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Atiyeh says state on list for factory

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TOKYO — Gov. Vic Atiyeh confirmed after arriving Saturday in Tokyo on a weeklong state economic development trip that Oregon is close to landing a new factory that involves a large Japanese high-technology company.

"We are very close, but I wouldn't expect that I'd get an announcement before I return to Oregon," he said. Atiyeh declined to identify the Japanese company involved or disclose other details but said he had been informed that the search for a factory site had been narrowed to Oregon and one other Western state.

Atiyeh and Thomas F. Kennedy, director of the Oregon Economic Development Department, would neither confirm nor deny whether Atiyeh planned to meet with Sharp Corp., the Japanese electronics company that recently signed a \$200 million joint venture deal with RCA Corp. to manufacture integrated circuits in the United States.

Sharp was notably absent from the planned schedule of about 30 appointments with Japanese companies that state officials supplied to a reporter. David D. Lutjen, acting director of the state's economic development office in Tokyo, said Atiyeh would have appointments with six companies that were not named on the list but were deemed "hot prospects" for Oregon development.

Atiyeh confirmed he had heard a rumor that the Sharp-RCA Corp. joint venture, which has yet to be given a name, considered Portland a top site for a planned complementary metal-oxide on silicon, or C-MOS, chip factory, but he would make no further comment.

Credibility very important

"We're trying to keep confidence," Atiyeh said of the state's policy of not disclosing discussions with Japanese companies considering moves into the state. "Credibility is very important here."

In contrast to the 50-member trade mission Atiyeh led in September to Japan, the governor arrived at Narita International Airport in a Tokyo suburb at about 3:18 p.m. local time with just one companion, Kennedy.

Lutjen, who put together a tight seven-day schedule of business appointments for Atiyeh in Tokyo, said the meetings would include "courtesy calls" to business associations as well as visits to the three Japanese companies that announced plans to build plants in Oregon last year.

Atiyeh said he had not heard of a report in the Nihon Keizai newspaper in March that Epson Corp. planned to cut back on its production of computer printers in Japan by 30 percent. He said, however, that he would speak about it with Epson's chairman, Ichiro Hattori, in a meeting Friday.

Epson has said it will start building a 500-employee computer printer plant this year near Hillsboro. The company lost a contract to make computer printers for IBM Corp. earlier this year.

Free trade supported

Atiyeh said he believed Japan's trade surplus to the United States remained a strong incentive for the Japanese to continue plans to invest in the United States. He added, however, that he would reiterate his support for free trade during his visit.

Atiyeh also plans to meet with Koji Kobayashi, chairman of NEC Corp., the American subsidiary of which is nearing completion of a 250-employee fiber-optics communications equipment plant near Hillsboro; and with Takuma Yamamoto, president of Fujitsu Limited, which plans to build magnetic disk and semiconductor plants in Oregon.

Atiyeh will be attending a 20th anniversary celebration of the joint venture between Tektronix Inc. of Beaverton and Sony Corp. that also will be attended by a large delegation of Tektronix directors.

The governor said he planned to decide soon on a permanent director for the state's Tokyo office. He said the state had wanted to hire one person for the job but had not succeeded in hiring him. Lutjen, who has been acting director since last year, is a top candidate for the job, Atiyeh said.

"It's been dragging for some time," Atiyeh said of the hiring decision. "It's time to fish or cut bait."