

Bill Gary Interview on Governor Vic Atiyeh

An interview of Bill Gary on the topic of Oregon Governor Vic Atiyeh and the Rajneesh Crisis, recorded on June 14, 2016. Gary was a Solicitor General and later, Assistant Attorney General for the State of Oregon during Atiyeh's governorship. The interviewer, James Moore, was as professor of political science at Pacific University and was Atiyeh's biographer.

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.

James Moore 0:00

Right when I interviewed Denny Miles, he's always the one who says, Is that thing off yet? Because he's the old press guy.

Bill Gary 0:08

I'll try to keep my profanity to a minimum. It's

James Moore 0:10

no no, no problem. Geez, I've heard all sorts of fun things. I'm going to talk to you about the rajneeshees, but there's things about the rajneeshees,

you know, Gerry Thompson's husband's ex wife was there. She was a Rajneeshee. Oh, really, yes. And so, you know, those kinds of things kind of are in there, and they're, it's not relevant to my book at all. But, someday somebody will go through and there it'll be. Everybody will be gone by that point. But, you know,

Bill Gary 0:47

the interesting thing about that experience, from my perspective, as we were living through it, I like, I think most of the government officials that I worked with thought, this is truly extraordinary. This is, you know, a once in a lifetime thing, and people will everywhere I went, people wanted to talk about the rajneeshees, yeah, today, there's a whole generation of people who've never heard of them don't know the story, and including my children, you know, who know it only because of me. And it's interesting how quickly the water washes away the edifices that we are thinking are going to last forever, ever.

James Moore 1:35

We find that with our workers in the archives, the student workers are going through stuff. For instance, Bob Oliver gave us all his stuff, not Jerry. I have Jerry's stuff, but she hasn't decided if she's going to give it to us or not. But I have it for the for the book, but they're just going through this. And there's they've never heard of them, and they're just stunned at all this stuff, you know, this community that came up, and then all the ins and outs and all those things. It's just amazing, just amazing. So let's start out, tell me about how you went to work in the Attorney General's office.

Bill Gary 2:16

I came to I went to law school in California, gone to the University of Oregon, undergrad, and I met my wife while at Oregon,

and she was a New Yorker, but we both ended up in Oregon, and after law school, she said, I'll make you a deal. You can take any job you want, as long as it's in Oregon. And so I took an appellate clerkship, and I did that for a couple of years, and when my clerkship was over and the judge was kind of kicking me out of the nest, I decided I want to go

someplace where I can learn how to try cases. And the AGs office told me that I'd try my first case the first month I was there. And it was true. I actually tried my first case on the Friday of the first week that I was there. And

when I

when I accepted the offer. The only thing that I wanted to negotiate on was Mark Nelson, who was the AGs executive assistant at the time, said, We want you to make a three year commitment. And I said, I can't do that. I'm only willing to give you a two year commitment. They, they settled for that, and I left the AGs office 12 years later.

James Moore 3:50

So who was the Ag when you started?

Bill Gary 3:53

Jim Redden. Jim Redden, and he I was there for a year or two. I guess two years I came in 78 and then he got appointed to the federal bench, and the governor, Governor Tia, appointed Jim Brown as the attorney general. He had to appoint a Democrat, and he didn't want to give the Democrat an edge, so he appointed a career professional. Jim had been a district attorney in Corvallis, but then he went to the Appellate Division, and when he became Attorney General, his first, one of his first official acts was to relieve the Solicitor General of his responsibilities. And I was sitting in my little office one day, not yet 30 years old, and he came and knocked. On my door and said, Would you like to be Solicitor General for 18 months? And the deal was, I, you know, everybody in most of all me, understood that, that the new guy was going to choose his own Solicitor General. So I took it knowing it was a Yeah, up around kind of deal, and that's, that's how I became Solicitor General.

James Moore 5:33

So from wire comes in and decides to flee things the way they are. I mean,

Bill Gary 5:39

well, you know, it was more of a I mean, there was more involved than that. I had never met Dave Frohnmayer before he was elected, and a week or two after the election, I attended a meeting of the executive committee of the District Attorneys Association, and Dave came and took his bows with a group that was very supportive of him, and

the meeting was in the Department

of Justice Conference Room. So the meeting broke up about noon, and I went back into my office and and Dave followed me into my office, knocked on the door and introduced himself, and we shook hands, and he said, You have time to go to lunch? And I, without thinking, said, I No, no, I have a brief I've got it right. And so he looked a little shocked and said, Well, okay, and walked away. And I pounded my head against the desk, realizing that the guy that was going to decide my future had right. I just turned him down for a lunch invitation. We the other thing, and I wrote a law review article actually that kind of focused

on this,

right around the time that Dave was running the Federal Court issued a decision in a case called caps versus a TIA, which was a prison overcrowding case, and the judge, Judge Burns, ordered that the state release 750 inmates from Oregon State Prison and Oregon State Correctional Institute by the end of the year. By the end of 1980 Harle Haas, who was running against Dave, responded to that by saying, We've got to build more prisons. Dave responded to it by saying that decision is just flat wrong, and when I'm Attorney General, I'll appeal it and I'll get it reversed. So when he was the Ag elect, he was facing the fact that he made this commitment and the prisoners were going to be on the street before he ever took the oath of office. So he worked pretty closely with myself and and Jim mountain, who was my Deputy Solicitor in crafting the briefs and doing all of that, and it gave me an opportunity to work closely with the new guy, and gave him an opportunity to get comfortable with me. And so he decided to keep me around for a while. So

James Moore 8:19

did you ever have lunch?

Bill Gary 8:19

We had lunch many times,

but I never made up for that one. Yeah,

James Moore 8:27

yeah. So when you were in the AGs office, before from Meyer took office, what were your interactions with the governor's office?

Bill Gary 8:36

None, okay, I may have had contact with Bob Oliver or or Jerry. I don't think I had met the governor before

I was the solicitor, and,

James Moore 8:54

yeah, it would have been with Lee Johnson. Jerry didn't come in until the fall of 1981 that's right, that's right. So I'd forgotten about Lee the former Attorney General, right? I did have

Bill Gary 9:03

dealings with Lee Johnson. Now that you mentioned it, because I had never, obviously not worked with him when he was the AG, right? He was kind of a legendary figure in government circles, having significantly reorganized the AGs office when he did so I don't think I met Governor Attia until

1982

James Moore 9:29

okay, okay, it would have been

Bill Gary 9:31

in connection with the prison overcrowding. Yeah, cases, yeah.

James Moore 9:38

When do you recall that the rajneeshees first came to your attention. They're here kind of late summer of 81 they're buying property 1000 friends of Oregon fairly quickly. Says land use, right? And there's all sorts of things going on there. And I've got a TIA would have weekly meetings of his department heads and. Yes, the others. And fairly quickly, somebody said, Hey, there's this thing going on out there that we need to pay attention to. Nobody knew what to do with it or what it really was. But when, when, when do you kind of recall it getting on your radar? Well, I think I

Bill Gary 10:15

was kind of generally aware of the fact that there was this group that had come to Oregon from media reports before it ever became anything involving my work.

The first time I

remember really honing in on the incredible array of issues that had to be addressed with respect to the rajneeshees was

probably

after Stan long came and became Dave's deputy, and Marla Ray was his press person and executive assistant, and we used to have, we called them Fallout drills. Every every morning the group, the AGs immediate staff, would get together. And sometimes as Solicitor, I would attend those meetings. And it seemed like every time I went to those meetings, Marla was giving an update on what it was like on the ground in Central Oregon, because her parents lived in gateway, and she was, you know, really wired into the Madras community, which was pretty impacted by then, and so

she would kind of report on what the word was that folks were talking about over there. And it became apparent very quickly that we had a very significant risk of conflict. I mean, armed people firing guns, because you had a very armed Rajneesh peace force, and you had farmers and ranchers who were not happy by having these folks in town. So I remember being very concerned, almost from the first time that I was aware that there were issues that this needed to be handled with some care, because it could get away from us. Yeah, yeah.

James Moore 12:37

As time went on, as you said there's just a whole host of issues going on. Do you remember any special things going the with the they had these summer festivals, which were big land use things, but also big coordination among different groups? I've got minutes from the meetings of the sheriff here, the sheriff there, the state police, you know, all these kinds of things. Do you remember your office being involved in those kinds of things? Yes,

Bill Gary 13:06

and

in about 1983

I became the deputy Ag, and at that point, I started attending the governor's weekly they call them cabinet meetings with his agency heads, yeah, and, and it seemed like just about every week the issue of the rajneeshees came up, and I was aware from that point forward about the increased security concerns when you brought 1000s of people to the site, and the fact that there were people claiming that that was itself illegal and so forth. It was right around that time that I remember being in a briefing with our criminal justice folks who were talking about tactical issues like the fact that rajneeshpuram was a kind of a box canyon, and they had to think in terms of, how can we go in and affect arrests or enforce search warrants if the time comes without putting a great many people's lives in peril, and anytime you add people to the mix, more people than you know, the concerns become that much greater. Yeah. So, yeah, yeah.

James Moore 14:30

It's interesting. By the end,

basically in kind of August, September, Sheila leaves in September of 85 the Bhagwan is finally arrested in October of 85 but the governor had the national guard with live ammunition doing maneuvers up on the rim rock and you know, just like just in case, what?

Bill Gary 14:59

Well and for probably 18 months before the thing kind of blew up

there,

really, from the date that that the Attorney General issued his opinion on the illegality of Rajneesh puram under the First Amendment. When, when that happened? And I don't remember the date it it just upped, escalated everything. They started deciding, well, then we've, you know, their land use efforts weren't going really well, and now they had this other threat that that they couldn't land use, regulate their way around and and we started seeing more desperation, like the, you know, bringing homeless people in to try to control the county and and their efforts to to poison residents to they were trying to kill them. They were trying to keep them from the from the polls so that they could dilute their vote of the non Raj nishis. And sometime in that area, we began to have twice daily telephone calls, and on the call, there was Jerry Thompson, Governor at the Dave me Charlie Turner, the US attorney and the head of the Oregon State Police. And it was that calls often would last no more than five minutes. It was just a touch base. Anybody have anything they need to report? Yeah, but there was the level of concern was so great for quite a number of months that it seemed from where I sat pretty all consuming and you know, I wasn't the one that was going to make the call to send the National Guard in,

but it nevertheless was a

James Moore 17:16

pretty heavy duty time. Yeah, as you're going through this, I mean, you're in the AGs office, which is an independent elected body of Oregon, and then there's the governor's office, an independently elected thing. How does that work? Are you guys coming up with your own strategies and then talking about them with the governors? Is the governor kind of saying, let's do this, and you're working within that framework. I mean, how does that come together? As you're thinking about it, we had

Bill Gary 17:48

different roles, and I think I learned a lot about how attorneys ought to interact with their clients by watching Dave and Vic in their respective roles, both were very respectful of the other's authority, and it's a little different. The arrangement in the AGs office is different than in private practice, because all of my clients can decide today that they don't like me or they don't like the advice I'm giving them, and go get different lawyers. The governor and his agency heads didn't have that choice. They were stuck with the Attorney General, and so we recognized, and I think the governor recognized, that he was responsible for public policy and we were responsible the Ag was responsible for legal policy. And that's a really blurry line. Nobody would anybody that tells you that they can draw make the distinction between the two with any consistency is just not being honest. But it was a it was a pretty good guideline, and we were involved in literally dozens of issues where agencies were asking us pretty complicated legal questions. And it wasn't just the governor, the Secretary of State, Norma Paulus, had to deal with all of the election issues. And we had an entire task force of assistant AGS who were working on dealing with, you know, questions of, how you how do you deal with these homeless people that are trying, they're trying to get registered to vote, and

just an incredible array of issues

in that regard. And we had questions from the state police and and the. The Board of police standards and trainings about certification of their peace officers.

James Moore 20:05

Take out your letter on that right here. Oh, really, yes,

Bill Gary 20:10

education, we worked with Vern Duncan, who was the

superintendent of public instruction, and like Norma, a separately elected

James Moore 20:19

official, true letter to the Chief

of Police of Portland, saying, So, what's the deal with the Peace force, and how do we get them in and or deal with them and all that stuff. Yeah,

Bill Gary 20:31

yeah. So there was a lot of that stuff, yeah, that the governor's office just never really got involved in. It was handled more at the agency had Yeah, and where the governor, of course, we, we didn't ask him if he thought our opinion on the on the church, state issue was right, but we sure made sure that he was in the loop. Yeah.

James Moore 20:56

He wrote a letter to you, like the day he got it, saying, Go, yeah, yeah, yeah. Do you remember the genesis of that letter, that opinion?

Bill Gary 21:07

Not really,

somebody asked for an opinion.

James Moore 21:12

Yeah. I don't even remember who it was. Sherry remembers there because there weren't you know, you had these meetings all the time, but she remembers in maybe August or September. There was just tossing around ideas, kind of thing. And it may come from ag side, people who were in a meeting, but then it turned into the opinion. So

Bill Gary 21:34

did you remember who the requester was? It might have been a state legislator.

James Moore 21:41

I don't, I don't, but

Bill Gary 21:43

I just don't remember how it came up. I spent quite a bit of time working on that opinion, and I handled the the case that we filed to to validate it, but I

just don't remember how it came up.

James Moore 22:01

Yeah, on the opinion itself and the repercussions of it. In fact, you spell it out right here in this letter about the peace force.

It's down at the

bottom here, you're talking about so should they, should they be going to the to the police academy and that kind of stuff the peace force, until the issue is finally resolved, we have endeavored so as far as possible to maintain the status quo with respect to all aspects of the community's legal status,

and yet, there's a decision to cut off funds to them.

Can you walk me through why that decision was made, even though all this was pending going through the courts and events. Well, let me this is, this is, this is guns and peace force training, right? So the paragraph I just read you starts on the previous page, and this is the end of it, right up here. I

Bill Gary 23:03

well,

I think that there were two

issues,

the when, when I said, maintain the status quo, and you can see it in there I'm talking about, don't go back and try to decertify people that you've certified. Don't try to collect money that has already been paid. That was a different question than should the government be writing a check, a new check, a new check, and it was our view that the Constitution was pretty clear that

James Moore 23:45

you couldn't have done there no money shall be Yeah,

Bill Gary 23:48

I mean, it's if the religion clauses of the Oregon Constitution are actually much more specific than the United States Constitution, particularly on the Establishment Clause side. And so we concluded that, you know, we our advice was, this city is unconstitutional. They're not entitled to share revenue. If we have our client give them a check, we are advising our client to violate that constitutional provision. On the other hand, we had it was Dave's judgment that we couldn't just issue the opinion and then sit back that it was a weighty enough matter, because it involved not only the Establishment Clause issue, but free exercise issues, we thought it was weighty enough that we needed to involve the

court, so we simultaneously announced, when we issued our opinion, that we were going to file a declaratory judgment action, and we did that fairly quickly and. Our view was they're free to go to the court and ask the court to order us to write a check if they you know, if we cut off their revenue sharing, and they think we're wrong, right? There's a procedure available to them, and that way, we are being consistent with our opinion in the advice that we give, and they can have it ask a judge to overrule us, which they never did, yeah, so that I that's the best I can piece.

James Moore 25:32

No, that's good. That's good because we have a almost immediate response. Well, as soon as they figure out, they ask for a check, and it doesn't come, yeah. And then Katie, the mayor, writes and says, but it says the court has to decide, or there has to be a law, and that hasn't happened. It's just an opinion. But this makes it very clear the way you were looking at it. So that's great. That's wonderful. You brought it up in the answer you just gave. The governor himself was really reticent to clamp down. A, because you have to see laws have been violated. And B, he was really conscious of religious freedom, kinds of issues, as well as what you started out with, the right to keep and bear arms, and there were a lot of guns driving around in pickup trucks. Were you in the in the AGs office? Were you looking at those kinds of things or taking them into account the religious freedom kinds of balances? Yeah,

Bill Gary 26:35
absolutely,

the folks in the AGs office that that were deeply involved in in these issues, I can say, with, without exception, for no animus toward rajneeshees and I think had varying opinions about, you know, what they thought about that community but But Dave was always focused on that balance between the government's strict neutrality in the face of religious diversity and the right of anyone to pursue really diverse or even bizarre religious practices, so long as it wasn't requiring that the government provide support for it. So we were all about, you know, in fact, I worried a lot when we were drafting the the Church State opinion. And I think the opinion discusses it that if, if it was true, as 1000 friends contended that they couldn't have a commune on the Big Muddy ranch because it you it needed to be incorporated as a city. And if we were right that they couldn't incorporate it as a city because it violated the Constitution, then it seemed to me, maybe they could argue that they were entitled, under the Free Exercise Clause, to be exempted from the application of the land use law that required them to be a city. And

the way the case unfolded,

those issues never got resolved, because shortly after judge fry issued her decision upholding the AGs opinion, the whole thing unraveled, and it was gone six months later.

James Moore 28:46
Yeah, yeah.

It's interesting. When I talked to Bob Oliver and was pressing him on this, because he wrote similar to you guys, he was writing saying, well, police forces can have heavy weaponry. They have a lot more than even the City of Portland, but it's well within at the same time as funds were being prevented from going there. And the way he viewed it was that even if it's a church, churches have the right to keep them rear arms as well as anybody else, and becomes an issue of So are they a city? So can they have these types of weapons or not? But for him, it was an open question, and the guns were a different thing than the funding, because he was understanding it,

Bill Gary 29:32

sure and and, you know, the Second Amendment, state of law on the Second Amendment was different back then than it is today. I don't know that their possession of semi automatic weapons today would have been viewed as a question of, well, are they a valid race force? They could have just been a group of concerned citizens and. You know, a lot of people would say, well, they have perfect right to carry those guns and more. But I remember Bob being particularly sensitive to protecting the rights of the rajneeshees and and in any meeting if someone was going to push back on some planned action or refusal to act, it was likely going to be Bob just asking the questions, are we sure that we're not trampling on minority rights

James Moore 30:37
here? Right? Right?

In the fall of 1984

there is

kind of a come to Jesus meeting where Jerry has all the state heads. You're there. Dave from Meyer, is there? Norm? Is there all the federal people, and they all meet over in the AGs conference room so that people don't see them wandering around the Capitol building. And in that meeting, she says that she yelled, I don't know if she did or not, but she made it really clear that, especially on the feds, they needed to be reporting what was going on, so that there was a central clearing house about what was happening, about the Russian issues. Do you remember that meeting,

Bill Gary 31:29

not specifically, but that, I mean, I don't doubt that that happened. Jerry in particular, was, I think, tasked by the governor with trying to make sure that there was good coordination. She was frequently would check in with me and Dave, just to say, you know, do you know what Charlie's up to? And I think there was a lot of concern. I mean, there always are turf issues between the feds and the state, yeah. But in this in particular, you know, if you think about it, the we wanted to make sure that that the US Attorney didn't execute a raid, and we read about it in the paper, because I think all of us felt a great sense of responsibility to to the state, to try to do our best to make this turn out right, and that requires control, yeah, and I think it may well be that that meeting that you describe was what gave rise to the twice daily conference calls that I described.

James Moore 32:45

Yeah, it sounds like it sounds like it.

Were you involved in giving any opinions or talking to the state police about their infiltration efforts in getting people into the Rajneesh forum? I quorum. Not that I recall, okay, because they had an official post, but they also had people who were scattered hither that they're in yon there. I don't remember that. Okay, one of the issues that came up is when, especially this meeting with the feds, and then other meetings that came afterwards, it's clear that that different fed groups said, Well, if only we were in there. They weren't doing any of that with the State Police. Got an order fairly early, January, 82 as far as we can tell, a TIA said, Get in there. Interesting. So

Bill Gary 33:40

they, I mean, I may have known that and forgotten, but if I didn't know it, it is a good indication of how closely that information was held. Yeah? Because I would have assumed that I would know that. Yeah, yeah,

James Moore 33:59

it. Jerry knew it was happening, but didn't know anybody who was involved. There's a crucial meeting between Jerry and Sheila. It's the only time they meet, and they set it up up here in the state building. And so it's kind of late ish at night, and so Jerry is driven up by General Miller, and space on his name the head of the State Police mentioned earlier and a driver as they're pulling out of the Capitol. In the car, this car stops, the window rolls down. Williams is the guy, and Williams, this homeless guy, comes up and asks for a cigarette,

and Williams gives him a cigarette

and rolls the window up, and cherry said, What on earth was that? And it was one of their inside people from rajneeshpuram who was passing along the latest information. They're just like, this is just. I have a friend who was a long time station head in the CIA, and I told him that he said they read our playbook. That's funny. It's just just amazing stuff there. As the rajneeshees came to an end, did the tensions hit you guys, aside from the the bi weekly phone calls, one thing that's that's happening during this time. So we're into 84 and 85 and this hits Jerry really hard. This is when the governor decides that he needs to go find business all over the world. So he's traveling a lot. Yeah, and there's he and Jerry decided that one of them always had to be in Salem because of the Raj nishi's. So actually, she took one of the international trips and went to Taiwan, but he was traveling a lot, and so she's the internal pressure on her was just

getting immense,

Bill Gary 35:59

yeah. Well, that was a very tense time for for all of us, I think.

I mean, I vividly recall

getting a phone call from Jerry 11 o'clock one night, and she said, you need and she woke me up, and she said, You need to get on a call right now. The Raj nishi's are have several fans full of homeless people, and they are dropping them off in the dowels, and they are flashing automatic weapons. Yes,

James Moore 36:40

indeed, and I

Bill Gary 36:45

and we got on the phone and talked about, you know what, what to do. But there were, there were more than a few of those kinds of late night calls. The other thing that is not, I don't you probably know it. You've done your homework, obviously, but we had some pretty high level settlement talks with the rajneeshees Around this time, and in particular, ironically, there was a meeting that was held in the governor's conference room

with

JD and Swami Prem nurem, who was their chief lawyer, and jayananda, who was Sheila's husband, right, and always had a kind of a I was never quite sure what his status in the organization was, and

what they wanted was

to find a way that would satisfy us, that they could continue to have their commune and not violate the Establishment Clause.

And I remember

walking in and they, you know, we did all the pleasantries and everything. And for some of these folks, like NIR en, you know, I'd seen him in court maybe once or twice, and had communications with him, but we never had face to face meetings. And so there was a fair amount of pleasantries exchanged and getting to know each other. And then they said, Okay, let's cut to the chase. What do you need? What do we need to do to get you into this car today? And I said, you have to really, truly, actually give up control of the government. And there was a long silence, and jayananda said that can never happen. And that was the end of the discussion around that time. And this was, you know, I don't the times get foggy in my head, but that's a four year period as well. So yeah, it was, it was right around this time that we were getting ready to go argue the Church State case before Judge fry. And I think they had figured out that they were in trouble in that case, and and there was all this stuff swirling around, and all of a sudden, Sheila was much more visible in Portland and was on the television a lot more. And I think we know now that she was facing some significant internal dissent, but at the time, we didn't know what was going on. We just knew that the temperature was rising, and I went and argued the case before Judge fry, and we got a ruling immediately. And after the hearing, I was packing up my bags, and I had a big banker's briefcase with all my files, and as I was walking out the door, Sheila came running over and said, Oh, Mr. Gary, let me hold the door for you. And she opened the door, and I walked through it, and she stuck her foot out, and I tripped and fell flat on my face, which caused all of the rajneeshees that were there, and there were a lot of them to just burst out into laughter. And

I remember walking out saying, I've

probably fallen on my face in court many times, but that's the first time it's ever actually been literally true. It's

James Moore 41:01

just wild.

Bill Gary 41:03

Yeah, it was something. It was something. And, you know, I thought, well, that's just the way government work is. It's always like, exactly,

James Moore 41:11

exactly, yeah, most of Vic's

legislative career, there's some fun things in there, but it's taxes, and then when he's governor in the recession hits, it's taxes. Again. It's like, you know, how do I make this so that it's interesting? And my readers have actually said that I like the tax part the best. It's like, I think you're insane, but whatever. But, yeah, then you get this stuff that,

Bill Gary 41:36

let me just say, about the taxes. You know, I was a Democrat, working for Republican, AG, representing a Republican governor, and again, back in those days, it didn't make perfect sense, yeah, but I watched Vic through three special sessions, each time needing to cut another 5% out of the budget, and it was cut after cut after cut, and he needed to raise the revenue, and he came up with the \$81 million transfer from safe, which set in motion an entire saga that went on for decades, but I still vividly remember him getting up in the special session. He was

James Moore 42:28

running for re election. Yeah, he was running for the end of a special session, in session in September of his re election. And

Bill Gary 42:34

Kulin goski was running around, you know, as Ted wood, being affable, and he came up to me and said, I don't really care. I just hope this session ends in the next hour.

James Moore 42:48

Exactly. Got things to do,

Bill Gary 42:51

but the governor got up and gave a speech, and he said, You know, I hear people say this is a terrible idea. I hear people say that it's not right, the you know, policy holders and blah de blah. And he, he said, and I agree, this is not a good option. My question to all of you is, what is a better option? It was the most, one of the most effective speeches I've ever heard by anybody. And it was, you know, very you could tell he was agonizing, because he was being forced to do things that went against his fundamental nature. You know, it was one of many reasons why I came to really admire the guy,

James Moore 43:43

yeah, when I was talking to Hardy Myers, who was Speaker

Hardy, I call it the safe race. Oh no, no. We don't talk about it in those terms. Everybody else does. And the fun part was one of the safe governors was Vic's re election. Roy Livermore, right? Who was the money guy for Vic in the re election, and he was ticked off, and then came back in the next day and said, Okay, what are we going to do to win this election?

Bill Gary 44:13

Yeah, it was. That was a very interesting saga. It's a little drier than Raj nishi's, but in some ways no less important.

James Moore 44:23

Well, it's going to be, I'm going to write a piece. I don't know what I'm going to do with it. We put it in the Oregonian, and three people will read it. But the IP 28 the gross receipts tax, is a version of what Vic said we should do in 1982 when he won re election, his was more on individual taxpayers and businesses, but it was the same idea. And his would

have raised \$1.5 billion in a biennium, which is in the same general areas the 5 billion that they're talking about with that 28 so it's, it's a it's just fascinating to see how all that politicized. And changes and moves around.

Bill Gary 45:01

Well, you know, one of the things that I have been struck by going back to those days, it's ironic, because I don't spend a lot of time thinking about them, except it with Dave's passing. Recently, I was asked to write a law review article, and so I delved into some of those things from the 80s and and now you and when we talk about, well, he proposed that they transfer \$81 million from the industrial accident fund to the general fund to avert a major budget crisis we had. We're facing a another 5% cut of the general fund budget. And he balanced the budget with \$81 million and it doesn't sound like very much money now. And when I was writing the article and talking about prison overcrowding, and I said, you know, there were going to be 750 inmates released on the streets. And I thought that doesn't sound like very much when you look at the prison population today. It was 30% of the total prison population at the time, yeah, and now we've got, I don't know, 10 times that many people incarcerated. It's remarkable, very different thing it was, it was when government was small and everybody knew everybody and yeah, and you could get things done, yeah.

James Moore 46:30

And one of the fascinating things is because Vic was in the middle of the revenue side. He never went to Ways and Means. He never spent the money in the legislature. He was raising it. That was where he would spend his time. But he was because he was in there from 59 until 78 the inflation years took off, and he his brain, never adjusted to inflation. And so he watched this huge increase from 70 until he became governor, the budget went from maybe three or \$400 million to like, \$1.7 billion and, yeah, there's a lot of increase there, but there's a huge inflation arc in it as well. And he, he never could get his head around that. In terms of how much legislators were paid to his dying days, they're making, they're making \$2,000 a month. You can live on \$2,000 a month. Who can? But it's just, it's just fascinating to get inside his head and look at that make those kinds of things. So other things while he's governor. Were you involved in the Monte Montgomery? Yes. Saying so, the way it's been told to me is not the details of what money did, but when I can't remember who came over, but came over and briefed Jerry. Jerry said, we have to talk to the governor. And so going into the governor, and the governor is eventually just putting his head in his hands and saying, that's not the money that I know.

Bill Gary 48:05

It was very painful for the governor, because they were close, and what Monty did was,

you know, he, he was,

he came very close to looking at prison time. In my view, it was, it was just a huge lapse of judgment on his part. And I worked with Stan long on the investigation and the whole associated Oregon loggers, the net result of which was we, you know, AOL had gone off and formed their own insurance company. And when it was all over, safe owned AOL insurance company, we just folded it in to safe. And the last act that I had with regard to that saga was Monty and AOL had an accountant by the name of Berkman. I think, I think it was Berkman, Barkman, B, A, r, k, m, a, n, and we concluded that Barkman was helping Murray, I mean, Monty, to do what he did, and so we sued him and safe. We tried the case. I ended up losing it on a nine to three vote by the jury. But it wasn't because they didn't think he had been guilty. That was because, as his lawyer told me, you you can never prove that anything an accountant does. Actually caused you to lose money, and was an important lesson for me. And I said, Well, that's crazy, of course you can. And he said, No, if you think about it, you know, if your accountant tells you that you don't have to pay taxes, and it turns out that you owe the taxes, then you owed the taxes. It's not, you know, you can argue about interest.

Monty Montgomery, that was,

that was an interesting one.

James Moore 50:30

Yeah, Monty was one of Vic's earliest friends in the legislature in 1959 there's a group of five of them. And then Bob Smith was elected the legislature in 61 they were called the Young Turks, yeah, and they made young governor. Hatfield was an honorary Young Turk as well. But Vic kept all of those little message pads that the legislators used to

communicate with each other. He kept all of them from his first two terms and Monty Montgomery is something of a sleazeball even then. And there's stories about him when he wouldn't, when Vic was governor, about him basically bragging that he can make the governor do whatever he wants. Yeah,

Bill Gary 51:18

I think he liked to throw that, you know, impressed people with his influence. My favorite Monty Montgomery story is that when he had succeeded in negotiating this contract between AOL and safe, he was the chair of the board at the time, and he came in to sign the contract. Came into the safe office, and he was wearing a to build baseball hat, and he put it on, and he said, I accept this contract on behalf of AOL. And he signed it. And then he turned his hat around and he said, I accept this contract on behalf of safe and he signed it. What a guy, yeah, what a guy, yeah. Well, you got to have some arrogance to think. You know, not only am I going to negotiate both sides of the agreement right, but I'm going to do it baldly. You can see my signature on both sides of the contract? Yeah, exactly.

James Moore 52:26

Let's finish up. You said on the phone that vickate Tia was your hero. Yeah. Why

Bill Gary 52:38

I would? It surprised me that that that's how I ended up feeling, because he was such a quiet, unassuming person, and yet he had a laser like ability to focus, and he understood that the role of the governor was to be a leader, not to be a manager. So I'll tell you one story. I had spent quite a bit of time working with some of my colleagues when I was the deputy on asbestos, and there was a huge problem with asbestos in the schools, and people were starting to bring lawsuits to force the states to do something About the fact that they had this dangerous environmental problem in the schools, and I ended up the AG, ended up recommending that the state bring some lawsuits to against Manville and some of the other big manufacturers, and it was a close call for me, and I was struggling with, do we spend limited state resources on something that is liable to end up being a dry hole, even if we win, because there may not be Any money there, or do we take the risk that we do nothing and then we are faulted for it? So I wrote a memo to the governor that laid out the options, and day or two later, I got a call from him, and he said, you know, he can keep me posted on this, but this is all I'm going to say.

Cover your ass best as you can.

James Moore 54:57

Oh, Victor, i. Yeah, indeed, yep. Well, great. Well, thank you very much. What a nice project. Yeah, it's a blast right now. I'm just, I just nailed down at like 1130 this morning. It was one of those things when you're doing research, you go, Yes, Victor and Tom McCall had a fraught relationship, but I'm finding things about the relationship that no one's ever heard before. McCall was actually not frequent, but an occasional dinner guest over at their house between when Victor was elected and 59 and McCall then went off to be the secretary of state. So they had a relationship that was not just a political relationship, but after the land use law SB 100 passed, both of them went back to Washington, DC, and on that trip, McCall, whose tax plan had just been defeated by the voters overwhelmingly.

McCall told Victor that he'd never liked him,

and Victor, Victor puts it into a context of Tom is Tom, and it does all sorts of wonderful things about Tom being Tom. But trying to figure out, so what was this meeting? Did it actually happen? You know, memories doing a project like this, memories are all over the place, and you got to figure out. So how do I figure this out? Making sense? So I found a a one paragraph piece in The Oregonian from May 1980 or 1973 saying, Governor goes to DC tomorrow to talk on land use at the Air and Space Museum. Okay, it's as good as anything. And so I follow it up, and lo and behold, doing some other things, I finally came across the registered guard had a reporter there. And so Lawrence Rockefeller was appointed by Nixon to have a National Commission on land use and urban planning, and they both were there talking before this group. And so the context works. It all works. I have the real story that's cool. Now we go off so it's just fun.

Well, thank you very, very much.

Bill Gary 57:20

Well, listen, if.