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Atiyeh urges tax reform at inaugural

By FOSTER CHURCH
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SALEM — Gov. Vic Atiyeh was inaugurated into his second term Monday morning in the state Capitol in a ceremony heralded by brass and percussion music and a University of Oregon choir.

Earlier, lawmakers convened in the 62nd regular session of the Legislature, and 20 new legislators recited their first oaths of office.

The color and ceremony of the opening-day events were shadowed, however, by the death of former Gov. Tom McCall.

McCall's body will lie in state in the Capitol rotunda from 5 p.m. Tuesday through 5 p.m. Wednesday, and a state funeral will be held at 7 p.m. Wednesday in the chambers of the House of Representatives.

At the request of the McCall family, none of the traditional songs, poems, prayers and other ceremonial events that accompany an inauguration was altered. But the two-term governor was eulogized in formal addresses, and his accomplishments frequently were noted.

Atiyeh opened his inaugural address with a reference to two former governors who attended the ceremony: Mark Hatfield, the state's senior U.S. senator, and Bob Straub. Atiyeh then added, "Governor Tom McCall, your presence is very much felt by us today — your glorious voice echoing in this chamber speaking of your deep love for Oregon."

Atiyeh was sworn in by Wallace P. Carson, an associate justice of the Oregon Supreme Court. Legislators and guests packed the floor of the House chamber, and spectators filled the upper galleries.

More than 3,000 people filed past Atiyeh, his wife, Dolores, and other state officials and shook their hands during an informal reception in Salem Monday afternoon and an early-evening formal reception at the headquarters of the Oregon Historical Society in downtown Portland.

At Atiyeh's request, arrangements for the events were austere. Only hot cider, served from the Battleship Oregon punchbowl, was offered at the Portland reception. Marjorie Russell, who supervised the receptions, said that instead of serving cookies and other refreshments, she was encouraging guests to make contributions to Oregon Food Share, a statewide clearinghouse distributing food to the needy.

Atiyeh's inaugural address contained



Staff photo by STEVE NEHL

HAIL TO THE CHIEF — A smiling Gov. Vic Atiyeh waves to friends as he enters House chamber Monday for his second inauguration, flanked by

escort of Sen. E.D. Potts, D-Grants Pass (left), Rep. Larry Campbell, R-Eugene, and Sen. Tony Meeker, R-Amity.

few surprises and for the most part repeated concerns that Atiyeh expressed during the election campaign and particularly Dec. 1, when he announced his proposed budget for 1983-85.

He reserved his strongest language and emphasis for a plea to legislators to pass his budget and tax program intact.

He also insisted that the Legislature should make reform of the property tax system and changes in the state's land-use planning laws priorities of the session.

Atiyeh has called for a \$3.3 billion

general fund budget and a \$550 million tax increase designed to meet a projected \$553 million revenue shortage. Most of the increase would come through a 1 percent net receipts tax on individuals and corporations that would raise \$650 million. He also has called for selected tax reductions.

The plan has met heavy criticism. Few legislators believe it will pass in its present form.

Atiyeh said government spending must be maintained in order to provide needed services. "The recommendations

are carefully crafted, interwoven and interdependent," he said of his budget recommendations. "They must be considered part of a total revenue package. They must stand or fall on that basis — as a total package, a total package of limitation and reform."

Atiyeh also said lawmakers should pass legislation to enhance economic development in the state, provide for public safety, improve the state system of higher education and create a better climate for the state's forest products industry.

Atiyeh said lawmakers in the past too often have "taken a path of short-term solutions" to major problems. He cautioned legislators "to take the long view."

He said that among his goals for his second term is passage of legislation to protect the Columbia River Gorge.

As expected, the House elected Rep. Grattan Kerans, D-Eugene, speaker by a 35-23 vote. Kerans earlier was chosen speaker by Democrats in caucus, and his election essentially was a formality.

Additional details on Page B3.