

Tape 9, Side 2

CH This is an interview with Governor Victor Atiyeh at his office in downtown Portland, Oregon. The interviewer, for the Oregon Historical Society, is Clark Hansen. The date is December 23, 1992, and this is Tape 9, Side 2.

In the last session we were talking about the '67 session, and I was asking you about your Education Committee assignment. Were there any issues or legislation that came out of the Education Committee that you're aware of that either you sponsored or that was significant in any way?

VA Not really I can recall, except you recall we talked about the trainable mentally retarded and that I really was responsible for holding that up that '65 session, so we had a study, and a report came back, and we did then come up with what I thought was a very fine solution to the trainable mentally retarded by waiting two years. So that happened in '67. I can't recall what year. I don't know if it was that year. During my period as a committee member on education we had - numerous times we went through new basic school formulas, but I don't know if that was that session or a later one.

CH Well, you were also on the Taxation Committee, and you were vice chair that year. As vice chair, do you really have any role to play while the chairman is still there? It's only when he's gone, isn't that right?

VA Yeah - no. It's just a title, and particularly if you're a minority member and you're vice chair. That's even more of a title. You know, if the chairman isn't there, you're chairman and you can have the full responsibility of a chairman. But with only one exception, and, again, I can't recall which year, you know, the committee doesn't really do anything the chairman doesn't want done.

CH Well, there were a number of distinguished members on that committee: Harry Boivin and Vern Cook, Elfstrom, Husband, Naterlin, Potts, Raymond, and Yturri. You've talked about some of these people. I don't believe that you've mentioned anything about Elfstrom and Naterlin.

VA Only briefly. Bob was a senator from Salem, a successful businessman, kind of a - a relatively quiet guy. Again, I can't recall what year, but he was the Republican leader of the senate. Just kind of a - just steady person. Nothing controversial, or he wouldn't get involved in anything controversial. Andy Naterlin was a Democrat from Newport, in that area of Lincoln County. Blind, and [he] really functioned quite well. His wife was his secretary. Again, he was - I think they called him Mr. 101. He was really provincial about the coast, and he was always doing what he could for Lincoln County and the coastal community, and he was pretty well known as that. Both of them, Elfstrom and Naterlin, were generally liked by the members, and I suppose that almost goes without saying that if you're not controversial, you're going to be liked, so - in other words, if you don't get anybody mad, they're all going to like you. So that's pretty much what the two of them were.

CH How did Harry Boivin run committees? For instance, this Tax Committee?

VA Oh, he ran committees pretty well. Probably a classic style. And as a matter of fact, I remember very fondly one year in which I was on the Tax Committee. Harry was chairman - and again, I can't really remember years, what years all these things happened, but that year there was - let's see. There was Tony Yturri, Bob Elfstrom, I think there was Al Flegel, and myself, and Harry Boivin was chairman. So that was a five-member committee. And, then, Harry Boivin broke that down into two, two-man subcommittees, and I was with - I think it was Al Flegel (IT WAS)

on my subcommittee. So Harry kind of took things easy. And we went to work, and I loved that. I mean, the best - you know, you've heard the expression the best committee is a three-member committee where one is sick and the other is absent. That's the best committee. Well, this came as close to it as you can come, with five members, and we really - you know, you get things done in an awful hurry when you don't have a lot of people asking a lot of questions and things going on interminably. You just kind of get at it and get your job done, and away we went. I remember that. But this obviously was not the year. It must have been a session or two later that all happened. But Harry - you know, he's an interesting guy. This five-member committee, all are his friends. Now, understand that the names I mentioned are three Republicans and two Democrats, including Harry, but generally his friends. And he tried to get one of his bills out of committee, and ~~we~~^{HE} just wouldn't get it out. Come on, now, Harry. It's one of these bills that Harry definitely had something up his sleeve. We didn't know what, but we knew it was something up his sleeve. And he chortled about it and tried to get it out and couldn't get it out. You know, we just talked very frankly with Harry. But the Fox was a good word for him. He'd smile, and he was quiet, and he was determined, and he usually got his way.

CH Who do you consider to have been the best mind on taxes, aside from yourself [laughter]?

VA Oh, aside from present company. I think in all the years that I served, house and senate, I'd have to classify, probably, Clarence Barton in the house. And you recall we talked about his real affection for tax, an interim tax committee and the fight that we talked about earlier. That isn't to say that most of the members, or a good number of the members, weren't familiar with taxes and taxation. And certainly, when we get to lawyers like Tony Yturri and Harry Boivin, they knew the practical side of taxation and how it affected their clients, but in terms of

philosophy and the technicalities and a broad understand of taxation, I think I'd have to go back to Clarence Barton. But it was something that he just sort of grabbed on to and liked.

CH In that session you had a couple of measures that you sponsored. One was Senate Bill 398, which was about taxes measured by or imposed upon net income, and it was signed by the governor. Do you recall how that evolved in committee or on the floor?

VA Do you know any more about it than what you just told me?

CH I could check on it, but I don't have anything down here.

VA I don't remember.

CH And there was also a senate joint resolution which you sponsored for the Oregon - it would change the Oregon constitution to make reference to U.S. tax laws, and that was tabled.

VA That one was one of my pets, along with a flat tax, as we call it today, or net receipts. And the whole idea there was to use the federal taxable income as the basis for the Oregon tax rates.

CH I see. That's what we talked about earlier.

VA That eventually did take place, but never in its pure form, and now it's bent out of shape again. But the whole idea was to simplify it for the taxpayer. You go through all the mechanics once. There's a good side to that and a bad side to that, and the good side, of course, is it simplifies it for the taxpayer; the bad side is that if you really hewed to that precisely, then you're going to say Congress is going to make the decision for us

as to how we're going to tax, and we don't want to do that. So even when we finally passed it, we had some variations: Well, we're going to do that except for. And I'm sure now there's a lot of exceptions because, God, these tax returns are incredible. But that's the idea behind that.

CH Were there other tax issues or tax legislation in the '67 session that you recall?

VA There's always something.

CH You were also on Elections, and the chair of that was McKay?

VA Gordon McKay. He's from Bend. He only recently passed away. A real nice guy.

CH And again, a number of other interesting people on that committee. Was there anything in that session that you recall?

VA Nothing memorable.

CH And you were on Labor and Industry. You were on that with - you were chair of that?

VA Yeah.

CH Now, that's interesting because that - you were - this was when you were in the minority, and how did you get chair?

VA And Bud Lent was vice chair, wasn't he?

CH And Lent was vice chair, that's right.

VA Well,

CH And why didn't Lent get chair of that?

VA He did the next session, and I was vice chair.

CH So why did they put in as chair in this session, labor being such an important factor to Berkeley Lent?

VA It's kind of hard to tell. It's not something I sought. As a matter of fact, I eventually asked to not be on the Labor Committee anymore, and it was only because I - I think I mentioned once about really believing I was doing what I thought was right for labor. That didn't always match up with what labor thought was right for labor, and so I was called constantly a black hat. I do recall something that did take place during that session. There was a senator named Chapman. Do you find that name on that list?

CH Yes, on this committee.

VA Well, he was what you call - I guess the kindest thing is just a good old soldier. He was going to do what labor wanted done. You know, just thumbs up or thumbs down, and that's the way that Chappy would go. And I don't recall the bill, but I do recall that we had a vote on passing the bill out of committee, and Chappy was the swing vote on that and voted yes, which surprised me because I knew Chappy, and I knew what the bill was, and I knew that labor didn't like it. And - he was sort of half asleep or something. He really wasn't paying any attention. I knew that. So anyway, Bud Lent said to me - I think he said, "Chappy." I said, "Yeah, I can't understand why Chappy did that." He said, "Well, let's have another vote -" no, I know. It was a matter of keeping the bill in committee, not passing it out of committee. Tabling the bill, and Chappy voted yes. And so now my memory takes me. It was the other way around. Labor wanted it. And so I said, "Okay," which I, of course, knew what

was going to happen, because Chappy was going to vote right the second time. But I said, "Bud, I'm going to fight you on the floor, and I just want to let you know that." So - because I knew Chappy had made a mistake. I could have just said, To heck with you. The vote's the vote, and that's the end of it. But we didn't. And Chappy voted right, and I fought Bud on the floor, and we beat him on the floor. That, incidentally, happened later on with Betty Roberts out of the Education Committee. A similar circumstance. But in that case, it was just a matter of being fair to Chappy. Poor old Chappy, he made a mistake, and he was half asleep, so let's make it right. Anyway, we took it to the floor and beat him on the floor.

CH Well, there were a couple of pieces of legislation which you were the sole author of in that session. One was on unemployment - actually both of them were on unemployment insurance. One was signed by the governor and the other one was tabled. SB 176 and Senate Bill 165.

VA I don't remember numbers.

CH Right. But was unemployment a big issue that session?

VA No, '65 is when we played the unemployment compensation. That was the big session for the three-way comp bill, which passed. There was always bills in there to raise the - we had certain amounts for paying workers' comp and how it would be arrived at and how we would judge what pay the injured worker would get and how much by degree of lost limbs and death and all the rest of that sort of thing. There was always bills that related to increasing benefits and things of that kind, and these could easily have been something like that. I don't know. Later on, I will tell you - later on meaning when I was governor - I made it very clear to labor that I wanted workers' compensation reform, I want it reduced - I want to reduce the cost of worker's

comp. I was not opposed to increasing benefits, but they had to give me - they, labor - something that would reduce the cost of workers' comp, and if they didn't do that, I was going to veto any of their bills that came to me. I made that very clear. I went to a luncheon, I recall, and made it very clear to all the labor leaders exactly what my position was. Well, I guess they didn't believe me, so they kept throwing things my way, and I kept vetoing them, and then they'd get mad about it. I said, "What are you getting mad about? I told you months ago what I was going to do." I don't know how mad they really got; they just knew I was going to do it, and maybe they were trying to embarrass me. I don't get embarrassed that easy.

But, you know, my whole view was, I never figured that the injured worker was getting too much, it was just who was getting it for how long. We had a lot of permanent, total disables that really shouldn't have been permanently totally disabled. We had a lot of people that were going - they had a determination, then they'd go to appeal, and the odds were very good, because 70- or 75 percent of the time they'd get more on appeal. And it was just - I mean, our workers' comp, we were just number one in the nation for cost of workers' comp, and it was hurting us economically.

Incidentally, that's a good way - It's maybe a way of proving what I was feeling. My sense was, and I know, because I was in business, that we were really not - this was an impediment for creation of jobs on two counts: one would be to attract new companies in. They'd compare the costs, because it's a cost of doing business. Second was that as you hire more people, obviously you're going to have to pay for more people, so you're very cautiously not hiring people, or very slowly doing it. That's why I'm saying that I'm - you know, reduce the cost of workers' comp. That's good for labor. But they never saw that side of that argument, that it would be good for them because people would get jobs. Anyway, it should have been in that same vein, same idea, because they were - this was always coming up,

almost every session.

CH There still seems like there's a lot of unresolved issues with workers' comp. Is that...?

VA Yeah, there still is, and it's really shameful. The idea behind workers' comp, initially, was - the way we designed it in Oregon, and I'm sure it's the same in other states, is that we're not going to really argue who was at fault. See, prior to that, it was always a contentious thing. There was an injured worker: Well, it was your fault. Sometimes they'd go to civil litigation, and it was a messy thing. So the thing was designed: we're not going to argue about it. The worker is injured, and now we have a law, and you get so much for your injury, and there would be no negligence issue brought up. Well, that was the pure thought of it, but it gradually got into being almost kind of a welfare thing, you know. Well, they've got the widows, and you got children. And I'd say, Wait a minute, wait a minute. This is not designed for a welfare program. If that's what you want, let's go over to Welfare and work on that one and be straight about it. And, then, it was just a matter of trying to get as much money as you can. Always. I can recall a story about Dr. Chuinard and his - as you recall, his wife was in the legislature, but he was an orthopedic surgeon, and I had some work done when I was younger, and my wife had some work done. He was talking one time about some major work on a back complaint, and he said to Dr. Chuinard - Frenchy's telling me this. And the fellow said, Well, how much disability will I have when you finish the operation? Dr. Chuinard said, None. Well, come on, how much will I have? He said, No, you won't have any. Oh, I certainly will have some. And, then Frenchy - the light went on, and he said, Now look, if you want to have some disability after the operation, you better go see another doctor. And the guy went to see another doctor. Well, there's a lot of that stuff. There was always a lot of back injuries, lower back, and there

was a lot of those because you can't really see that by an X-ray, you can't - you know, it's one of those mysterious things. My back hurts, and so you get paid for it.

And, then, along comes stress. And I've said many times, Oh, stress now is going to be the new lower back injury, and sure enough, it is. It is today. There are people taking advantage of it, and that adds to the cost.

CH How do you distinguish between legitimate claims for these things and cases that are not legitimate?

VA We haven't solved that. You've got doctors that want to make some money, you've got lawyers that want to make money. And I'm not saying all lawyers and all doctors. There are just some of them out there. We've had fights with chiropractors, whether they should be in or out.

CH .what was your view on that?

VA For a long time the chiropractors were out. They are in now. Then, you find some that are taking advantage of the whole situation, and that messes it up for everybody else, which is always the case, and it's just continually difficult. And the plaintiff lawyers, labor lawyers, they just don't want to see anything done, and they're making money on the ~~sucker~~^{suck} [?]. I'm jumping ahead again, but I remember there was one bill they wanted to include their legal fees in the claim benefits, and I said, No way - while I was governor - I'm going to veto that sucker. I'm just not going to ever let that happen. The injured worker has to figure out whether or not he wants to pursue, it to have the lawyer get a chunk of what this guy gets, but you're going to give this guy his injury claim plus the fee for the lawyer. I said, I'm not going to do anything like that. Well, they're always needling, always trying to chip away at it, always trying to - somehow they figure this is free money, and they

don't really realize that it was the high cost of workers' comp, along with the high cost of property taxes and a few other things, that really hindered the economic development of the state of Oregon. They never thought about that. But anyway, that argument continues.

CH Well, I'm sure we'll talk about it more as your...

VA As we move along?

CH As we move along, right.

You were on Local Government, and it was Husband - was it Don Husband...?

VA Yeah.

CH ...that was chair of that?

VA We talked about Don, because you remember I told you he was a local government lawyer.

CH And was there anything that came out of that committee that you can recall at this point that was...?

VA No, I can't think of anything.

CH Boy, that's a lot of committees. That's one, two, three, four, five, six...

VA That was too many.

CH Maybe we discussed this last time. I know we talked about it. I can't remember whether it was off or on tape. How do you get so many assignments, and if you have so many assignments, especially ones that seem like fairly major ones like taxation

and education, how do you keep track of all that work?

VA Well, it was hard, and I - after that session - it was like taking, what, is it twenty-one hours in college? It was too much. Eighteen is too much. It was too much; just back off. We had the committees scheduled. Obviously, the speaker knows what the schedules are, so he's not going to double you up, but it was just going from one to the other. They'd meet at different days at different hours, and - plus the session and bills you had to deal with. It was just too much.

CH Being on so many committees, though, it's hard to imagine that some of them weren't doubled up occasionally. Did you have people that you relied upon or - I know in Congress, in Washington, D.C., you know, they've got that system of bells and whatnot for when votes are occurring, and things like that.

VA We didn't have anything like that. No, we're not like Congress. No, I didn't, I just did it. I got to my committees, did my job. It was just hard, and it was too much, and I just thought I didn't want to do that ever again.

CH There were a couple of other bills that you sponsored, and we've talked about the one which was the trainable mentally retarded, which the governor had signed at that time. And, then, there was another one, SB 311, which was at the request of the Division of Mental Health, and it was regarding motor vehicles used to transport persons for hire. The governor signed that as well. Do you know what that would have been about?

VA Say that again.

CH It was at the request of the Division of Mental Health, and I'm not sure if it had anything to do with the retarded or not, but it was regarding motor vehicles used to transport persons for

hire. That's what the Journal said in reference to it, and the governor signed it.

VA Yeah. I can't remember the detail of that.

CH How does the relationship develop between a division of government, say like Mental Health, and a particular legislator in this case. They came to you, or did you go to them with an idea that they, then, somehow sponsored? How does that relationship work?

VA It kind of works both ways. By that I mean there would be some thoughts that I would have on the subject, or the various agencies of government know that you have some good and understanding feelings and will come to you, and so it does work both ways. It does work both ways.

In terms of the committee assignments and the work that I had to do in working with agencies, here again, it gets to a point of being self-serving, but I did my work. I worked hard at it. I had some personal feelings about people, as I mentioned way back at the beginning. When they inventoried my own record, it was a whole lot to do with human resources, and I never thought about it, I just did it because I thought it was - that's the way I am, that's the way I felt, and I just went at it. That's probably some of the problem we're having right now is that I - you know, I never mentally inventoried, okay, now, I've done this for those folks. So it's hard for me to remember some of these things. I just did it and went on to the next one, whatever that next one might be. But I think my colleagues saw that I worked hard, and I was conscientious, I wasn't horsing around. I felt pretty strong about the things I was dealing with, and the leadership felt I was dependable, and so - you just have good rapport with the people. That doesn't mean you're going to agree with them, they just have good rapport and know that you're honest, and I guess that's the way it all worked out.

CH Is there any way that a division of the government can - or an agency can help a legislator with the legislation?

VA Oh sure. I could go and say, I've got this idea. Very recently - to give you an example of how these things can happen, I bought a car this last July, and I have a special plate. It's X1. The plate comes due in January, so about a month and a half ago I get this notice for a new plate. That's okay. I mean, you've got to pay for it, but, then, you have to go to DEQ for my DEQ test. So I call the folks - I know some of them at the Motor Vehicles, and I say, "You know, this just doesn't make any sense. This is a new car." "Well, yeah." He understood what I was saying. I said, "There really ought to be some kind of a benchmark." You know, if you have a car and you haven't gone 10,000 miles or 12,000 miles or 8,000 miles or - you know, whatever, and, then, that would be the benchmark. You don't have to go get DEQ, because it doesn't make any sense. The car had less than four thousand miles on it. He agreed, you know, it just doesn't make sense to go get a DEQ test. So, now, in answer to your question, I said, "Okay, I'll call my legislator." He said, "Yeah, that's what I tell people to do." But I said, "What I'm going to do is have him contact you to see what is a logical benchmark." I don't know what it is. DEQ will know what it is. You know, when a car might start sending out the wrong emissions. So that's how - I wouldn't be doing it. I called Senator Phillips up and said, "Hey, here's an idea. It isn't life threatening, but if you wanted something to do, this might be worthwhile. But call -" and I gave him the name. "Oh yeah," he says, "I know." "- and see if you can't work out what makes a reasonable proposal." So that's an answer to your question. Legislator says, I've got an idea, but how do we frame this in a reasonable way? And if you know the agency and know you can depend on them, you go see them.

CH What about the other way around? Does an agency that wants

certain legislation passed, do they go to a representative or a senator that they think might be able to help them and see if they can do that?

VA It depends on the administration. And I have to tell you - and I keep bouncing to governor. I know we're going to get to it. But we had a policy, and we knew that agencies wanted bills, but I wanted to know what those bills were, and, then, I would be allow them to be introduced at the request of the agency. Or, if they wanted to get a legislator to - and the legislator was interested in it, it's better, obviously, if you get somebody within the body to sponsor the bill. And so bills...

[End of Tape 9, Side 2]