

Governor Vic Atiyeh Oral History Interview

Recorded Dec. 19, 2013 in Oregon

Interviewer: James Moore, Pacific University Professor

Note on the text: This transcript was made through AI in 2025 with some manual corrections. We recommend checking this text against the audio recording before quoting the speakers, as it may contain errors.

James Moore 0:01

There we go. We are now recording. So, here we are on the 19th of December [2013], about 21 years since you were doing this the last time

Victor Atiyeh 0:14

I did want to say, I want to make sure... you're the writer.

James Moore 0:23

I'm the writer

Victor Atiyeh 0:24

And I would treat you as a writer, interviewing me like you would anybody else. On one of my campaigns, my campaign manager said "Now," and he was very good. "I'll tell you this, this and this, but if you don't do it, that's okay." In other words, I'm not going to moan and groan, so I don't expect to intrude on what you're doing, but who knows what.

James Moore 1:02

Yeah, exactly.

Victor Atiyeh 1:03

And that, if I do anything like that, and you don't want to do it, don't do it. But you and I will still remain, you know, I have to have you as objective as you can. I understand that.

James Moore 1:26

Yeah, good, very good. As I've been looking at the oral history, and I certainly have not read it all, that's part of the process, but I've looked at the oral history, but also watching the way people act around you. They're definitely treating you as the governor. You're definitely the center of things. That's one thing that I wanted to push on with you. And then, lo and behold, as I was reading things just kind of getting ready... and so I picked one of the tapes, and Clark Hanson asked you about your leadership, and you very clearly said, when I was governor, I discovered I liked being the sole decision maker. When I was working with my brothers, it was a collaborative but, you know, a very together effort that had its tensions, and then you told your brothers, "I'm not coming back." Yeah. And so, that all of a sudden made a lot of sense in the way people act around you. You know, you're the decision maker and in this process, you're clearly making decisions, but I'm the decision maker, and so, you know, it's a different thing, but it's something that I will want to explore in the future.

Victor Atiyeh 2:46

Well, yeah, that's the way I would look at it to make it a useful book. And I'm not really complaining about [Barbara]

Roberts. She has a biography, and she did it, and I enjoyed reading it. But let me give you an example. We went through the recession, and you will find out or you know, that I had a lot to do with holding down. I didn't have to hold on to the Democrats, but we had to cooperate, right? And what I'm really aiming at is that Vic Atiyeh did this, and they said, neat guy on that, but what I wanted is about the recession. In other words, if somebody gets something out of it, besides Vic Atiyeh was there. So then it becomes a useful book.

James Moore 3:48

That's exactly what I'm aiming for. I want this to be something people can pick up 50 years from now and say, you know, when they did this, they had these three options, and they really explored these, and this is why they chose this, but they would have been happy with this as well, that that's what I want them to think.

Victor Atiyeh 4:03

I think our ground rules are pretty well laid out.

James Moore 4:06

I think so.

Victor Atiyeh 4:08

You and I will talk. You know how I feel, and I'm delighted. I'm, matter of fact, very happy because you have institutional [unintelligible] for something that we were there and you know what went on. And it's that kind of thing that was better than anyone else that I can think of. So I'm ready for you, just fire away.

James Moore 4:40

Okay. Well, the first thing I wanted to get into is in your oral history, 1900 pages of it, you had have several places where you have marked down things that you thought the oral history didn't quite get at in the right way, or the wording might have been something you wanted to rethink, or those kinds of things.

Victor Atiyeh 5:07

No, usually it is...those are highlighted, this is who Vic Atiyeh is. That's how [unintelligible]. I should get 100, but I would say something like, I can't remember. But basically it was not something to correct something else. It was something that I want, I want to label that one. That's who Vic Atiyeh is. And so that's why it's there.

James Moore 5:49

Right, so it gets at you as a person, or decision maker, or something along those lines.

Victor Atiyeh 5:57

To help you a little bit. And maybe I'm wrong, but I always had a feeling it was service day in [unintelligible] with the business folks. They gave me money. They were my friends, and we didn't have any arguments. But only recently, this sounds funny, was kind of years later I'd been in the legislature. 20 years I've been in the retail business. I didn't need any blue ribbon things going. I knew who was good in the bureaucracy. I would say to my department heads, now I'm asking you to do this, because I know you can do it, and besides that, I expect you to do it. That's what I would tell them. And so they would do that. In other words, they knew I wasn't looking over their shoulder every day, you know. And so, I suppose, to the extent that he [unintelligible] and I'm not you know, door was open, my friends could call but I think that they weren't quite in charge as much as they thought they should be.

James Moore 7:17

Why do you think that was? Do you think it was because you were kind of Portland retail rather than running a timber company? Do you think it was that because you've been in the legislature for so long, they had kind of started to think of you as a government person? I mean, why do you think that was?

Victor Atiyeh 7:38

I don't know how they came to the conclusion, but unknowingly, and I just figured this out, that I knew, you know, I knew what had to happen. I knew it. I mean, that was 20 years, and I created, saw it created, or helped create, a lot of what government was. So to me, I didn't have to find out about it. Okay? Yeah, what do you call it? The rubber meets the road. Rubber met the road the first day. I mean, I didn't have to flounder around my successor for a variety of reasons, but this one is the case. We set it up for whoever was going to be governor, Norma or my successor. And of course, my successor won. He came in to see me, and we had the program. It's all written down. He asked me one question, how many computers do you have? That's all he asked me. Not who does this or where do you go? And so he had to figure out everything himself. So it was at least a year before I had any contact with the government. And that's not necessarily accusing. It just says most of them, they came to it didn't have what I had, and you just stop to think that I came along at a time when what I had was an important thing, right? And just happened to be that way. And anyway, when you talk to Gerry [Thompson], she and Denny [Miles] both say I was stubborn. Now I don't know that I was stubborn, so find out. Yeah, I want to find out where I was stubborn. Okay, you know, that's far away.

James Moore 10:06

You know, it's interesting when you're talking about the change in the administrations, because I've heard from two people similar type things. One from Denny, of course, we set it up for the press secretary coming in, and they butted heads, and it never worked, but also from Verne Duncan, and he didn't have the the impression, because he was an elected official, you know, from his own point of view, but he knew when he talked with you, that he could, (a) get a hold of you, and (b) when the phone conversation was over, then you got your staff to work on whatever that was, so it would happen. And with your successor, he could hardly get through. And if he did, there was never any follow through. And so it was frustrating for him. And that also went on, he had similar problems with Governor Roberts, not in terms of getting through to her, but in terms of follow through. But you kind of had the perfect from his point of view, kind of the perfect from the top down, there was a system where you could talk things, figure things out, negotiate and then things would happen.

Victor Atiyeh 10:51

It all began Jim, before I was sworn in and we were putting our deal together. Lynn Newberry was my budget guy. He was Ways and Means and smart...

James Moore 11:41

...And his daughter and I went to school together in Medford, so yes.

Victor Atiyeh 11:49

Travis Cross was my administrator guy, and eventually got Lee Johnson, and we sat in the room to talk about taxes, and there's Lee Johnson and Lynn Newberry. And so I said, okay, so they want to talk for quite a while, and Lynn talked for quite a while, and I'm sitting listening, and when they were all through, I said, "Fine, now we're going to do it this way," which was not any of their what they were telling maybe that's it, because I've been on taxes for a long time. So I said no, I didn't say no. I said, "We're going to do it this way." And that was the advantage I had. I didn't really realize it, but I had an advantage of having been there 20 years. I don't know if we ever had a governor that's had that much schooling before.

James Moore 12:53

No, the closest, I mean, [Governor John] Kitzhaber had a lot, but not 20 years. Yeah, it's stunning. And Oregon is when we look at political science, speak at the rest of the country, there are strong governors and weak governors. Texas and Arkansas are notable for weak governors, and they produced two presidents in Bush and Clinton. Oregon's in the middle. Oregon's in the middle. The governor has a lot of power, but the legislature is so crucial. You have to be able to work the legislature or nothing happens. And you clearly were someone who learned, well, what made the legislature work and how to deal with that when you were on the other side of the, well, actually not on the other side, in between the two houses up there.

Victor Atiyeh 13:42

I told them, I met with the leadership for eight years that changed, and I told those, at least, well, everyone that we knew, whoever, except for those that were relaxed, I said, "I'm not going to blindside you. I'm not going to go after you. I'm not going to fear you do something that I don't like, I'm going to get you." I'm not going to do any of that. Now, I said, "You won't believe that because that's not typical. You guys won't believe that, but that's where I'm coming from," and took them a while to get around, and I'm not sure they fully ever believed it, because I never traded, not one time in 20 years. And I figured, you get on that trail and you're on the wrong trail. And, well, you have your mind and I'm ready to not interrupt you.

James Moore 14:47

No, that's fine. Let's talk about making legislation. So let's talk about your time in the legislature. First question, how long did it take? You to really understand taxes, revenue, those kinds of things that eventually you know, as we were just talking about, you really knew by the time you became came governor, was that a single time on the right committees, or was it over a series of years, and by, say, 1967 you had it down? I mean, talk about that process of really learning how the tax system worked and how all that came together.

Victor Atiyeh 15:28

Well, to start with, of course, my relationship to taxes is where my retail roots are. That's before I got in the legislature. As a freshman, you don't really ask, I want this committee; I just happened to be put on the committee. As a matter of fact, they put me on Food and Dairy too.

James Moore 15:28

There you go. Washington County at that point had dairy farms fairly nearby.

Victor Atiyeh 16:00

And we were sitting now -- I don't want to say we, because there were three Republicans and maybe six Democrats on the committee. Doug Hunter, myself, and Grants Pass [unintelligible]. Well, he was a two-termer. So to us, he was an expert. I'm not getting to it so, but the point was that I was willing to ask a question. So many don't ask questions. I said, I'm going to ask questions. So I asked a question, something I didn't understand, and it just sort of developed that taxes are not complicated. It's just simply a matter of who's going to pay the tax, right? That's all. Now, when you get to who, then you got to figure out how we're going to get who. And so when people try to make taxes complicated, I'm not looking that way. We spent a long time on basic school support. It was a formula, and we spent a lot. Had many and we had many runs, but I knew to start with it. It was going to go anywhere, because I'm no different than anyone else on the committee. We had this full one, and how many pages. Where do I go? Washington County. How does it affect people in the school district? How does it affect -- tell us a problem, and everybody else at the table is doing the same thing. So you probably saw and you realize that that's just the nature of things. That's what you do. And now, years later, it was Ted, I believe, appointed me chairman of a committee to really work over taxes, and we had probably the best, brightest people that I've ever worked with, and we had testimony, and we had some of their own ideas, and then we're winding up, and we're really, as you would expect, hardly nowhere. One of the committee members, a very bright woman, an engineer from Corvallis, she and her husband, and as she said, that, "Gee, I wish we could have come up with something different. I said, sorry to tell you, but there isn't anything different. And when I appeared before the legislative

committee, I said, don't study this anymore. Study the studies. There's a lot of studies there, and they're studying it now. Don't study it. Go look and see what others have done. And you'll have, like, I had a really great report that got little attention, and John Gray was my chairman, and this was on power, and I said, go and I had different subcommittees when waved. For they had different committees, and I reported, and it was a really good, very good, well done. John Gray, would, of course, have it that way. Nobody ever looked at the damn thing. Nope. But what I'm again leading up to is there was two objectives: are we going to get enough power out of that, and how much is it going to cost? And what do the speed bumps mean? Can we get it passed? And those were the criteria. So it was always being, you know, we can thrash around all we want, but can't we get it past you? You got to be smart enough to figure that out, and you got to know how to deal with it. But he said, "How did I learn just a little at a time?" And then pretty soon you learn, for example, some of the maneuvers these are not mean. We sat one afternoon with Dick Hyman, chairman, working on a text, forgotten what it was, and we were getting nowhere. I said, "Dick, have a recess." We went to the gallery. Sat there saying, "Dick, I know what you're doing. You want to put the tax on a Republican bill, and he's going to have it. So he didn't go home, but it was just not going to happen when it came back in the room. It wasn't 45 minutes so, but that accumulated that kind of sensitivity. Anyway, he didn't come bang, but I did read the annual report of the Department of Revenue, and it's not going to make the top 10, but...

James Moore 22:11
Certainly it's not.

Victor Atiyeh 22:12

And so then I discovered there's X number of people that make a lot of money, and there's a whole lot of people that make a lot of money and some that don't. But whenever you look at the taxes, you and me, there's more of us than anybody else. What you call, the "wealthy," you could take everything they have, balance the budget, because there's more of us at the dollar, than there is a million over here. So, you always have to deal with that segment, and as fairly as you can. So he knew more directly, I said more than you want to hear. It couldn't come like lightning, but I asked questions. Kept my eyes open. I was in retail and I saw how that was going, and pretty soon realized it wasn't that complicated.

James Moore 23:28

At what point did your fellow legislators start saying you're the tax guy? Was that when you got, you know, your second term or third term? So it was seniority, or was it expertise? You know, enough of these meetings. Were you saying, you know, this is the way it works. When did that...?

Victor Atiyeh 23:46

Well, I was in the House. Clarence Barton was the tax guy. He really was Clarence Barton. Did you know Clarence ago?

James Moore 24:01
No.

Victor Atiyeh 24:05

He was chairman for two terms, and my three terms, and then he became speaker. And so he was busy doing something else. And I presume that that were the case. Well, Clarence was there. Clarence was the tax guy. But when Clarence left, there was really only one person that would be me, that really knew and studied and understood and so it was, I guess it would be about third term, or first term in the Senate, or something like that.

James Moore 24:54

One of the things you just said, not in this answer, but the previous answer. You were talking about, the fact that no one reads all those reports, and if you want to figure out what's going on, just go back and read all of them and put together a big report or consume them. But you also mentioned, what are other states doing? One thing that's really struck me in Oregon, and in the past 10 years, say it's really focused on how we talk about PERS [the Public Employee Retirement System]. We only talk about PERS in terms of what Oregon is doing, not realizing that there's a recession. Other states are doing things, all these other kinds of impacts, but just are not part of the conversation here at all, in any way. In your experience, how important is it to look at what other states are doing, and are there any examples of where you might have done that, or decided, no, we're not going to do that. We're going to stick with an Oregon solution.

Victor Atiyeh 25:48

There would be some, "How are other states doing it?" The opportunities for doing it, more would come at the annual governor's meetings. I pushed real hard for a meeting of just governors, no staff, you know, nobody said something happened. We could, well, what are you doing about that? Well, I'm doing this. You know, that kind of staff doesn't want gatekeepers or something. They're afraid you're going to say something you shouldn't say. And so I never had that. But if there were anyone that stood out, then we would know it usually wouldn't be several states. It'd be one state's doing something. And then we would take a look. But there wasn't a lot of, how are they doing? We were kind of, I don't know what you say when we're smarter than anybody we were the first state to do a lot of things. And so we just went ahead and did them sometimes. Of course, if you really wanted to make it tougher, or land use planning, if we wanted. Other states are doing nothing. We get some negative stuff, instead of some positive stuff. It was tough enough as it is, there wasn't a lot. I'd say more should have been more played, but there wasn't. We are [unintelligible]. We were pretty independent. I really believe that. I guess that's about all.

James Moore 27:54

Okay. That's something that I'm going to explore with other people as well. Oregon, for instance, our constitution is based on New York's constitution. And you know, [unintelligible] things have been adopted, but at some point, almost all states say, "No, we're in our own bubble." And it's just fascinating for me to watch. So you're the expertise on taxes. You're in the Senate. Talk about that role when, what was there...only six Republicans in the Senate? So talk about that role when you were in the very tiny minority in the Senate.

Victor Atiyeh 28:37

Well, hang on, before I forget that... I forgot what we were talking about.

James Moore 28:54

Something other states do?

Victor Atiyeh 28:56

Yeah...

James Moore 28:57

Oregonians?

Victor Atiyeh 29:04

I'll see if I can remember, because it was a good answer, but let's get back to six senators. Among us was Wally Carson, Bob Smith, [unintelligible], Tony Meeker... so we had some pretty smart guys here, and we had been working. As we graduated, lost Republicans, our best work was work in committees, a mandate, you know, or holding bills back, rather than trying to beat something on the floor.

James Moore 30:08

So, just a quick aside... so with six Republicans, does that mean each of you has lots and lots and lots of committees? So were you busier when you were in the minority?

Victor Atiyeh 30:20

Yeah, I've forgotten what, but that was the year I had too many committees.

James Moore 30:25

I can imagine just trying to cover them.

Victor Atiyeh 30:29

I said, "Never again." The other thing, and I said, this is amazing when you look back on it, Bob Smith became a congressman. Tony became treasurer, Wally became Chief Judge, I became governor out of six people. That's incredible.

James Moore 30:51

Yeah, it's a pretty remarkable group.

Victor Atiyeh 30:55

But, you know, we were six, and so I suppose that the Democrats sort of treat us as puppies. By that, I mean not being nice. And of course, there was no point in us fighting anything. So when we, on our own, did our work in committees, and each of them well respected enough that we could carry in committee and we could debate it reasonable on the floor, and oftentimes we were carrying the bill. So we were in no danger to the Democrats and good friends. So that just worked out. Obviously, we were trying to gain the next session, we had seven.

James Moore 31:57

Excellent. In percentage terms, that's a big group, big change.

Victor Atiyeh 32:01

And as matter of fact, I have a pin I got made for those, the old gold pin, Roman numerals seven on it. There's only seven of those in existence. So we got through that period. Always trying hard to do a good job. I was always a minority member. When I moved to the Senate, the house went Republican. And the same thing is true as I was working as a governor with the legislature, I knew them and they knew me. Back to Texas for a moment, I would go down and testify, but they knew I knew more than they did. I knew they knew. So I went down there with perfect confidence, talking about whatever the subject was. Jason Bo and I got along together real well, although I went shouting at him sometimes, close the door I'd shout at him, but we remain friends. It's an interesting experience.

James Moore 33:44

Shift to your early, still kind of the general tax area, but shifting to your early governorship. So you're elected the same year [1978] that California passes Prop 13, and so in Oregon, there had been talk about that kind of thing, movements toward it, and what eventually comes out of that is the kicker as a way of dealing with that. Tell me about the kicker, and we'll start with just kind of where, where do you think the idea came from? And then how it began to catch on, is it coming from your office? Is it coming from the legislature? I mean, where does that kicker come from?

Victor Atiyeh 34:27

That was actually done in '79 my first session, the kicker, when we came down with our budget, we saved \$600 million. Now, when you say saved, it means we didn't budget to spend it, which I thought was really neat, except now the legislature had money to deal with. Jason Boe may have been a real pusher of that, and it would be good for... the timing was, when do you get the money? And you get it just before election time, you know, that kind of thing. And so it could have been one of those things. It was not a good idea, but not so bad that I would veto it, and it kept going. And matter of fact, I don't object if the people send \$1 and that only cost 75 cents and I think that 25 cents is mine. So they were happy on their side, meaning receipt side, right, and the legislature was happy about handing out a check. Then they'd say, "Well, business gets it." How do you know who creates the job? They don't quite connect that, but I think it's just the fact that that's when we felt we're all good about "saving" 600 million, but it disappeared. That's where it was easy for the legislature and the kicker, and I have a feeling, although I wasn't on the inside, that probably Jason had a lot to do with.

James Moore 36:40

Okay. As you've seen, the kicker, you know, through its iterations now, over 30 plus years, there's a lot of talk now about changing the kicker. "The people have spoken." The people have spoken pretty clearly by putting it in the Constitution. But is this? Is this something, for instance, in government, a lot of times what happens is, in the moment, it's the perfect time for a piece of legislation, but it doesn't sunset, and so it keeps going. And so a generation or two later, people look and say, "What on earth are we doing this for?" Do you think that the kicker was a great solution, then that made political sense, that still makes sense, or is it one of those things that has taken on a life of its own that no one quite understands?

Victor Atiyeh 37:36

I've reached it here as it isn't the same as having \$600 million right? And so they had a breach, and they had the formula, I was within 2% I don't know how they made up that bill, but as time goes, as even though it becomes, instead of something that's brand new, and I'm getting a check, all of a sudden, I am entitled to this money. And so it's no longer a matter of generosity or good sense. It's a matter of, I'm entitled. That's my money. So it loses the flavor of what it was done about.

James Moore 38:29

So as the attitudes change and the expectations change, the purpose gets lost.

Victor Atiyeh 38:34

Those things, that's the way it happens over time. I'm trying to think of where this is, but I may tell you that, by that, I mean, I keep a script, I'll show it to you. [Unintelligible] wants that so bad. There was less foresight now than there was when I was there, when we passed the moving of the money over to taxes, I mean the state rather than property, that was a big mistake. That's part of the problem. When I said, no foresight, okay, they've done that now. We've never paid property taxes. I mean, taxed property tax, which is what we're doing now. And okay, and that was a billion dollars. And now we've got that in our budget, but the foresight wasn't there to say now we've got to do something about this, because at that point in time, there was some easy, relatively easy money coming. Was not tight, and you could have planned the fact that you've got this loan that you didn't have before, right? That's part of the problem we have. You add, then get [unintelligible] health bill. Another \$1 billion. Again, the idea was good, but nobody planned. We've got two billion we never had to spend before, or budget for. So that's what they're scraping over there. I'm not saying... either one should have not happened, but what I'm saying is you should have done something about protecting yourself out there in the future. And they really didn't. They lost foresight. They lost foresight to say we had a problem here. Again, I don't know if I never would because I like Barbara [Roberts] very much, and we get along together very well. I wanted to see her before the session started, and she was going to give her speech. And I said, Barbara, before you come up with any tax measure, you gotta assure people we got a problem. And as far as they're concerned, there's no problem at all. My taxes went down, so we don't have a problem, but she didn't even mention it, and remember, she's going to clean out the closet. Yeah, and I'm saying you got a million dollar answer to a billion dollar problem. That sounds good, clean

out the closet, but you know the wrong answer, but that's part of it. Foresight, two things: lack of foresight or experience, whichever way. And how is this going to look at my next election? Are two very serious problems we have.

James Moore 42:30

When you look at the politicians that you've worked with over the years and then still as kind of the grand old man you know, talking to people after you've left office. By the way, one of the first things I put into my little thing here is your letter to John Kitzhaber about his jeans after his inauguration. I just love that letter. But any case, do you see this lack of foresight? Is it something that's endemic to politicians, or is there a generational difference? Or were you and the people around you just kind of an interesting group that said, you know, we need to think about this in long term senses as well as dealing with the short term problem. For instance, were politicians in the '60s and '70s different than the ones now? What do you see?

Victor Atiyeh 43:25

I would say, Jim, fundamentally, lack of experience or education. And they look good, they campaign good, they sound good, but they don't have... like me. I worked in retail and in the legislature. So I was going to school all that time, and I could see what was going on, little things. While I was still in the house, and we had an elevator, a sidewalk elevator, and somebody came by, inspector or something said, "You're supposed to do so and so," "Why?" "Well, the legislature passed something." God, I didn't remember that out of 90 legislators, it was one no vote. Doesn't mind. And it was a sensor. It was nonsense. I guess they're well intentioned. We do, of course, have some very bright people, but there's not enough to hold the horses back. You know this, I'd say that I worry about the fact that they don't have that. And maybe the most important part of what I told you, how it's going to look at my next election, is probably the more powerful thing, rather than how it's going to look down the road.

James Moore 45:18

Was that the same dynamic 50 years ago as what you see now, looking at that next election?

Victor Atiyeh 45:26

It was some, to a minor degree, and very few and very minor, not as pronounced, almost I'm talking R and D now, the house is going to look at my next election. And no, that was not part of it, not observing. They like to do things that would look good, disliked to do things that didn't look good, but there was no staying away from the latter. And basically, I divided my career in the legislature. For the first, let's say 10 years, the first 10 years I ran the whole county, and then the second 10 years were single member districts, and so the mail would come in. "Legislator Atiyeh, you voted so and so on this bill," this is all paraphrasing, "and I know you had a reason. I didn't agree with you. I'd like to know what it is." 10 years later, "You've been dumb so and so. I'm going to get you. You'll never run again." In other words, the tension from the outside was fiercer. The electorate I blame most often to where we are. Nobody just walks in. They're being elected by somebody. So I blame the electorate more than the elected. So there was a change. You notice that people walking up down the street with placards? We never saw anything like that. Whether you have a few people at the Capitol front, you know, yelling a little bit, they'd come down with a large delegation to see the governor. And my answer is, down there, love to see you, but we're not going to talk to a mob. You picked two or three of your folks who will make an appointment, but I ain't coming down. They accepted that. But you know now today, the guy would come, the legislator would come down. You can't. You can't discuss it. The mob has already made their mind up, and you're only one. And, I don't know, I worry, but my biggest worry goes to the East Coast. But my worry, of course, is stronger, more honest with people, fewer non-answer answers. I went to Coos Bay, got on [unintelligible]. They had word that they were going to build a highway 42 which had been on every... a new highway 42. I'm talking to the writer. Forget it. It's not going to happen. Don't have the money. It's not going to happen. Well, that was the answer, and someone else would say, "Well, I think we should look at that." You know what I mean. And so just escaped answering it. But the real answer was mine. It ain't going to happen. Yeah, I got burned in effigy. Oh yeah, I said that. I have now reached the zenith of my career, and that was in Charleston, and it had to do with fishing, and we cut it off. And they were angry. I understood it. Of course, they have boats and they have mortgages, and they already fished, but they wanted more fish but everything told us that that was the wrong thing. So that's what we did. That's my election year.

James Moore 50:54

These days, nobody would do anything that controversial within at least a year from an election, in probably 18 months, just because.

Victor Atiyeh 51:06

They said, "Gee, must be a lot of pressure." No, the only pressure he would put... the only one who put pressure on me is me. Nobody can put pressure on me. I have, and if I think I'm doing the right thing, I don't. I said to our staff during the campaign, and while we closed it, I said, Well, I guess we just couldn't lose the county, but we did the right thing. As it turned out, that year was Ted's year.

James Moore 51:43

So, you won the county. What counties did you lose that year? Did you lose any?

Victor Atiyeh 51:48

I know I got every...

James Moore 51:49

Got every single one of them.

I lost with Clay Myers, I lost two counties, yeah, but one of them was... was it Curry County? Brookings? I think so.

Victor Atiyeh 52:04

I'd been campaigning, campaigning, campaigning, my first go around now, and my co-chair, manager, a lady that had been with me all from day one, You got to go down the Zaga fest in March. I'm turning, of course, I know diagonally, that's long and oh no. You really got to go, oh no. She finally gave in, and I lost Curry County. Never missed the [unintelligible]. This is one of those things that had we left...well, both of us left...I'll tell you, this is a young show that doesn't have a tape to worry about it. She worked on a deal, or she's going to have a kind of a reception right across the street from my office. One block is a park. And so she went through the [unintelligible] and talked to the city folks and all that. And so she's setting up on that day, and all of a sudden, some other people started coming, and she got kind of angry. "What are you doing? We signed up for this." Well, one of the trailblazers is coming, but they gave it the name, I'll think of it in a minute. And she said, "What's he running for?" And now, what else you have about?

James Moore 53:36

Well, when you did your talks with Clark, you generally went for an hour, hour and a half, we've gone for about an hour. So you want to keep going for...?

Victor Atiyeh 54:18

Sure.

James Moore 54:18

Okay, great. Just want to make sure here, let's get into things that I'm going to be spending a lot of time looking at in your governorship. I want to do for your governorship the overall you know what it was like to be governor and things like that, but the big things to me that come out are things that people talk about all the time. So there's Rajneeshees,

there's the recession and things like that. But one thing, it appears to me, and in talking to you over the years, you share this opinion that you laid the groundwork for the rise of the high tech industry. That change in Oregon's economy from being a timber based economy to being not quite high tech based, but certainly a broader, more diverse economy. Tell me about the thinking behind that. Was that driven by the recession? Was it ideas that you had, for instance, looking at tax bases? Where did those ideas really kind of germinate for you? Well, and

Victor Atiyeh 55:25

It really wasn't a tool of a recession. We hadn't quite gotten there yet, but my first comment was, Oregon is open for business. Now I'm following up [Governor Tom McCall's slogan] "come visit, don't stay." And I heard that in Saudi Arabia, for God's sake. But anyway, I'm trying to change the idea that we didn't want business. And so then being a retailer, we did business with people that come and they didn't want us to sell their carpet. And those that came fairly frequently, we would buy theirs. But if somebody came once, we probably never buy, it's just by constant contact. So I decided, well, I've got to go out and talk with it, but also, being a retailer, where's our best market? I'm not going to go somewhere that is not a good market. California was Santa Clara Valley, and they were having a problem with personnel. People were robbing their people back and forth, and Japan, also Taiwan and Korea. And so I said, "Okay, let's go talk to those folks." So when I first went, they knew I was governor, they took good care of me, but they didn't know where Oregon was, but the unitary -- they would call it unitary tax -- it's a system within our art tax. And they would not do business with any state that had that. So, well, I said "We got to do something about that." So the whole idea was, "I know that we need capital investment and creation of jobs for people." Not that we're getting shot dead in the timber industry, but we want to diversify our economy. That's what I was working on. Fortunately, we kept some of our timber industry, but that was mostly ruined by the people that don't want you to touch a tree. And is that the joke on that one is about, if it takes a young couple of great babies in the backseat of a Volkswagen and an open air moving, why does it take 2000 acres for Spotted Owl to do the same thing? But the point was we not... we set up so that we were a good state to do business in. There was a feeling, a negative feeling among people about Oregon inferiority. For example, I went back to the Midwest, when they were going to come up with the new brand new car. They had their criteria. This was going to be the greatest thing in their little factory. They started a new car. So I went back there, came back and had my media availability. "Why'd you go?" I'm saying, "Why you ask a question like that? Why shouldn't I go? Oregon is as good a place to build that car as anywhere else." In other words, an inferiority complex, and you aren't going to get it anyway. You're not going to get it if you don't go. So there was that. We had to adjust the mental state, and we were really sort of tucked in ourselves. "Where's Oregon?" "Well, it's between Washington and California." What governor of Oregon wants to say that? But as soon as we eliminated the unitary system, bingo. "Where's Oregon?" And of course, the [unintelligible] advisors had to find out about Oregon, and Oregon immediately became known in the [unintelligible], which is the major business association, and NEC was the first one, and even before we repealed it. And it's just that, you know, we had all the good things, but they didn't lock our tax, we had transportation, we had work, loyal workforce. We had a lot of good stuff, good land, good power, but we had the unitary system. So, as I told those, Jim, it was a matter not really of protecting ourselves because of timber, it was a matter of diversifying our economy. And being a businessman, I was using my practices, I went and called on, I got to know them as a matter of fact, I still have dear friends, I mean, really good friends in Japan, Korea, and Taiwan. So, it was interesting when I went the first time in '79, I remember coming up out from getting her luggage, and the media was all there, and "What did you get? What did you get?" And I said, "It doesn't work that way." You know, they thought I went and got something and came back. I said "It didn't work that way," because I knew how it worked, but I knew that we had to diversify, and it was because of the timber industry. I use this example, and it was true, that whenever they were trying to cool down the economy, it would get too hot, so they raised interest rates. Then people would stop building. Then they wouldn't buy any lumber to build houses, and the term I used was, "when they cool the economy down, Oregon would get pneumonia." So I'm thinking of that, and the fact that there was a negative feeling, and a lot of it is mental stuff. When you talk to Denny, ask him about blowing up with a sign, he loves to talk about it. I was serious, I mean, I wanted to put dynamite... "Governor, that's I-5. You can't do that."

James Moore 1:02:58

Exactly. In your first trip to Asia as governor, what -- I mean, you're establishing relationships, that's clear -- but what products were you talking to them about? Was it we're going to change the unitary tax so NEC can come in and start building, or was it what we continue to hear when governors go, they really like our jam. Was it agricultural products? I

mean, how, in effect, what worked in terms of getting Oregon's name out there in those early, early conversations?

Victor Atiyeh 1:03:34

Basically, I'd weigh things. When I first went, I would visit those that are doing business now, people buying our wheat, buying our... that was historic. That goes back to 1900 or something

James Moore 1:03:52

So, a lot of that's agricultural stuff.

Victor Atiyeh 1:03:55

We went there and talked to them, but at the same time, we thought, okay, but high tech really is somewhere. So we started to talk to high tech, and pretty soon we would visit the flower makers and the lumber yards and but we would spend a lot of time with the high tech folks, as I told you, and NEC was the first and then we had Fujitsu, two Fujitsus, and then Sony Epson, Sony Epson. Now there's more than that, and I knew that once we get that happening, they would be hiring... buildings built and hiring Oregonians. We've been doing the business for them since, I don't know when. I know that they were a market. We recognized term [unintelligible]. Japan was identified.

James Moore 1:05:04

People don't really understand. Oregon's economy has always been a Pacific economy, and sometimes Europe pops up, but it's too far away.

Victor Atiyeh 1:05:13

We had business with them, but it was always natural resource. Wheat, logs, lumber. I'll tell you one story. I went to a medium sized sawmill in Japan. Now, when I say that, they employed 33 people. That was a medium size. Most of them were mom and pop sawmills, and so, as you know, getting out of the car and going to the mill, you go to the office and drink tea and do all that sort of thing. And the number one guy said, "And that young man over there spent five years in Oregon!" "Oh, isn't that wonderful." So anyway, we went through the mill, and then I had TV with me, and so they wanted to interview the number one guy. So while interviewing the number one guy, talking to this young fellow, "Oh, he spent time in Oregon?" "Yeah." "Well what did you do there?" He said, "Well, I was buying rugs." Well, that's my business. What he was telling me, he was buying logs... rugs.

James Moore 1:06:38

Oh, there you are.

Victor Atiyeh 1:06:42

Yeah I finally got him. He was buying rugs, and we didn't follow up that one.

James Moore 1:06:54

Yeah, I can imagine. Another kind of... attached to this, HP came into Benton County in '76-ish, '75-ish, and kind of started, you know, the high tech boom here. I was growing up in Medford, and Medford was vying with Boise to be the next one, and Boise went out. But you know, how much of a role did HP play in saying to the kind of the new high tech world, Oregon's a place you can come and do business and then work on the unitary tax and things like that. But was HP seen... you know, from your point of view, did it make it easier to talk to people?

Victor Atiyeh 1:07:40

They were a magnet. Tektronix was a bigger magnet. Tektronix, as a matter of fact, had a joint venture with Sony in Japan, and so we had those little things. And NEC, I mentioned them before, they came to Oregon before I repealed the unitary tax. They trusted me. I had a meeting with them, and they would talk to me, and I said, "Well, what we can do, I plan to move to get rid of it, but in the meantime, you can escape it for three years, and we work it out with the Department of Revenue, legally, while I'm getting this job done." So before I repealed it, they announced that, so it was even a bigger announcement, because they were one of the big companies, and they came and for the first time, built a building, and hired Oregonians. And up to that point, they would buy our natural resources. And when they kind of follow one after another. The governor of Missouri, I can remember him driving up to the hotel. He was there again, driving up at the same time. I just had an announcement from Fujitsu, other two things, and he was saying, hey, leave something to me. And I think my personal character helped. I was not a... I realized that these people had families, they had desires, they wanted a living, they wanted children, and they were human, just like me. People were scared about foreign ventures, and I said, "Hey, they're wondering about shaking hands or bowing. What's the worry? If they bow, I bow, if they put their hand out, they shake hands. I'll let them be the one that tells me what to do." And then, "You have to eat all the food that they carry or they'll be offended." Baloney. I don't eat everything at home. Why would I eat everything going back in Japan? So, I was flexible. Just another human being among human beings. Yeah, there's cultural differences, but that's the way it is. So, I think they also began to trust me, and what I would tell them was correct, good labor force, oil, and good power, all the things that you use and they liked it over here. But now we talk about something specific, high tech. But what I'm saying is that I'm a businessman. I was in the rug business, but I kind of consider myself a [unintelligible], in the sense that I had to have a large company who will come in and hire people who will build houses, who will buy cars, and so the small business people depend on the big companies, and it began to work, and it continues to work and is treated well. Japan's editor up and down, like we have with that period, but it's been similar if you look at Kia and Hyundai from Korea and their automobiles. Taiwan still is a place that makes things. There was a mad rush toward China, I'm not a fan of that, I don't dislike the people, I just thought that... I think they're more interested in getting our technology, and once they've got it, then goodbye.

James Moore 1:12:56

It's also a sense that China's economy is so big and their interests are so global, a place like Oregon would just get lost unless we have something... and the closest that we have is a lot of Intel chips, which, quite frankly, can be built anywhere, so.

Victor Atiyeh 1:13:12

China's not going to come to Oregon to do anything like Japan did, or Korea imported our cars and that to our port. All in all, it worked well, as I say, it's just a matter of being a human right. Tell you a quick story. I went there after I was elected, I made very dear close friendship with the [unintelligible] of Fuji Television. He's a top man, and we are, I mean, really close personal friends. And I went there after I was elected. And I had two or three days where I didn't have any evening deals, appointments. On a Friday, we went and had dinner with the folks, very fancy place. I remember they had gozen, and we were chatting before dinner, and I said, "You know, it's been kind of easy. I didn't have anything for two, three nights, and I'd cross over from the hotel to this district, and then Japan, as you probably know, there's always these little shops." "Oh, you shouldn't do that. You know, the woman will come by and propose to you." I said to them, "God, I wish you hadn't told me that I was there three times and no one would ever approach me," and we laughed about that. I didn't want to hear that, so I made some good friends, but it's just been... my successor, I went with him on the first trip. That was more generous than he would have ever been. I wanted, however, thinking about Oregon, to introduce the new governors to their peer continuity. That was not his character, "How's this going to help me?" And they wondered, "Why are you doing that?" Because I want to continue this. I don't want to have a break, and I want them to meet you, and I want to be there to do that, but he was too much. "How's it going to help me?" He did several openings, but these are all kind of in line, coming and following on that there was not the same urgent feeling that I had about reaching out. We were very provincial, my goodness, we were provincial. And as I told you, we're kind of... no doubt about it, our state, you know not being one of the biggest states, but when I left office, when I started, we were competing against Washington, California, New Mexico, Arizona, Colorado... we were competing against them. When we left office eight years later, they were competing against us, and so we had turned things around. We became as provincial, and that helped us. Can you imagine if we hadn't done that? With the timber industry as the one thing to hang on to?

James Moore 1:17:23

Like West Virginia and the coal industry. It would just be awful.

Victor Atiyeh 1:17:29

So... now what?

James Moore 1:17:35

Sticking kind of on this topic, but after you leave office. 20 years ago, NAFTA went into effect 20 years ago. And when that happened, one thing, once again, people in Oregon just don't understand these things. But before that, Japan, Taiwan, Korea, in some order, were our number one trading partners. But after that, Canada and Mexico become our number one trading partners, and those three shift to be number 3, 4, 5, 6. In your role as an international business consultant, did you see that happening? Did you shift so that you were talking to more Canadians and Mexicans? How did that work? You know, in from your office over the rug shop there, as you were looking at the world.

Victor Atiyeh 1:18:31

Let me go to Greenbrier, instead of a small retail shop. I was on the board. We have operations in Mexico. Now, some of them would say that shift jobs, we did create some new -- new for us, that is -- cars, tankers, for example, in Mexico, and we were able to begin competing in that area. It wasn't a matter about shipping jobs overseas as the term they use. It was just part of the measure of getting into a market and being able to be successful in it. We're over in Europe and Poland. We have manufacturing again. What I'm saying here, Jim, is even to understand, Greenbrier, we're not doing that to avoid something. We're doing that in order to compete, in Europe, in Mexico, as well as America, and so we're doing things that make us compete. Shipping jobs, for example, I can understand in the sense that it's the company that sells candy bars. But they can buy a candy bar made in Japan for a nickel that costs Americans six or seven cents. How are you going to compete? So, you don't make your candy bar in Japan, and that keeps the companies growing. So, the thing has got to be shipping jobs overseas. "Boo!" It's all part of the economy, of keeping business going. Business. That's a term that's... business is a nonentity. There's no such thing as a business. What there is are people working in a building, and, you know, it's not the business. When we're talking about business, we're talking about jobs, that's what we're talking about. What's a corporation? The corporation, that's nothing. It's just, you know, it's there to cross down the company, but it's not something. It's the people that are working it. I brought that to the legislature, I believe there needs to be more of it, but there's a competition that's hard to beat. Kind of like me, I had two brothers, so I could go campaign, but it would be tough. But when I go at night, and I try to cut into my work part as much as possible, but there are some, a whole lot of people who have no job, they can campaign all day, every day, and I can campaign at night, and maybe on a weekend. And I'm talking me, a guy like me, and so it's hard to get this experience into our legislature, that becomes difficult. The single-member district was not good. When I represented Washington County, I was urban and rural, and so my interests were both single member districts. I never thought that way, because my friends were over there, right? But that guy's rural and urban, and that firms up as he goes on. And so you've got these beholden specific areas. And so single-member district was not good. Sounds good, but it's not good.

James Moore 1:18:31

Yeah, people don't remember. Well, it's up beyond people's memory now, but there used to be states that had multiple member congressional districts. The single state would be a district, and they would then elect their five, it would all go... the downside is, they can all live within one block, but the upside is that they represent everybody.

Victor Atiyeh 1:24:10

Yeah, in Washington County we had two and a half representatives, shared with Yamhill County. So we had half, one from... represented half. Yeah, half Yamhill, half Washington and then two full time. We used to tabulate elections with adding machines in the courthouse, and I remember that. And now you stay there a second, because I want to show you

this three ring binder that... you're going to get it. I've saved stuff, all kinds, but there's one thing I want to show you, okay, I made it. This book is the things that I've saved. There are some jokes, some philosophy, so many kinds of things. But, in light of our conversation, an ounce of pretension is worth a pound of manure. Well, we have something...

James Moore 1:26:37

To tell you, as I've been thinking about how the book will eventually be organized and look, I've been toying with using little things from this as epigrams at the beginning of a chapter.

Victor Atiyeh 1:26:51

That'd be great. This one is another one. You wouldn't know her, but her husband is a senator I know very well. He was very well known, nice guy. I like him. She went to work for my successor. A few months after I saw her, she said, "This job is tougher than you made it look." That's a particularly...

James Moore 1:27:41

That's a very telling and wonderful...

But there was another one, another speech that I'm thinking, if I can find it.

Victor Atiyeh 1:28:02

You see, there's all kinds of stuff. Some are philosophical, some are funny, funny, and my buddy said, "Nobody understands our sense of humor." I found out after he passed away, and my golly he was right. We used to laugh at each others' jokes. Anyway, it was 1985, and I said that if we don't do something about property taxes, well, worst thing, hardest thing, I remember...

James Moore 1:28:52

Because '85, that's when we kind of had the series of what eventually became measure fives. They were talking about them, they begin to hit the ballots, and those things.

Victor Atiyeh 1:29:05

This one looks like [unintelligible], and I've got things that really bring things to... it says that the US tax revenue was 2,170,000,000,000. The budget was 3 trillion. The debt is 1,600,000,000,000, but then it said, let's take all those away. And so the family income is 21,700, and then it gets down to here. And here's another way to look at the debt ceiling: let's say you come home from work and find there's been a sewer back up in your neighborhood, and your room has sewerage all the way up to your ceiling. What do you think you should do, raise the ceiling or pump out the crap? Things of that kind. There's a quote, last time I was looking for him with Marie and 10 minutes after she left it on it. But it basically said, If you don't do something, Oregon will go through the terrible -- this is 1984 -- and it came out that way. This story, maybe you are dedicated. I told the legislature, if you don't do something about property taxes, I'll call you back this special session. They didn't, and I did, and so I'm sitting in the conference room with Ed Fadeley, a senate president... and Eugene... anyway, the Speaker of the House, and then the Republicans, and we'd sit there in the conference room, and Ed was just determined to screw it up. So then we would adjourn, and I'd go out, and you know the situation in the conference room and reception, and the media is all in the reception. I don't have anything to tell you. We had to have another meeting. This happened three times. So the third time I just had it. I knew what Ed was doing, and I said, "Usually you try to agree on something before you..." I said, "I don't care. I'm going to go out there and tell the media what I think should happen. I'm all through talking about trying to negotiate with him, I'm finished." I walk out there and there's nothing. Now, I've got something to say. And there was some controversy downstairs, and then he said, "I went up there and he whispered that the governor has him." And pretty soon, they're quietly backing up, and the senators are watching this. "The media's not meeting." They actually adjourned the meeting because there was no media

there. "Did he? I got something to say!" The quote itself is in here. This, actually, I don't know why I did, just some of the things that appealed to me, and I started to say that it has got to be quite a thing. And there are some jokes that it wouldn't take too much editing. I did a little.. well I say that, you know, there's some off call or something, but I tell dirty stories. What the hell?

James Moore 1:33:46

You're an honorary caveman. That's what they do.

Victor Atiyeh 1:33:51

Now Jim, what do you want?

James Moore 1:33:53

Well, why don't we stop there for today? There's a lot of stuff. And do you want to plan for a next meeting, or do you want to wait until after the first of the year to just kind of peg that down?

Victor Atiyeh 1:34:10

Whatever you want?

James Moore 1:34:11

Okay.

Victor Atiyeh 1:34:12

And I'm pleased that we're finally getting off. Oh, I would hope that Margie gets some attention.

James Moore 1:34:24

Yeah, Gerry is... doing whatever Gerry's doing on that. And I don't know, I mean, all I hear through Denny is kind of what they're doing. I would love to, you know, if Margie has got interviews and things like that, I have no ego in this at all. I would love to be able to involve her.

Victor Atiyeh 1:34:52

She wanted to, and came to me first, but got busy doing something else, and we wasted about six, seven years. Well, however it works. You're the author, and I'm glad of it. Has she given you any of them?

James Moore 1:35:18

No, she was at the party that we had, but I haven't seen either her or...

Victor Atiyeh 1:35:28

I've got to call her then, because I'll tell her that you are doing it and you're getting going. And she said that she was going to type it up and send it over. And did you get the list of who she...?

James Moore 1:35:44

No, I have none of that.

Victor Atiyeh 1:35:45

I'll have it of who she interviewed.

James Moore 1:35:54

Good.

Victor Atiyeh 1:35:57

There used to be a time I could get up and get it right away, but I'll get it and send it to you. I need your phone number and your email or whatever. Are you going to be working in the school or outside the school?

James Moore 1:36:19

I'll be working both. I'll give youâ€¦ I got cards for both home and in school. That works out.

Victor Atiyeh 1:36:29

But I will leave you alone because you are the author.

James Moore 1:36:53

The blue one is my home stuff, and then the white one is Pacific, so it has got everything.

Victor Atiyeh 1:37:05

Uh, let me get...