



Ikuo Asanuma

Vermont-Japan Economic Ties

Where's the beef?

By Erik Esckilson

Despite high hopes, and a well-publicized trip to the Land of the Rising Sun by Governor Madeleine Kunin, the economic payoff of efforts to develop a Vermont-Japan trade link have not materialized.

It was more than two years ago that Kunin last visited Koji Akizawa at the old Sumitomo Building in Osaka, Japan. Akizawa had recently been appointed chief liaison officer for Vermont by Hosai Hyuga, then chairman of the board of the powerful Sumitomo Metals Company. The appointment was a direct result of a meeting between Hyuga and Governor Kunin in May of 1985, when both received honorary degrees of jurisprudence from St. Michael's College.

As chief liaison officer, Akizawa would bear nearly full responsibility for promoting Vermont exports and the state itself as a potential invest-

ment site to Japanese companies—a goodwill gesture that would suddenly cast the Green Mountain State into the rapidly growing pool of state governments working to develop closer industrial ties with Japan despite worsening trade tensions at the national level.

The situation seemed ideal. Utilizing the vast network of the Sumitomo Group—one of Japan's largest corporate groupings (of which Hyuga's Sumitomo Metals is a member)—Akizawa would promote Vermont to other member companies directly, while also providing information to interested parties outside the conglomerate. Working on a part-time basis from his desk at Sumikin-Intercom, a subsidiary of Sumitomo Metals, Akizawa would save Vermont, in his estimate, approximately \$200,000 a year—roughly, the annual cost of a full-time, professionally staffed state office in Tokyo. By luck or design, little Vermont would be able to compete with the 36 other state governments already lobbying heavily in Japan for investors. All for free.

Yet a look back at the past two and a half years since this groundwork was laid yields little interest in, much less optimism for, future Vermont-Japan industrial relations. Although a trade delegation rep-

resenting 21 Japanese companies toured the state in April of 1986, and Akizawa himself has traveled to Vermont on four occasions as chief liaison officer, the UST Company in Bennington, an Osaka-based chain and gear manufacturer, still remains Japan's sole industrial concern in Vermont.

"We have laid the groundwork," were Akizawa's words last November. "Now we must move into full swing."

But according to Graeme Freeman, director of international business for the Vermont State Agency of Development and Community Affairs, the situation is unlikely to change. Bringing Japanese industry to the state is becoming an increasingly low priority of state government.

Further darkening the prospects, says Freeman, is the possible early retirement of Akizawa from the now-suffering Sumitomo Metals Company. In this event Akizawa has offered to shift his energies fully to the task of representing Vermont, proposing that he move to the Green Mountains in order to capitalize on an estimated 70,000 Japanese business people residing in the United States—a population he feels constitutes an immediate and viable resource for potential investment.

While Freeman says he's

honored by the gesture, he contends that in the absence of high-priority interest in pursuing the relationship on the part of state government, the proposal will most likely be rejected. For the time being, he says, Akizawa is in "a holding pattern."

Ironically, these events follow a period of unprecedented interest in Japanese culture throughout Vermont, revealing a strong historical connection with Japan. Only recently did many Vermonters become aware of the Charles E. Tuttle Company, the veritable pioneer in international publishing, responsible for bringing Japanese literature to some 20,000 clients worldwide from its offices in Rutland and Tokyo.

The bestowal of the Order of the Rising Sun upon Vermont statesman Francis B. Tenney by the Consulate General of Japan in 1986 provides another example of vital relations between Vermonters and the Japanese.

Also bolstering the link are the efforts of the Japan Society of Vermont (established in 1983), the presence of approximately 60 Japanese students and business people within the St. Michael's College Center for International Studies, and 100 Vermont companies currently exporting goods to Japan. The factors were cited as indicators of a potentially bright future of cross-cultural interaction for the state. There had even been talk of establishing a sister-state relationship with Iwate Prefecture on northern Honshu, Japan's largest island.

With Japan already much in vogue, the installment of Koji Akizawa as chief liaison officer seemed a clear signal that Vermont-Japan relations were moving into another phase of development—a phase in which a substantial commitment would be made to realizing the immense potential for new, tangible industrial relations. So what happened?

With state unemployment hovering near a meager 4 percent, it is easily understood why soliciting investors has become such a low political priority and why Akizawa's efforts at attracting companies

to Vermont have not been eagerly supplemented from the Vermont side. According to Freeman, Vermont exporters of goods to Japan have also shown little interest in utilizing the chief liaison officer.

Other states have pursued similar opportunities. The National Governors Association was recently approached by the US-Japan Committee for Trade Expansion, on the subject of developing a Tokyo Trade Expansion Center to, in the Committee's words, "help small and medium-sized businesses increase their effort to market goods and services in Japan." According to the Committee, composed of 23 US congressional leaders and nine members of the Japanese Diet, the center would offer extensive trade-related information and services to states renting space at favorable rates.

As enticing as the project may sound, however, Vermont's participation would involve considerable expense on the part of the state. Freeman says he is "not sure whether Vermont will be able to afford it."

In light of the present status of industrial relations with Japan—Akizawa's uncertain future, and the seeming disinterest of the Kunin administration in pursuing the matter—it is likely that large-scale Vermont interest in Japan will remain of a strictly cultural nature.

Although, according to Freeman, the possibility of establishing a sister-state relationship with Iwate Prefecture has essentially vanished by now, the Japan Society and others will no doubt continue to expose Vermonters to Japanese culture.

Of course, the Charles E. Tuttle Company will continue bringing Japanese literature to the Western World, and Ikuo Asanuma will continue slicing sashimi, to the delight of Sakura patrons on Church Street. But, pending a decision on involvement in the US-Japan Committee for Trade Expansion project, the state of Vermont may have foregone a very real opportunity to participate in a progressive international economic community. ■