

Corvallis, OR
(Benton Co.)
Gazette-Times
(Cir. D. 14,700)

SEP 15 1984

Allen's P. C. B Est. 1888

Atiyeh: Tax change lures Japanese

TOKYO (AP) — Gains from foreign investment in Oregon stemming from repeal of the state's unitary tax will outweigh revenue lost from the tax's abolition, Oregon Gov. Vic Atiyeh said.

In an interview after a "Get to Know Oregon" seminar with Japanese business leaders, Atiyeh said Japan — already Oregon's leading trading partner — would become increasingly important to the state.

Japan accounts for more than half of the state's commerce with foreign countries, Atiyeh said.

He also said he was encouraged by the revocation of the unitary taxation method, which

takes effect January 1986.

"Within two years, the foreign and domestic corporations setting up in Oregon will provide about 10,000 new jobs," he predicted.

Atiyeh's visit coincided with an announcement Wednesday by Japan's leading computer maker, Fujitsu Ltd., that it would build two plants in Oregon instead of California, whose legislature recently killed a bill to scrap the unitary tax system there.

Leading a delegation of 54 state officials and businessmen, Atiyeh addressed members of the Federation of Economic Organizations (Keidanren), a group of Japanese business leaders.

The group's 11-day visit to Japan is sched-

uled to end Tuesday.

In July, Oregon became the first state to repeal the unitary tax, which taxes multinational corporations on the basis of income earned both in and outside of the United States. Japanese and European businessmen have been highly critical of the system, which they contend discourages foreign investment in America.

Recently, many states have been sending delegations to Japan in an effort to attract investment. Japanese investment in the United States rose to \$8.7 billion by the end of 1982 from just \$1.75 billion in 1977, accounting for 9 percent of all foreign investment, according to U.S. Commerce Department figures.