

Thoughts en route from
Japan to Hong Kong
April 11, 1967

Dear Homer:

As I wrote from Japan in 1963, I will not write about that exciting country again except to say that I am even more impressed than before with its energy and its unique achievement of an effectively working accord between government and business with the unexpressed partnership of labor, in which the energies of the nation are directed in channels intended to inure to the benefit of the country as a whole -- without "wasteful" competition at home but with effectiveness abroad.

It seems to be working remarkably well, and I would expect it to continue for the immediate future. Wage rates are rising and in another generation, when the awesome respect for the employer dims a bit, they may rise to heights more comparable to those of the West. If and when that develops, there will occur a more decisive test of the advantage of the Japanese co-operative society and the relatively more freely competitive systems of the West.

To present this from the Japanese point of view, not necessarily my own, I have set forth what I believe to be essentially their position in the form of a letter from a Japanese worker to his counterpart in our country. It is attached.

With best regards,

Lee

Tokyo, Japan
April 6, 1967

Dear American Friend,

How glad I am to be young!

My parents have sacrificed to send me to school. They have that much confidence in -- and fear of -- the future. But they will stay in the village and continue to raise rice, for the city is too overwhelming.

The city has frightened me, too.

Today's city is not mine; it is run by people here long before me. They don't think they need me, for I am too poor to buy their expensive cars and clothes and television sets. But tomorrow's city will be mine. They don't know that, but I do. After work, while they are sleeping, I am studying. I have no degree today, but tomorrow I will be a foreman and soon I will be an engineer.

Still, this isn't a lonely battle. Try as hard as I can, I am only one of millions -- twelve million here in Tokyo -- the biggest city in the world. Let me shout that again -- **THE BIGGEST CITY IN THE WORLD!**

London was great, it ruled the world, but weakly and foolishly withdrew so that today its fame rests on the Beatles and miniskirts.

New York, with its earthquakeproof skyscrapers, has been the exciting center with its "decadent" riches (which I envy) and our great United Nations. But Tokyo, a desolate hovel of two million when I was born in 1946, is now the greatest city in the world -- over eleven million people.

Before I am married our country will be the third most productive in the world. Each day at work I say, "We've passed Italy, we've passed Germany, we're passing England." When I say, "We will soon pass the U.S.S.R. and even the United States," some of my friends giggle -- but we will.

We will because we work harder. What does that mean? We work longer hours and we ask for less today, confident that, if we allow a part of our share to go into new machinery, we can produce more and cheaper and, hence, both have more and sell more tomorrow.

The Englishman won't work. The American works only for himself. He still thinks he is alone on a frontier. But here each of us knows he is only one of many and that, no matter how well he does, it is only in relation to the group -- and a group is more important than I.

The American thinks that in a million selfishnesses more is achieved than in a group loyalty of the same number. But we have both, and the real secret is that, although we, too, are selfish, we are willing to wait. He only thinks of a bigger share of the pie. We'll take a smaller share of a bigger pie.

What the American doesn't yet realize is that our pie will keep getting bigger every year if we workers are willing to take only a modest share of it. If I don't get a color television this year and let my share go into new factories, I can have two televisions five years from now. The American won't wait. He eats steak while I have rice and fish. I envy him today, but he will envy me tomorrow.

You don't believe that, do you?

It's true.

You Americans are rich inside your country. You use up almost all that you produce and you drive Chevrolets and Chryslers to your factory job. I ride a bicycle seven miles to my job, but you don't turn out any more work in a day than I do and less than I will next year. Yet to support your car and TV, you ask enough more money so that your company's production costs much more than mine. A friend of mine that works in the accounting department of an American company's plant here tells me that the hourly cost in the States is \$3.22 direct and \$1.17 fringe, for a total of \$4.39 an hour compared to 50¢ of direct and 36¢ fringe benefits, or a total of 86¢ an hour here. It must be nice to get five times as much, but you are not going to be able to sell in competition with our companies. I don't love my boss any more than you do. I want more pay, but the company will never fire me as long as it is successful, and so I want it to be successful. I know it has to make money and invest in more machinery if it is going to succeed. So does the government.

Your government is always fussing with your business. Our government tells business what to do -- but not to punish them, rather for their joint advantage -- and that means mine, too. Your government thinks it has to punish the company in order to please you. How naive that is. Your workers are more sophisticated than we, but even we know that we can't prosper unless the company does. Where we are smarter than you is that we also know that we can't progress unless our country does well -- and our bosses know that, too. If we demand the money that would go into new machinery, we will live better for a little while, until someone else, with that new machinery, gets the order and we lose our job.

Maybe you think I should not talk up so big, for I have a bicycle and a radio while you have a car and a TV. We are only just getting to be the third biggest country, but we climbed up there from the bottom because we worked harder and asked for less. You see that we are gradually getting more now and you think that, like in Western Europe, as we workers get more, our costs will go up and we will lose our markets. You are almost right. Our costs will go up in Japan, but we will offset these higher costs at home by exporting our capital and employing labor in Korea, Taiwan, Thailand and the Philippines. The workers in those countries will wait even longer -- not forever, but much longer -- for their fair share. The companies that build plants there and use the cheap workers will capture more markets.

That, too, will be us. Those countries are our neighbors. We know them. You don't really know where Korea is. You don't know which is the country and which is the city -- Taipei or Taiwan -- and you think Anna is still running Siam (it's Thailand now).

Stay that way, please. Talk to yourself and to the English. Spend your production in higher wages and in welfare and super highways. Be hesitant to "exploit" the cheap labor areas that are too proud to admit that they are crying for your capital, your technical skill, and your market knowledge. Stay home and let politics raise your costs. You don't need to keep it up very long. Already we have most of your technology. We'll take it and our capital and our merchandizing and technical skills (who has the small TV business, G.E. or Sony?) and our willingness to work and wait -- and we'll use all the cheap labor wherever we can find it. With all other costs about equal and our labor costs one-tenth of yours, we'll outsell you every place in the world -- even in the United States.

We'll be third by the time I marry. We'll be first by the time my son does.

Some say I shouldn't tell you this, but I don't worry. You won't listen.

You want a second car today and because you have been taught to be mad at your boss, you want your government to limit his freedom to grow bigger. Hold him down to make you feel important. Please keep it up. We'll get your customers.

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Your country had been very important, even generous.
That's great for your satisfaction. I am happy you can think back on
your important history. Enjoy it!

Ours is ahead of us. I guess that's the difference.

Sincerely,

Your Japanese Friend