committee, you had virtually every Republican on the House Committee said they didn't like it at all. It, it is very strange to watch to be in the legislature

and then to be go see the governor. At times you would be called in the governor's office, you'd go up, and sometimes you'd be there, and a legislator, what he had called once in and he maybe wanted me in the office with him. Case, some tax question came up, and it was amazing to be sitting outside, not now, you have to realize my position. I knew all the legislators, and they knew me so, so I'm sitting outside his office, and I'm talking to, in this case, in my mind, Tony Meeker, and Tony is saying, God, the governor is just absolutely stupid on this. He's just terrible on this. He he, I don't know what's happened for God, I can't say. And then you go into his office, and now you know, Tony's very dignified, very nice to the governor, everything. And the governor is trying to actually get him to vote for some bill that he wants. And Tony is not telling him directly anything. Yeah. He's not saying no. He's not saying yes. And at this time, Tony was the majority leader. You become Minority Leader in the Senate? Yeah? Minority Leader? Yeah, yeah. So it was always interesting to me to see the difference from outside his office to inside his office. What information you get, yeah, the only, the only information I think Atiyeh ever got out of that meeting was, I guess I better watch the Senate and see what happens on the vote, yeah. So because I think kit saber was Senate president at the time, and and the bill he was kits was saying he needed so many Republican votes to do it, and the TIA, and that's what he told the governor, yeah, and Atiyeh was trying to get those votes. But it's a strange process politically to sit outside, and I was in a unique position. Maybe, yeah, exactly.

James Moore 17:31

I'm discovering that in looking at history of Vic in the legislature, because there are so many things like he was in the middle of the formation of our environmental laws. He was on the side of the bottle bill and really extraneous to the beach bill, but he lived with it. But everybody I talked to Democrats and Republicans talk about how Tom McCall had nothing to do with it until X, Y or Z, and in all the McCall stuff, because I've been reading all sorts of things, it's like the legislature doesn't exist. And so my book is going to get, basically give the legislative side of a lot of this. I don't know how people will take that or not, but, but it's, it's big thing gets to live that. Do you think he was paying attention to the difference between being a legislator, because he used to be one of the guys sitting outside the office, yeah, I need to go in to see Straub or McCall. Oh, you know that kind of thing? Well, I

Richard Munn 18:36

see, in my experience, over this period, I see you can be a governor, and in a sense, a role of seeing in your head, a role of a governor as a super legislator. Okay, so you're not the Senate President, you're not the speaker, you're somebody above that, right? But you're a super legislator, right? Or you can see yourself in as a governor of being a leader of Oregon, much, a much bigger role. And I would say that's what McCall tended to see. Yeah, he was able to fill that role in some way. He, he when meetings I was in and McCall had legislators, and he was berating that he had no respect for them. Davis, his chief of staff, had to, you know, okay, Governor, you got that meeting going. You better get that speech in Eugene, you better get going, and then Davis would deal with it. Davis would very effectively deal with the legislature, appointing them do different things and get their vote. And it wasn't McCall getting their vote because he didn't respect them, but he. Had this, this aura of what he could do with the public and the public support. And I, I never saw Atiyeh actually grow in that way. But it was a different era too. I mean, you had the big recession, yeah. And so you had a lot of them here in the trenches, yeah, and he saw a role then of I've got to do economic development, I got to try to bring in international companies. He saw that more a role of him being Governor, but as dealing with the legislature and that part of the role, he played it more like a super legislature. He, in a sense, to since he had spent so long in the legislature. He respected it so much the institution, he couldn't get out like McCall did and criticize it and tell them they're idiots. Yeah, but McCall could easily do that.

James Moore 21:00

Now, did you? Were you around when Goldschmidt was there doing this kind of Yes. So Goldschmidt, like McCall, doesn't have an experience with the legislation, right? And, you know, his big thing was getting to five votes or making sure that Jimmy Carter's transportation stuff worked. Did you see a similar type thing between with when Goldschmidt was in there. Yes,

Richard Munn 21:20

I didn't see it similar to the super legislator, but it was similar to McCall in the sense, except Neil was sort of a combination of Davis and McCall. He would deal with individual legislators and Buddy him up and do good things and get him get Thorne, as a conservative Democrat, to do what he wanted. So he was very good at being buddy buddy with individual legislators to pull their vote, but then also had a bigger vision of what to do. Yeah,

James Moore 22:00

yeah. So when did you leave the legislative office and start working for the governor?

Richard Munn 22:07

I think it was 84 so I came into and created the legislative government office in 74 and then 84 became director of the part of revenue, but I saw that role more as as not an administrator of taxes, but more as a fiscal policy advisor to the governor. So that's the way he saw it. Yeah. So whenever there was any kind of tax issue I was in his office and would talk through or work it. That's the way it. And I think that fits Oregon, where we're a smaller state. In in California, you would have a fiscal policy advisor in the governor's office, right? You wouldn't have a dual role for that person. So, and Oregon is gradually evolving that way, because the governor's staff is expanding quite a bit.

James Moore 23:10

Talk to me about all the different responses as the recessions hit. So 79 has been described to me as kind of the high water mark of revenue coming in, and what does the legislature do? They basically give away a whole bunch back to the taxpayers, and we put the kicker, and then they go away. And by September, Paul Volcker is saying interest rates are too low, and by December, they've risen like 40% so we're into crisis mode, right? And crisis mode big and 80 little bit of a down. And then 82 the wheels come off, right,

Richard Munn 23:48

so see. But let's come back to the politics. And in 78 again, you have Atiyeh running, and like one and a half percent running, don't vote for that all create something new. So when he came in and created his budget, he had to put forth something he did have, what would appear from the forecast, a abundance of money, because employment was very high at that point, economics were very good. And in 78 and 79 what appeared to be good in 79 so he had a rather typical budget, plus this extra money that all went for property tax relief. He then the legislative as I said earlier, I was in the legislative webinar, if we did an analysis of presented committee, the Republicans on the committee didn't like it, the Democrats The committee didn't like it. But then they took that money, that same money, and tried to create their own program, and that was the 30% property tax for. Relief. There was a expenditure limitation, there was income tax relief. There was, as you said, the kicker in it that got added in the Senate side, and now that goes ultimately to a conference committee. Conference Committee approves it. It goes to the governor. The governor actually doesn't sign it. He lets it go into effect without a signature. Then and, by the way, then you had the forecaster. Paul was Eger, was there as the forecaster in the executive department before the House and Senate Committees explaining his forecast, and his forecast was bright and can and that's where the money was, was in the forecast. Then, then you have, after signing die, you have maybe five, six weeks, and now Edgar comes back with a forecast which is dramatically reduced. So then the legislature, now you go through a series of crisis, because the legislature comes to a series of special sessions cutting the tax program. They just created the property tax relief of the program, not the income tax relief, only the property tax relief of that program they cut to help balance the budget. And then Tia also had to propose for each of the special sessions how to balance the budget. He proposed first speed ups of tax collection, so you had a pay speed up of withholding. Then I think the next time, now I don't remember, yes,

James Moore 26:51

would you have been conscious of where he got that idea? Oh,

Richard Munn 26:55

I predicted it to the speaker and senate president. That could be his proposal. Okay?

James Moore 27:00

I'm just wondering, because Victor had just taken over the family business when the income tax changed from being something that you paid the next year in quarterly payments to you paid it that year as withholding, yeah, and so he had lived through an effective speed up, right? So, well,

Richard Munn 27:20

I think it the I think the idea was, maybe more current, was the idea the federal government had recently done this thing, okay, and so what we were doing is moving from the schedule that we didn't adopt the federal to more adopting the

federal schedule, so it wasn't a big burden, from the standpoint of just the administration of it to speed it up. So then you had, I think, three special sessions, and each one dealt with a tax increase, expenditure cut, property tax cut, property tax relief cut, and he proposed different things in each of them, of which the easiest was a speed up. When he got to the end of that, he tried to propose again. I think I'm just going from him somewhat like the Hatfield income double income tax, and the legislature couldn't deal with that at all. Yeah? The Democrats that were in the legislature couldn't deal with Yeah. So he then they then went off on their own to balance the budget that with the revenue side of it. And I don't remember right now what they actually did income tax, something on it.

James Moore 28:50

But anyway, yeah, it's wild.

Richard Munn 28:55

He that was in a very that was very tough times economically and very tough he couldn't get so he's elected. He is first session is a big thing, and it's and then they end up rejecting his plan doing and then you go, bam, bam, bam, in these special sessions. And now you know, he's been hit right and left, and most of the time is spent, excuse me, right there in the building. Yeah, so he's not able to get a bigger vision to me get out and do stuff and talk to the people and find out what's because everything that's a problem right now is the recession, people unemployed. What's going to happen? How much is this transition and the local wood products? That's occurring rapidly, but how far is it going to go? Is it going to stop someplace here, right? So I think he's caught up in that and caught up in. The building, and it takes him a while to get his feet out of the building and start thinking about economic development, what he can do. And that's when he starts traveling abroad, going to China. And,

James Moore 30:14

yeah, Jerry Thompson talks about really pushing him to begin to think like that, yes, but that's 81 is when she comes in. So there's been two years yes of him

Richard Munn 30:26

just being stuck there because of the budget problem.

James Moore 30:29

Yeah, yeah. Role for Lee Johnson and all this. I

Richard Munn 30:36

hope this is well, he's dead now, so don't worry.

James Moore 30:39

Lots of people said lots of things about Lee Johnson.

Richard Munn 30:43

He, to me, he seemed like a disaster as the Chief of Staff, because that's he. To me, he seemed to be more like, I'm the governor. Yeah, and he's running around, doing things and trying to make deals, and it would appear that he never talked to Vic about it.

James Moore 31:03

I've got from several people who were in the meetings with Vic and Lee Johnson. Lee Johnson saying, But Governor, you have to do this, because if you don't, my credibility is shot. Yeah, no. And the governor apparently said, I'm willing to go talk to people and say there was a miscommunication, but no, this is what we're going to

Richard Munn 31:25

do. Yeah, I was never in a meeting where and he did that, but that I wouldn't be in that

James Moore 31:29

because you were on the legislative side at that point. Yeah, yeah. But

Richard Munn 31:34

I was in a lot of meetings where Lee Johnson maybe was trying to deal with the speaker, Senate President, and as if he was governor, yeah, and I was just crazy to me. So when Jerry came in, everything smoothed out to me. She She was great. She was really a very effective, very competent in what she did. And was very a real compliment to be there. I mean that just their partnership worked real well,

James Moore 32:07

as you are working in the legislative side, and then you go work for the governor side. Did you see Victor begin to kind of rise up out of the building and be more Tom McCall-ish looking at things, or was he always kind of the super legislator,

Richard Munn 32:23

I think he never gained that full stature, okay, to me, of being, of seeing himself, it's not being it's more or less how you view yourself, yeah, and how you view that role, yeah. And I still think he had so many years of working in the legislature that he was ground there, that that and respected that so much where he needed to be able to, regardless, to step back and criticize it when needed, right? And as far as I know, that never happened. Yeah,

James Moore 33:00

it criticized stances, but you didn't criticize the institution or no individuals.

Richard Munn 33:06

Yeah, why can't they? So I mean, you, I think in politics, you do need to be able to step back from that and see because the institution or committee gets to be very narrow at times, and you have to have a broader view at times of what are they doing. Why are they doing that? That seems silly. It's not what the public it's not in the public interest to do that. And here's a better idea, yeah,

James Moore 33:38

as the Rajesh came along, did you see that? I mean, because Victor you, one thing I discovered in doing this book is the counter does a heck of a lot of things. Yeah. It's like, you're in this, doing this, boom, boom, boom, and then you're doing this for 20 minutes, and then you're doing this for an hour, yeah. Or less, yeah, or less, exactly. Did you see the rajneeshees cast a pall over things, or was that compartmentalized for the governor? Yeah,

Richard Munn 34:06

I, to be honest, I don't have any clear memory of anything that Vic was doing around it, other than what generally was in the building of a broad, general concern. What's happening here? Yeah, I have a clearer picture of of Norma Paulus being more critical of what was going on than I have of anybody else. Okay,

James Moore 34:30

well, when you read the chapter, you'll learn a lot of things. Okay, that's good. That's good as Victor gets towards the end of his his second term, he's traveling a lot. It's always the way he described it is, he had kind of three things he wanted to do to make Oregon a better place for development. And so the first thing is changing the just the attitude of visit to. To stay. The second thing is make sure that the land use is put in place firmly. So all the counties have got plans, all the cities have got plans, because that hadn't come through yet. And then the third thing is going in just being a salesman and talking to companies and doing things. So repealing the unitary tax method is part of that very it's the first chapter I wrote, actually, because it's discrete, it's wonderful, all these other things blinking, everything else. But so by the time you come on, we're into that kind of thinking in doing that. So what does that do in terms of thinking about revenue issues? Is tax reform still a major part of all this? Are we really focusing on getting companies in?

Richard Munn 35:52

He's not heavily into tax reform at that time. Okay, I have to step over to the bathroom.

Unknown Speaker 35:58

Okay, no problem.

James Moore 36:00

I shall pause. Okay, please, political analyst. And so I burned to Victor, off and on since about 2000 but he decided to give all his papers, everything to Pacific, right? And so I started working with him then, and he likes my political analysis. And you know, said, You call it like you see it. That's what that's because the deal on this book is it's not about Victor, it's about the times. And a guy Victor, who was in there, where did you do your graduate work, Northwestern University. And then I grew up in Southern Oregon, so

Richard Munn 36:40

we had down there, and you went all the way to Northwestern Well,

James Moore 36:45

I went to Stanford, I went to Monterey. I never thought I lived in Oregon again. And then I re met someone from my high school class just before our 10 year reunion, and she lived here.

Richard Munn 36:55

Did you know The front Meyer family when you were my parents

James Moore 36:59

were very good friends with them. Dave from Meyer was actually the babysitter to my first serious girlfriend, and it's,

Richard Munn 37:09

did you know Dunbar carpenter? Yeah, the carpenter family, yeah,

James Moore 37:12

new Carpenter, we used to go to Glen Jackson's house and go swimming in the pool. So, yeah, all those things. John dellenneck, I wear bow ties because his wife, Mary Jane, just died. Oh, but yeah, so all those people.

Richard Munn 37:31

Dunbar and I went down the Colorado together, here a couple years ago, rode to Colorado for 18 days, had a good time together. That's great. He was a legislator staff member in the seven early, early 70s. Jason Bo apparently hired him, huh? Before he went to before he went to law school, and then he went to law school, and then he went to Switzerland. And became a young psychologist. That's why his practice is in Portland. Yeah,

James Moore 38:13

amazing, yeah. All those things, all those people. So we were talking about Victor. You were saying that when you came in, Victor really wasn't doing tax reform. It was recruiting businesses coming in and things like that. Yeah,

Richard Munn 38:30

he did still. I mean, you every session, you still have tax stuff going on, yeah. And as you mentioned, after he got there a while, he the unitary issue came up, business was all over it. It was in California and Oregon was actually one of the leading states in developing the idea around the unitary tax. And it was always court driven. So it was tax commission doing something, the corporation appealing it to the tax court. Tax Court affirming what the commission did. And that evolved into the unitary system, and then entity is sitting on the committee in the Senate during all that period, and so the revenue department or tax initiative would come in and explain, here's what went on in that tax case, and here's the way it's being treated. So he knew the unitary issue well, actually, but was, but I think Atiyeh, as a political animal, understood the huge amount of concern among business, particularly international business. Japanese

James Moore 39:53

were not pulling any punches. No, no, no. In

Richard Munn 39:57

fact, I was in meetings with some. Japanese companies in my office, and you would they wanted to explain exactly how their business worked, because they were sure, if you know exactly how their business worked, you would not apply unitary to them. And it was, we had a big chalkboard. I had the corporate people in there from they had four or five of

their people. And we went over, okay, let's see, what do you do? How does a business work between here and your head office in Japan, over this issue finance, are you able to deal with they would go to the board and write out, no, no, we have to get approval from here, here, here. And then we would say, okay, that that means that you're dealing with unitary. Then you'd go to the next issue. Oh, and they would just openly tell us, okay, that means went down the list, and they became so frustrated that they actually had to quit talking and go to, I don't know, some book that they had with them on Japanese and just sit there for a while to try to calm down. And they they were complete. And no matter intellectually, they still didn't understand what what was happening. I would say, Yeah. And that's what, when Atiyeh proposed the change I was to carry it, went to the committee, and I tried to explain that meeting to the committee, yeah, and that meeting to the committee. They understood how it now it it just didn't connect with foreign corporations that somehow this was a legitimate or fair method, right? So, yeah, now we're a long way from that. Now, by the

James Moore 41:58

way, I know which is, but it's interesting with all the stuff about where people are hiding money and all that stuff, it's like, you know, there's, there's a flavor of the unitary to it, yeah. And it's like, Oh, yeah. And so where's our biggest tax loophole here in this country? It's North Dakota. Like, okay, there you go.

Richard Munn 42:20

So you you that you have him dealing with unitary you still have the concern of level of support for schools. That's the big driver, still on property tax relief of some form, and you still have the schools coming to Atiyeh and trying to get some additional funding. But more for can we put together a program? Can we do something with a program here, some kind of package we refer to the voters. And that was driven greatly by the, I would say, by the lobby. But he understood the lobby working in the legislature. They had come to him on lots of other things, yeah, so he knew how to deal with them effectively and and he is, I presume, he's less attentive at this point to tax issues or some grandiose issue, some grandiose plan, and that's McCall didn't want to ever let go of that. Yeah, he it wasn't solved, so he wouldn't let go. So okay, if this doesn't work, we're going to go here. If that doesn't work, we're going to go here. Yeah, he just hung in there. Where? Where? That once, the, once, that alternative to his property tax limit that was on the ballot, once that didn't work, he dived up a lot on big tax issues, on how do you reform the whole system? How do you look at that and see it? But he had sat on the committee for all the 20 years or more and seen all these other plans come through, right? All of them go to the voters and be defeated. Yeah, because I used to sit with the I would rehearse for the committee here. Let's look at before you develop the next plan, let's just have a run through the history, okay, yeah, yeah,

James Moore 44:45

so, and then right after a Tia's sales tax goes down by the usual amount. The OA comes up with theirs that they've been working on anyway, and the next year it goes down by the almost exactly the same. Yes, yes, yeah. I.

Richard Munn 45:00

Yeah, and that was unusual for somehow Atiyeh, after all those years of opposing the sales tax, yeah, to now come up with a sales tax.

James Moore 45:11

Do you think

Richard Munn 45:14

I would say that's a difference in being in the committee and being governor and the forces around the governor, because all the business community wanted still do, yeah, that's what they see as the modification. And they see it as, oh, we get a sales tax. We cut income taxes. We're happy, yeah. And yet it's sort of like a sales tax. Those words mean different things to different people.

James Moore 45:43

Yeah, and he tried, in that campaign, he tried to make the case that it meant your income tax and property taxes will be lower, yes, but, and, but that worked just as well as every

Richard Munn 45:57

other. I think my own theory is that tax trading doesn't work, yeah, that it automatically creates enough negatives that it

can't work, right? Because I don't. I don't want the income tax cut. I don't pay much in income taxes, so why do I want a sales tax?

James Moore 46:16

And in that 8083 ish time, it was even more extreme, because the legislature had passed education reform, if the sales tax passed, yes. So there's all this conditional, right? It's really complex well,

Richard Munn 46:30

and they, they always get in this pocket of trying to think, Well, if we guarantee that in the Constitution, but that that isn't even the issue the public of sales tax. I can't get much beyond that. Yeah, yeah.

James Moore 46:48

In right after a tea is re elected in 82 he proposes a gross receipts tax. The gross receipts is that's like 85% individuals and 15% 15% companies, or, you know, something along those lines, fascinating to me, that it raises in today's dollars \$1.5 billion which is in the same general range as the gross receipts tax they're doing now. But this gross receipts tax now will be basically just on business, right? Whereas his was going to be spread, yes. So is that in your mind? Is that gross receipts just a double income tax? Yes. Okay. And

Richard Munn 47:28

if you went back and looked at Hatfields proposal in the 60s, you would find it's very similar, okay, that's my sense. And he was sitting on the committee, yeah, then and Hatfield staff was explaining it. He knew that, yeah, and now, and he knew it went nowhere, yeah, he knew in 62 or earlier that it didn't get anybody on the committee, and not even him, right? And now he proposes it again. Yeah, so either, I actually don't know why he did that, unless he was just in such a box, personally,

James Moore 48:13

well, he says in the early 90s, in his oral history, he says he found it to be the most equitable tax of all the taxes, because he, you know, after becoming the committee three or four years, you figure out there are only so many taxes and so many people you can tax. Yes, right, you know, so it's A to B, A to C, D, there we go. That's it, yes. And there was something about the gross receipts and the net receipts that he found to be, you know, in effect, fairer in the way that it hit, well in society as a whole, taxpayers, as all, yeah, I

Richard Munn 48:54

I'm not sure that that, I mean, I trust that's what he said.

James Moore 48:58

Oh, yeah. And this is just, you know, like, as we started out this conversation, he had very set ways on understanding taxes, which don't really match the way many other people think about taxes.

Richard Munn 49:12

My own view might be that he was in a box where he needed to propose something he he at that point, was not in favor. Still did not want to propose a sales tax, yeah, did not want to propose an increase in the income tax. And this is somewhat a back door increase in the income tax, yeah, is what it is. And he knows it didn't go any place he I think he knew that the Democrats in the legislature wouldn't buy it at all. Yeah, okay, so let's throw it at them. Let them say no and let them come up with their own program. Yeah, and that's fundamentally what they did. Yeah. So I, I, and I, that's, in a sense, what I thought Hatfield did in the 60s. He threw it out knowing it wasn't an idea that was going to float Yeah. But to a certain extent, he's off the hook, right? Because

James Moore 50:18

it float against is going with them, yeah, but actually, I'm also doing it with the net receipts and cigarettes is 10% of his budget, so it's basically a gimme, and we can cut it, which is what they ended up having to do. If it doesn't fly, we can cut it right. A TIA was thinking bigger than that, but yeah, still same kind of thing. Yeah.

Richard Munn 50:42

And then later, near the end, I was in meetings with him in the school group. And now in the school group, he was proposing, hey, I'm, I'm willing to do A, B and C in the income tax and generate a lot more money. And would you like to go initiative on it, and I'll support it. And I that was, that was sort of the end, near the very end, of his term, and it was sort of like, I want, I I'm, I view myself leaving politics here, and I want to do right. I've always appreciated schools, always appreciated you people now, and it was too liberal a program by far, and they were taken back Ozzie and and Chris Dudley and and Danielson. My God, the governor's willing to go more than we could go at times, but he was really trying, to certain extent, trying to smooth things with them.

James Moore 51:49

I would say, yeah, yeah. One of the great counterfactuals about it to his time as governor is, what would he have done? What grand plans would he have done without the recession, so just slammed. And I don't because he adamantly didn't have grand plans in mind. He didn't even know he wanted to be on a staff, yeah, and so it would have been fascinating if that had not happened. Would he just has spent eight years tinkering, making it a bit a little bit better for business, kind of thing. Or,

Richard Munn 52:27

well, he would have been pushed to, I mean, every governor is, yeah, I think pushed because you're sitting there and on the table, all these people are throwing you ideas and all these different political pressures and things are going on nationally, internationally, and you're, you're stuck with, if you wanted or not trying to solve some of those problems, right? So he would have half he there's no governor that doesn't have to try to deal with some of those. Yeah. Now, what would he have chosen? That's the thing, yeah, if he didn't, he just like choosing economic development later wasn't driven by that's what I've always

James Moore 53:09

wanted. I've always wanted to be a salesman for the state. Yeah, it's because that's what he needed to do.

Richard Munn 53:14

Yes, yes. Situation did that. Yeah, and yeah. I think that's true in most governors, rather than them having a vision. I think that's what distinguishes McCall at times he and I, I've always thought it was more from his editorial background, yeah, that he was used to looking around and trying to find ideas of what's going on and having an opinion about it. And whenever he, I know, in the early 70s, he read about the case in California on Serrano equal education and trying to then equalize between districts of it, he just grabbed that. Yeah. What's wrong with that? Yeah, so then he that's what led eventually to him creating his school finance plan, yeah, in 72 and 73 so I just think his thinking did that more in his background than a teal was not of that character. Yeah, he was okay, I'm in this business, I'm working I'm in the legislature. I like a balanced budget. I like to be on the revenue Committee. He it wasn't as if he even had ambitions. In a sense, I want to be chairman of the Ways and Means Committee, no, far as I know, that side, no, no. He never went to the expenditure side, no. And he never then he wanted to be the majority or minority leader, right? But he didn't want to explore these other ideas within the legislature. Yeah,

James Moore 54:58

it's like. Figured it out within like, maybe his first two House terms, although he was in the middle, just before you got there, he was in the middle of the balloon loaf controversy on the food endearing to me, which he was chairing at that point,

Richard Munn 55:18

I would tell you that my personal experience with Tia was wonderful. I thought he he the way he relates to you as a person. He was always very gracious, very nice guy. I went with him. He at times, would call me and say, I'm going to go up to Portland to do a couple things. If you're free, why don't you come along? Yeah, and I'd go along, and would go up there, and he'd connect with some old, old friends, maybe high school friends or something, that run a business. And would they'd talk, and I just was there along, yeah, and would go do something else, and, and I can't but every security officer that I dealt with in the governor's office that was there with him just enjoyed him immensely. He was just a genuine, nice person. Yeah, yeah.

James Moore 56:18

Well, this is great. Thank you very much.

Richard Munn 56:19

Well, I don't know if I've covered enough well. Well,

James Moore 56:23

it's if I have questions. Yes, I'll come back.

[Recording ends.]