



FOCUS - 6 of 12 DOCUMENTS

Copyright 1987 The Washington Post
The Washington Post

September 29, 1987, Tuesday, Final Edition

SECTION: METRO; PAGE B8

LENGTH: 637 words

HEADLINE: Schaefer, in Tokyo, Tries to Lure Business for Md.;
Governor Attempted to Block Japanese Firm From Getting State Contract 2 Months Ago

BYLINE: Margaret Shapiro, Washington Post Foreign Service

DATELINE: TOKYO, Sept. 28, 1987

BODY:

Maryland Gov. William Donald Schaefer, who two months ago tried to prevent a Japanese firm from winning a state contract so that an American firm could win it instead, has spent the past week with the shoe on the other foot: hoping to woo Japanese businesses to spend their money in his state.

Midway through his weeklong trip through Japan, Schaefer said he saw no contradiction in his behavior. In each case, the governor said, he was trying to promote Maryland and the United States.

"I think they are allies," Schaefer said of the Japanese. But it is the once-dominant American economy, he said, that now needs a boost, and as governor, "I'm over here trying to get business for Maryland."

In July, a less diplomatic Schaefer sharply criticized a proposal by Port of Baltimore officials to buy six huge cranes from a Japanese company that was the lowest bidder for a state contract. He ordered state officials to find a way to give it instead to an American company even though the American firm's proposal would have cost the state \$ 7 million more.

"I understand this low bid stuff, but the American, he's got to get a break too," Schaefer said at the time. "America is always last. I'm tired of it." A few weeks later, when a Washington Post editorial criticized him for "Japan bashing," Schaefer accused the newspaper's editorial writers of being "public relations agents for this Japanese firm."

At a meeting to consider the contract with the Japanese firm, Nissho Iwai American Corp., state Comptroller Louis L. Goldstein also lambasted the Japanese, saying, "I'm sick and tired of sending our economic dollar to Japan. They're going to come here and take this country over in an economic war."

The state eventually approved the contract with the Japanese firm after port officials reported that state law in most cases requires awarding of contracts to the lowest bidder.

Schaefer, in Tokyo, Tries to Lure Business for Md.; Governor Attempted to Block Japanese Firm From Getting State Contract 2 Months Ago The Washington Post September 29, 1987, Tuesday, Final Edition

This week, Schaefer, who toured Nagoya harbor, which uses dozens of cranes similar to the type involved in the contract he tried to block, said, "When we had the cranes [contract dispute] I couldn't understand it. Our folks had no thought of being able to win. It's up to us to at least make them competitive."

According to state officials traveling with Schaefer, despite the controversy at home, the governor has been received warmly at all his stops: Toyota Motor Corp., which ships through Baltimore and is setting up a new harbor facility; the Port of Nagoya, a "sister" port to Baltimore, and several firms with operations in Maryland that Schaefer would like to see expanded.

This afternoon Schaefer was scheduled to see Nissho Iwai officials, whose company eventually won the crane bid, for a brief meeting the company requested before the crane dispute erupted.

After touring Japan, whose post-World War II economic success has been based heavily on exports, Schaefer said he is convinced that the state has not been aggressive enough in trying to sell its products overseas. Maryland exports some products, such as medical instruments, soybeans, chickens and soft-shell crabs, but exports are not a major factor in the state's economy, according to state officials.

Maryland is one of 47 states that have full-time offices in Tokyo, trying to lure Japanese business and jobs. According to Maryland economic officials, more than 60 Japanese firms are doing business in Maryland, providing about 2,500 jobs.

Schaefer, who is traveling with a group of Maryland government officials and businessmen, is scheduled to leave Tokyo for Taiwan on Tuesday, returning to Maryland Oct. 6.

While Schaefer's tour is heavily oriented toward business meetings and tours, on at least one occasion he and the rest of the delegation were treated to an evening of traditional geisha singing, dancing and instrument playing.

GRAPHIC: PHOTO, SCHAEFER ON THE JAPANESE: "I THINK THEY ARE ALLIES."