

potato chips, for example, is large an East Coast name. And in the case of New York Deli Chips, management may have had a potential hit on its hands and failed to grasp it. Even now that the chips have caught on far outside the home market, the company has no plans for a national rollout until mid-1987.

Indeed, Borden is often accused of thinking small. "They have let their trademarks deteriorate over time," says James H. Quest, president of the Posey & Quest Inc. ad agency and a Procter & Gamble Co. veteran. "They tend not to be good at building brands," he says. "They've been building business for their short term, but not necessarily building loyal customers."

**BOARD BACKING.** Such criticism doesn't faze Sullivan. "I'm not out to be the biggest anything," he says, "except the biggest returner to shareholder's wealth. If I tried to beat Frito-Lay, I can guess their reaction, and I would just dissipate a lot of shareholder wealth." Borden's board seems to share that sentiment. Sullivan, who earned \$1 million last year, receives a bonus when earnings per share rise 7%. Borden's net earnings in some years fell short of that goal, but stock buybacks helped push earnings per share above the target.

Sullivan also insists the stage is set for stronger internal growth. Borden has a strong position in pasta and in snacks, for example. Executives expect those markets will continue to grow 5% a year—not bad for the food business.

Some outsiders would like Borden to go even further and shed the chemical business—which sells 80% of its production within Borden. Murren of C. J. Lawrence says the company's stock could rise an additional 15% to 20% if Borden were to split in two, as Dart & Kraft Inc. plans to do.

This, however, is a step that Sullivan, a former chemical salesman, has resisted. And that attitude isn't apt to change soon. Sullivan's successor is expected to be Romeo J. Ventres, 61, Borden's current president and another veteran of the chemical business.

As for retirement, Sullivan intends to teach full-time at St. John's University, where he already runs a seminar in which students pretend to be Borden directors. Perhaps next semester's class should hear a debate between Sullivan and Kenneth J. Douglas, chairman of Dean Foods, a Borden rival with an ROE of 22%, who employs a different strategy. "The goal is to boost ROE," he explains, "and the techniques you use are getting market share, having high-quality products, and being competitive." That may not be as sophisticated as Borden's financial maneuvering, but in the long run it might work even better.

By Alison Leigh Cowan in New York

# People

TYCOONS

## WOULD YOU GIVE THIS MAN THE NOBEL PEACE PRIZE?

RYOICHI SASAKAWA HAS A BIG EGO, A CHECKERED PAST, AND A BOTTOMLESS POCKET WHEN IT COMES TO CHARITY

**A**s Ryoichi Sasakawa tells it, he was destined to achieve greatness. When he was just two months old, so his story goes, an itinerant priest told his father that this was no ordinary child—he was born to sweep away the evils of the world.

One thing you notice right away about Sasakawa is that he is not a modest man. But then why should he be? One of Japan's wealthiest tycoons and arguably the world's most generous philanthropist, Sasakawa, a spry 87, believes he is fulfilling the priest's prophecy.

His office showcase is lined with such prestigious awards as the Martin Luther King Peace Prize, the Linus Pauling Award for Humanitarianism, and the

army and built his \$8.4 billion empire as a gambling impresario who operated motorboat-racing concessions.

Sasakawa denies any wrongdoing and blames his "enemies" for spreading lies about him. His foes include "communists" and others he says are trying to prevent him from winning the Nobel Peace prize. Sasakawa is sensitive to criticism. Nine years ago he threatened to quash *Asahi Shimbun*, one of Japan's three largest dailies, by putting financial pressure on it to retaliate for a rare series of critical articles about him.

**BRASS BAND.** Sasakawa made his fortune before World War II as a speculator in rice. He became famous in 1931, when he led a fascist political party with a private army of 15,000 black-uniformed soldiers and 22 airplanes. He once flew his own plane to Rome and was photographed with Mussolini. Even today he reminisces fondly of his meeting with Mussolini and expresses regret at having been unable to meet Hitler. "Hitler sent a cable asking me to wait for him, but unfortunately I didn't have time," says Sasakawa. He financed his army by wheeling and dealing in the confusion of wartime China, purchasing food and materials for the Japanese army.

Arrested after the war by U.S. occupation forces as a war criminal, Sasakawa, proud of his role in the war, arranged for a brass band to play as he marched to prison. After a short stay, Sasakawa was mysteriously released without trial.

With the help of powerful political leaders he met in prison, including Prime Minister-to-be Nobusuke Kishi, he soon returned to public prominence. He quickly acquired new wealth playing the Japanese stock market. "Just talk that 'S' was in the market was enough to move a stock price," recalls one broker. Through his network of prewar contacts, Sasakawa also won from the government the right to manage the only private gambling concession in Japan—motorboat racing.

Other legal gambling operations in Japan—bicycle, horse, and motorcycle racing—are all run by the government, with the proceeds going to promote Jap-

### HOW SASAKAWA SPREADS HIS WEALTH

- 1971-84 \$50 million to the U.N.
- 1980-83 \$45 million to establish the U.S.-Japan Foundation, a research funding organization
- 1983-86 \$1.8 million for the Carter Presidential Library and for an endowed chair in international peace at the Carter Center of Emory University
- 1984-85 \$19 million to establish the Scandinavia-Japan Sasakawa Foundation, a research and education funding organization
- 1984-85 \$15 million to set up the Great Britain-Sasakawa Foundation, a maritime research and education funding organization

U.N. Peace Prize. He has twice been nominated for the Nobel Peace prize and has been praised by Pope John Paul II. "He has the ability to zero in on human needs and make an impact on those needs," says G. Richard Hicks, executive vice-president of the Linus Pauling Institute of Science & Medicine, which grants the Pauling award.

Yet in his own country, Sasakawa's largesse has bought him neither reverence nor respect. In Japan he is regarded as a *kuromaku*—an ultraright-wing power broker—who once had a private

anese industry. In return for his boat-racing concession, Sasakawa agreed to give two-thirds of his annual \$2 billion in profits to towns and prefectures that host the races. Most of the remainder, \$566 million last year, goes to the Japan Shipbuilding Industry Foundation, an organization that has donated \$2.2 billion to help develop Japan's shipbuilding industry. Much of the money has also gone to charitable causes—and Sasakawa's absolute control of the foundation's money has made him one of Japan's most powerful men.

About 15 years ago, announcing that it was time for Japan to repay the world for being generous following Japan's World War II defeat, Sasakawa began to direct the foundation's money to charities worldwide. So far, of \$1.35 billion in charitable contributions, \$214 million has been spent overseas.

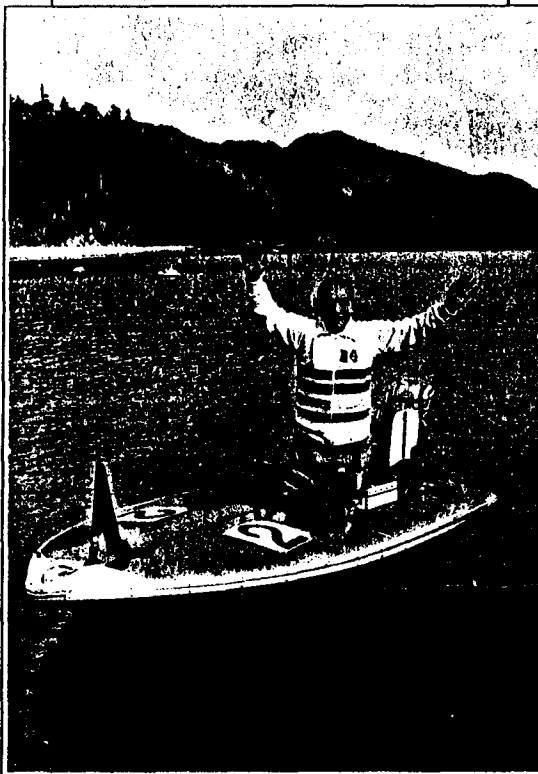
Cynics in Japan say Sasakawa has sought to buy the respect overseas that he has never won at home. He has succeeded in tying his name to some of the world's most well-known leaders and institutions. The U. N., which has received \$50 million from the foundation, now has a Sasakawa Endowment for Peace. A bust of Sasakawa stands in front of the Geneva headquarters of the World Health Organization. Harvard Medical School offers a Ryoichi Sasakawa International Fellowship. Oxford University has a Sasakawa Fund.

Sasakawa likes to be associated with heads of government—and he isn't shy about paying for the privilege. Since 1983, Sasakawa has given \$1.5 million to the Carter Presidential Library and to establish a chair in international peace at the Carter Center at Emory University. He describes Jimmy Carter as a close friend. And a room in the shipbuilding foundation in Tokyo boasts a lifesize poster of Sasakawa and Carter jogging together.

**'UNCLEAN.'** Sasakawa's generosity has done some good. Through his contributions to the World Health Organization, "he can be credited as partially responsible for having smallpox wiped out," says Linus C. Pauling, winner of the 1962 Nobel Peace prize. At the same time, Pauling is ambivalent about Sasakawa's way of pursuing recognition. "One might ask whether donating money is an appropriate way to get the Nobel Peace prize," says Pauling.

For all of Sasakawa's efforts to rehabilitate himself, most Japanese are embarrassed by his philanthropy overseas. "We consider gambling money unclean," says one Finance Ministry official. "It is right that this money should be for charity."

Every year Sasakawa spends millions of dollars of the foundation's money trying to change his image in Japan. He appears on posters showing him shaking hands with President Reagan and bowing to Princess Diana under the slogan, "All Mankind are Brothers." On television, he shows himself running through green fields with children and calling viewers to "do one good deed daily." Sasakawa claims that at 57, he put his mother on his back and climbed hundreds of temple steps so she could worship. He has erected dozens of statues



'Hitler sent a cable asking me to wait for him, but unfortunately I didn't have time'

RYOICHI SASAKAWA  
Chairman, the Japan Shipbuilding Industry Foundation

throughout Japan depicting the scene.

Many Japanese are also wary of the way in which Sasakawa has promoted saintly virtues while living a less than saintly life. He once bragged that he had made love to 500 women ranging from the top geishas to royalty. "They all love me," he told an audience of journalists several years ago, "because I always visit [them] and give them money if they need money and clothes if they need clothes."

And while Sasakawa has been contributing to charities, his unusual deals have

continued. In 1981, then Philippines President Ferdinand Marcos gave Sasakawa the right to develop the island of Lubang into a hunting resort. But when word leaked that the island was to become a giant outdoor brothel, Sasakawa backed out of the project.

Sasakawa encourages the aura of authority that surrounds him. He says that some 30 million members in the dozens of organizations that he chairs are "under my direct orders." These groups, which involve everything from karate to traditional Japanese dancing to volunteer firefighting, can expect to receive grants from the foundation as long as Sasakawa is their chairman.

**TALKS WITH GOD.** Sasakawa believes he has vast powers. He recently told BUSINESS WEEK that God speaks to him several times a month, usually at two in the morning. In a recent conversation, "God told me he would punish my enemies," he says. "Sure enough," he adds, wagging his forefinger, "a month later, the Soviet Union was hit with the Chernobyl accident."

Critics worry that Sasakawa's influence overseas may help strengthen the far right in Japan. Although Sasakawa has tried to distance himself from such elements, he still visits the grave of Admiral Isoroku Yamamoto, commander-in-chief of the Japanese navy and architect of the Pearl Harbor bombing. Many believe he continues to finance the activities of Japan's small but powerful ultraright groups.

Often, the activities he backs also have a militaristic flavor. On the annual friendship cruises that Sasakawa sponsors, both Japanese and foreign participants, mostly young students, are expected to stand at attention and honor Japanese soldiers who died in World War II. "Sasakawa's recognition overseas may be seen by younger Japanese as a reaffirmation of Japan's military past," says one Japanese teacher.

To the chagrin of many Japanese, their country's preeminent philanthropist is not one of Japan's rich multinationals but a man who built a fortune from gambling. Meanwhile, Sasakawa is still in hot pursuit of the Peace prize. Last year he organized the first of a series of conferences on solutions to Africa's food problems. Sasakawa enlisted two former Peace prizewinners, Jimmy Carter and agricultural specialist Norman E. Borlaug, who won in 1970 for helping to boost food production in Asia. But even if Sasakawa is successful, a Nobel Peace prize may not be enough to polish his tarnished image in Japan.

By Leslie Helm in Tokyo