

The ORIENTAL ECONOMIST

(ENGLISH EDITION)

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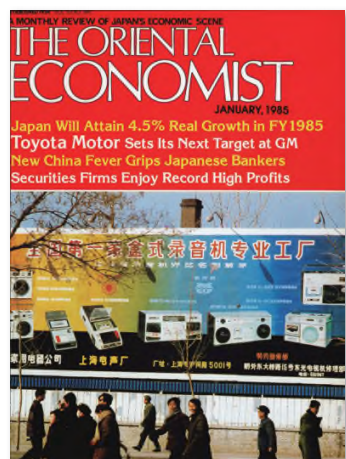
The ORIENTAL ECONOMIST

デジタルアーカイブズとは

戦前・戦中・戦後を通して、51年間途切れなく刊行された英文経済誌。
石橋湛山が、海外向け発信を企図。

『The ORIENTAL ECONOMIST』は、東洋経済新報社の創立40周年を記念して、昭和9（1934）年に創刊された月刊英文誌です。前年の1933年3月には、国際連盟を脱退するなど、日本では国際協調主義が影を潜め、国家主義が台頭していた時代です。また、昭和6（1931）年12月の金輸出再禁止政策により、日本の為替相場が下がり、それにつれて日本の輸出が増えたため、イギリスをはじめとする諸外国において対日為替ダンピング批判は、日本の大陸政策や国際連盟脱退への警戒もあり、大きな国際経済問題となっていたのです。

1985 Jan.

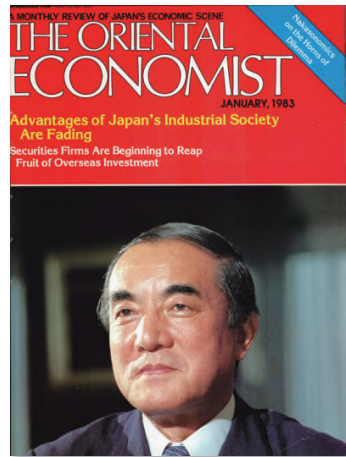


そこで『東洋経済新報』編集主幹であり、代表取締役の石橋湛山は、満州事変以来、世界の注目を集める日本の現状が正当に理解されていないという問題意識のもと、英文誌の出版を決意しました。日本とアジアの経済・政治・社会に関して世界へ正確な情報を伝え、アジア民衆の観点から論評を加えることにより、西洋市民の理解と公正な判断を得て、平和確保に貢献したいという願いがあったのです。

翻訳調でなく日本の政治経済に疎い外国人にも理解できる文章を心がけ、単なるプロパガンダでなく日本経済の長所短所を摘出し向かうべき道を示すという編集方針により、諸国の同種雑誌に劣らぬ水準を維持し、外国の専門家から信頼を得るに至りました。同誌の宛先は同盟国であるドイツ、イタリア、中立国のスイス、スウェーデン、ポルトガル、ソ連のほか、日本占領下の香港、上海、シンガポールなどでしたが、敵国側の英米にも中立国



1984 Jan.



1983 Jan.

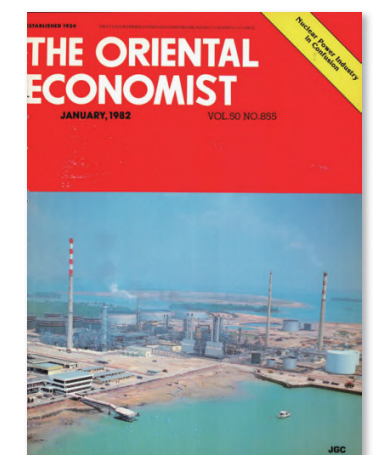
を紹介して入っていたといいます。海外諸国の官僚や軍人が数多く購読し、戦後にGHQ初代経済科学局長となるクレーマー大佐も長年の愛読者の一人でした。石橋湛山によれば、「本当のことを書きすぎて国家のためにならない」と、外国在住日本人（大使館、銀行、会社支店）からしばしば非難されたそうですが、奇妙なことに軍部がその存在価値を認め、太平洋戦争中にも雑誌発行の生命線である紙の配給を止めませんでした。同誌は創刊から終戦時まで1945年7・8月および10・11月の合併号を除き、途切れることなく毎月発行されていますが、このことは戦時中に多くの雑誌が統合や廃刊を余儀なくされた中では注目に値します。戦後、当時の日本には信頼できる民間経済調査機関がなかったこともあり、同誌を高く評価していたGHQからすぐに協力要請を受けた石橋湛山は、日本の主張を注入できるチャンスでもあると考え、刊

行サイクルを月刊から週刊に転換しました。結果として、1946年1月12日号から1952年8月23日号までは、週刊誌となりました。多くのメディアが、この占領期間に出版活動を縮小する中で、逆に刊行頻度が増したところに同誌の特異性があります。

今回は、1934年から1985年の51年間で、874冊－43,861頁のデジタルアーカイブズが検索対象となります。『東洋経済新報／週刊東洋経済』の英訳版でなく、オリジナル記事も多数収録しており、特に報道弾圧が激化した戦時中は、日本向けと海外向けである同誌と内容を書き分けていました。戦前戦後に切れ目がない稀少な英文誌ですが、これを使った本格研究は進んでいないのが現状で、貴重な学術研究資料となるでしょう。

このパンフレットでは、1982年から1985年の期間で、トピックスとなる記事をピックアップしてご紹介します。

1982 Jan.



1985 Jan.

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JANUARY • 1985

Companies Most Likely to Stand Out in 1985

—A poll conducted of Japan's 100 leading business executives—

THE *Oriental Economist* has recently conducted a questionnaire survey of the nation's 100 leading business executives as to their choices of Japan's truly excellent companies. A total of 90 executives filed their answers with us.

Our questionnaire consisted of the following three queries: 1) What are Japan's leading companies which actually "lead" the nation's business circles in various senses?, 2) What are Japan's excellent companies boasting of extra-superior earning power, second-to-none financial standings and other marks of excellence?, and 3) What are Japan's most exciting companies flush with youthful vigor, indomitable frontier spirits and unbounded growth capacity?

As was widely expected, Toyota Motor, with its second-to-none sales and profits, came out the undoubted front-runner in the rankings of Japan's leading companies. Until several years ago, Nippon Steel Corp. monopolized the No. 1 position. Today, however, the tables have completely been turned. The runner-ups proved to be three major electronics companies—NEC Corp., Hitachi, Ltd. and Matsushita Electric Industrial. Of the three, NEC has earned the No. 2 spot thanks to high stakes in information-related sectors. Hitachi, on the other hand, was apparently selected because of its all-round nature. Matsushita Electric Industrial earned its position primarily because of its powerful sales capacity; the company's technology was not held in

as high esteem.

Noteworthy fact is that Nippon Telegraph & Telephone Public Corp. (NTT) made the list. Although still a public corporation (the company will be turned into a private corporation as from April, 1985), NTT already is considered as a private organization. The company won the No. 6 position because of its leadership in the rapidly evolving information society. Nomura Securities apparently came out the leader among banking and securities companies for its aggressive and imaginative management style.

The choices for "excellent companies" are well within the boundaries of common sense. Excellent earning power and superior financial standings apparently were the criteria for the choices.

Considerable variety was seen in the rankings of "exciting companies", although Kyocera and Toray Industries won overwhelming endorsements. Kyocera benefited from two specific factors: 1) the fact that the company, originally a miniature venture business, has grown into one of the most powerful companies in Japan in an extraordinarily short period, and 2) the company's pioneering spirits best exemplified by its recent decision to challenge NTT, now the monopolistic common carrier, and created a second NTT (DAINI-INC.).

Toray Industries, on the other hand, earned its No. 2 spot thanks to its high growth potentialities based on electronics and new materials. Canon, Inc., Asahi Glass and Nippon Kogaku—the

third, fourth and fifth rankers—benefited from their leadership in such "now" industries as new materials and optoelectronics.

Next come Asahi Chemical Industries, Shin-Etsu Chemical, Sumitomo Electric Industries, Kyowa Hakko, Mitsubishi Metal Corp. and Mitsubishi Chemical Industries, all having strong stakes in new materials and biotechnology etc.

As to the most active executives in 1984, President Kazuo Inamori garnered by far the most votes. As many as 59 out of the total of 90 pollsters selected Inamori for his "aggressive management", "positive posture for the future" and many other reasons. The runner-ups, in the order of the votes obtained, included: President Tadahiro Sekimoto of NEC Corp., Chairman Eiji Toyoda of Toyota Motor Corp., President Shojiro Toyoda of Toyota Motor, President Yoshiaki Tsutsumi of Seibu Railroad, President Hisashi Shinto of NTT, President Toshihiko Yamashita of Matsushita Electric Industrial, President Setsuya Tabuchi of Nomura Securities, Representative Seiji Tsutsumi of the Seibu Distribution Group and President Seimon Inaba of Funac.

3. "Top 20" Exciting Companies

Ranking	Company Names	No. of Votes Won
1.	Kyocera	35
2.	Toray	30
3.	Honda Motor	9
3.	Suntory	9
3.	Seibu (Distribution)	9
6.	Canon	8
7.	Asahi Glass	7
7.	Nippon Kogaku	7
7.	Shin-Etsu Chemical	7
10.	Sony	6
10.	Asahi Chemical	6
10.	NTT	6
13.	NEC	5
13.	Kao	5
13.	Sumitomo Electric	5
16.	Kyowa Hakko	4
16.	Matsushita Electric Ind.	4
16.	Mitsubishi Metal	4
16.	Nomura Securities	4
20.	Mitsubishi Chemical	3
20.	Toyobo	3

THE ORIENTAL ECONOMIST

1. "Top 10" Leading Companies

Ranking	Company Names	No. of Votes Won
1.	Toyota Motor	63
2.	NEC	44
3.	Hitachi	37
4.	Matsushita Electric Ind.	27
5.	Nomura Securities	22
6.	NTT	10
7.	Kyocera	8
7.	Fujitsu	8
7.	Nippon Steel	8
10.	Honda Motor	7

2. "Top 10" Excellent Companies

Ranking	Company Names	No. of Votes Won
1.	Toyota Motor	71
2.	Matsushita Electric Ind.	47
3.	Hitachi	34
4.	Kyocera	29
5.	NEC	19
6.	Sumitomo Bank	11
7.	Fanuc	10
8.	Nomura Securities	8
9.	Honda Motor	5
10.	Suntory	4

1985 年 1 月号ピックアップ記事

編集部が選定した、日本を代表する 100 人のエグゼクティブにアンケートを依頼し、日本のビジネス界をリードする大手企業、誰にも負けない財務状況や収益力を誇る優れた企業、不屈のフロンティアスピリットを持ち若々しい活力に溢れた企業などについて、独自調査した結果を発信した記事です。

1985 Apr.

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APRIL • 1985

Highlights of the Month

New NTT—Confusion Continues over Shinto's Successor

CONFUSION continues over the lineup of top executives of NTT. As interests of the Government, the ruling Liberal Democratic Party and the business and industrial circles are intricately woven, the final lineup may not be ready before April 1, the day of the inauguration of the new and privatized NTT.

As already announced by the Ministry of Posts & Telecommunications, new NTT's presidency will be occupied by Hisashi Shinto, president of the old NTT, while one of the vice-presidencies will be filled by Yasusada Kitahara, vice president of the old NTT. The trouble is that successor to Shinto (who is already 74 years of age) has not yet been decided upon. Originally, Yuzuru Abe, president of Nisshin Steel, was slated to occupy the new NTT's second vice-presidency in tacit understanding that he would succeed Shinto when the latter steps down in the near future.

Although Abe was one of the most probable candidates for Nippon Steel Corp.'s presidency, he had to go to Nisshin Steel, one of Nippon Steel's subsidiaries, when the latter's president met his untimely death. It was at one time agreed among the Government, the ruling party, the business and industrial circles and Shinto himself that Abe would be appointed to the new NTT's vice presidency and would be groomed to succeed Shinto. Chairman Yoshihiro Inayama of Keidanren (the Japan Federation of Economic Organizations) went so far as to hold a special press conference to announce the decision.

As it actually turned out, however, Abe refused to along with the plan for health reasons and announced the fact two days after Inayama's press conference. Abe's refusal has plunged the choice of Shinto's successor into confusion once again. Behind Abe's refusal is a highly complex nature of the top personnel problems surrounding NTT.

President Shinto came to occupy presidency of the old NTT four years ago as a representative of the business and industrial circles. At that time, he was president of Ishikawajima-Harima Heavy Industries. Living up to the great expectations placed on him, Shinto carried out extensive rationalization programs once he came to occupy the old NTT's reins, lowered telephone and other charges and opened the doors of the old NTT to outside world. Shinto, for example, broke NTT's years-long tradition and enabled foreign manufacturers to sell their products to his company. In 1984, NTT bought various overseas equipments etc. totaling \$100 million. With its switchover to private management as from April 1, NTT, under Shinto's guidance, will further open its doors for foreign competition.

Shinto's move, however, is strongly resisted to by a group of some 300 manufacturing companies usually referred to as the "NTT Family corporations"—the corporations annually

getting huge orders from the giant telecommunications corporation. Such companies are strongly backed by many politicians who are getting benefits from them in some form or the other. Such companies have been supporting Yasusada Kitahara, vice president and career NTT man. Kitahara received particularly powerful support from Kakuei Tanaka, former Prime Minister, who fiercely pushed for Kitahara's appointment to the new NTT's presidency. What Tanaka, his politician colleagues and "NTT Family corporations" wanted was the lineup of Shinto as chairman and Kitahara as president. This lineup, however, met strong opposition



Hisashi Shinto

Yasusada Kitahara

from the business and industrial circles and the lineup was changed to Kitahara as chairman and Shinto as president. Unlike in the United States and other countries, the power of a president is infinitely bigger than that of a chairman in Japan. When the new lineup was leaked to the mass media, Tanaka and others went on a powerful counterattack and finally squashed the plan. The compromise that came out of the conflict was the lineup of Shinto as president and Kitahara and Abe as vice presidents. As mentioned elsewhere, this lineup was formally announced at a press conference by Keidanren Chairman Inayama.

The trouble, however, was that, two days after the announcement, Abe turned down the offer for health reasons. Informants believe that Abe was totally disillusioned by the grotesque power politics of the political, business and industrial circles. Abe's refusal to go to the new NTT places Kitahara in a favorable position to succeed Shinto as president.

If Kitahara becomes president, the new NTT's policy will not be as open as it is under Shinto's leadership. Fearful of trade frictions, therefore, the business and industrial circles

THE ORIENTAL ECONOMIST

1985 年 4 月号ピックアップ記事

新生 NTT の首脳人事について、政府、与党の自由民主党と財界、産業界で利害が複雑に絡み合う中で、一旦は、北原副社長、阿部副社長が公に稲山経団連会長から記者発表されたものの、その 2 日後に阿部副社長が病気を理由に辞退するなど、74 歳になる真藤社長の後継者をめぐる混乱について詳報した記事です。

1985 Sep.

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SEPTEMBER • 1985

A Message from Tokyo

TOYO Keizai Shinposha, publisher of *The Oriental Economist*, greets the 90th anniversary of its founding in November, 1985. *The Weekly Toyo Keizai*, the company's mainstay periodical, has never missed an issue in the last 90 long years, even during the height of World War II.

The Oriental Economist also has been in continuous publication for 53 years and is the oldest English-language periodical in Japan. "Let's not mind the costs. Let's just try to inform the world of Japan's reality and act as a bridge between the East and the West", declared Tanzan Ishibashi, then editor and later the country's prime minister, when he launched the periodical.

An episode has it that, immediately after the war, General Willowby of GII of the Occupation Forces paid a visit to Toyo Keizai and commented: "So, this is the place where *The Oriental Economist* is being published. We have benefited greatly from the periodical in learning about Japan. Please keep up with the good work."

For 40 post-war years, *The Oriental Economist* has continuously reported on the Japanese economy, management and politics and has received a constant stream of letters of encouragement and criticism from all over the world. Today, the periodical has subscribers in 60 countries of the world.

While succeeding to its time-honored traditions, *The Oriental Economist* will change into a completely new format—a business magazine entitled **TOKYO BUSINESS TODAY**—as from January, 1986.

Primary reasons for the change in the title and the contents of the periodical are as follows: In parallel with the rapid internationalization of Japan, general information on the Japanese economy is now in a state of

furios oversupply and *The Oriental Economist* in its present form has already outlived its usefulness.

What overseas businessmen and Government people really want to know have now definitely shifted to peculiarly Japanese systems and practices firmly based on its culture, such as the notorious non-tariff barriers—bureaucrats' "administrative guidances", complex distribution setups, subsidy systems and consensus-based decision-making practices etc. It will be extremely difficult for foreign people to get under the surface of such peculiarly Japanese systems and practices and really understand them. The trouble, however, is that trade frictions between Japan and other countries of the world will never go away unless foreign people fully understand Japan's business culture. True understanding of Japan's business culture also is inevitable for foreign businessmen's success in Japan.

For this reason, it is extremely important for foreign people to know of Japan's true power structures unrevealed in the ordinary run of daily reportage on this country. What **TOKYO BUSINESS TODAY** attempts to do is to take the lid completely off the Japanese economy and offer its hidden facts to foreign readers. Maximum efforts will be made to render the articles as exciting and engrossing as possible. News items will also be offered with a pinch of sophistication. We editors are of the firm belief that the new periodical will not disappoint the readers.

The Oriental Economist will wind up its 53 years of life with the combined November-December issue and make way for **TOKYO BUSINESS TODAY** in January. In the August issue, we announced that the new periodical would make its debut in November. That was a mistake. Please accept our apologies.

THE ORIENTAL ECONOMIST

1985年9月号ピックアップ記事

後に総理大臣となる石橋湛山が「世界に日本の実情を伝え、東洋と西洋の架け橋となろう」と宣言してローンチした、日本で最古の英文経済誌である THE ORIENTAL ECONOMIST の歴史的な意義と、1986年1月から TOKYO BUSINESS TODAY として、新しいフォーマットで生まれ変わることを伝えた記事です。

1985 Sep.

SEPTEMBER • 1985

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Highlights of the Month

Japan's Worst Bankruptcy

SANKO Steamship Co., in a virtual death throes for 18 months, finally went belly-up in early August with a total debt running up to ¥520 billion. If various advances made by trading companies and shipbuilders are added, the debt total will easily top the ¥1 trillion mark, making Sanko Steamship by far the biggest business failure in post-war Japan.

There is no doubt that the Japanese way of doing things has definitely had much to do with the snowballing of Sanko's debts. For a long time, anyone with a shred of common sense could see that Sanko Steamship was a goner. The world's biggest tanker company was certain to chalk up some ¥50 billion losses this year despite the fact that it was spared of interest payments on its debts totaling ¥360 billion. This fact notwithstanding, the company's three main banks — Daiwa, Long-term Credit and Tokai — were channeling funds to the floundering tanker operator. Nobody in the three banks would have truly believed that their additional funds would save Sanko. It was so obvious that the shipping firm was completely down and out.

What, then, is the reason for the three

banks' continuous financial assistances to the moribund firm? The three banks simply wanted to avoid criticism from the general public. There has long been a myth in Japan that "big businesses never fail". It is tacitly believed throughout the Japanese society that the Government and financial institutions would sooner or later come to their rescue if big businesses really threaten to go bankrupt.

If the three main banks had pulled their funds out of Sanko Steamship at an early date correctly fearing the future of the faltering steamship company, they would certainly have been criticized severely for "putting a bullet into a dead man's heart". It was in order to avoid such criticism that Sanko's three main banks grudgingly made additional loans totaling ¥30 billion to the shipping company even when it was in its virtual death-bed.

To make the matter all the more complicated, Sanko Steamship is a very special company having, as its virtual owner, Toshio Komoto, a reigning state minister (at the time) and one of the leaders of the ruling Liberal Democratic Party.

Although Komoto originally empha-



sized the fact that he was no longer even on Sanko's board of directors, he was found to have applied pressures on the three main banks not to allow the shipping company to go belly-up, when the going became really rough for Sanko. Tokuo Yamashita, present Minister of Transport who has jurisdiction over Sanko, moreover, is a member of Komoto's faction. Yamashita naturally applied his own pressures on the three banks — an act clearly out of line for a reigning cabinet minister but largely condoned in the Japanese society. Sanko Steamship lived 18 months longer than it would ordinarily have in the peculiarly Japanese politico-economic atmosphere and finally went down with much greater debts than it could have incurred under ordinary circumstances.

JAL—Coffins on Wings

JAPAN Air Lines has now become veritable coffins on wings. With the recent crash of its Boeing 747 (Flight 123) carrying 520 hapless people to their death, Japan's national flag carrier has been instrumental in bringing about untimely end of life to as many as 730 people in the recent 13-year period. Even after the recent accident, the worst single airline disaster in history, JAL found three serious troubles in its aircraft, showing the sloppiness of its safety and maintenance procedures.

Although the true cause of the crash of the Flight 123 will not be revealed until the Government's investigation is completed, one has a right to wonder why Japan Air Lines alone has had such a dismal concentration of accidents.

With the Government holding 35.4

per cent of its outstanding stocks, Japan Air Lines evinces many of the unsavory characteristics of a nationalized corporation. Everybody in the company instinctively believes that his livelihood will always be assured regardless of what happens as his company has the state backing it up. The company's wage standards are considerably higher than the industry average, putting a serious squeeze on its profits. The company's labor union is among the most intransigent in Japan and labor-management troubles and the resultant cancellation of flights are almost daily occurrences. The company counts, among its employees, as many as 60 offsprings of National Diet members, clearly indicating that its employment practice is based more on "connections" than on ability.

Internece fights among executives also are notable, especially between the personnel coming from the Ministry of Transport and the executives who have steadily climbed up the corporate ladder. The animosity between Yasumoto Takagi, outgoing president and career JAL man, and Naoshi Machida, present vice president and former vice minister of the Transport Ministry who is believed to replace Takagi, is a well-known fact.

In spite of all these troubles, Japan Air Lines has been receiving strong protection from the Government because of its national flag carrier status. Recently, however, the Government is steadily moving toward deregulation of the airline industry, and Japan Air Lines will not be able to enjoy its strong protection forever. The latest accident is certain to add strong momentum to the deregulation movement.

1985年9月号ピックアップ記事

520 人の犠牲者を出した、日本のナショナルフラッグキャリアである日本航空の 123 便墜落事故について、日本航空でこのような悲惨な事故が起きる要因を分析するとともに、これまで様々な問題を抱えながらも受けてきた政府からの強力な庇護を、いつまでも享受することはできないだろうと報じた記事です。

1984 Aug. / Sep.

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AUGUST / SEPTEMBER • 1984

Foreword

Fifty Years of
The Oriental Economist

The Oriental Economist greeted the 50th anniversary of its founding in May, 1984. The periodical was launched in May, 1934 under the leadership of the late Tanzan Ishibashi, the then president of Toyo Keizai Shinposha, the publishers, and later Finance Minister and Prime Minister of Japan.

Although the periodical was forced to skip some issues toward the very end of World War II, it was immediately normalized following the end of the hostilities. For several years after the war, *The Oriental Economist*, by far the oldest existing English-language economic review in Japan, was issued in a weekly form. That episode, however, ended in 1952 and the periodical came to assume a monthly form again.



The reason for Ishibashi's decision to start an English-language version of the weekly *Toyo Keizai* magazine is found in his words published in the May 5, 1934 issue of the vernacular magazine.

"Ever since the Manchurian Incident, Japan has been in the center of the world's attention", states Ishibashi. "Unfortunately, however, the country is still largely an enigma to the outside world with its true intentions frequently misunderstood and its international position at a great disadvantage. Part of the blame of course lies with the outside world which does not try to seriously understand Japan. Lack of efforts to make itself understood on the part of Japan, however, also is a crucial factor in the world's tendency to grossly misunderstand our country. It is in order to do our part in correcting this unfortunate situation that we have decided, as an event to commemorate the 40th anniversary of our company's founding, to inaugurate an English-language periodical."

Ishibashi's sense of mission in having the newly-emerging Japan correctly understood throughout the world is clearly evident in this short pronouncement. In the foreword of the inaugural issue of *The Oriental Economist*, Ishibashi echoes the sentiment: "*The (Oriental) Economist* is not one of the propaganda publications in which the present-day world abounds. As during the forty years of its successful career as a Japanese-language publication, so in its English form it will continue to give a fair and impartial view of economic conditions in the Orient, free from nationality, race or creed."

The path followed by the periodical after its ambitious birth, however, was by no means strewn with roses. The periodical faced the extremely difficult task of expanding its circulation and, at the same time, making both ends meet. Difficulty was compounded by the fact that, from the very beginning, Ishibashi was determined to publish the English-language periodical on his own, refusing to depend on the government and public organizations for financial and other supports. He firmly believed that dependence on such organizations would inevitably restrict the freedom with which he was committed to speak for Japan. He tried to cultivate readership of the periodical via businessmen and academics going abroad as well as via direct mail and other promotional measures. The work proved to be extremely tough but certainly was worthy of effort.

The periodical's independence, maintained at such great costs, gradually won readers' confidence and the magazine's reputation in the world's reading circles mounted steadily.

Viscount Hisaakira Kano, then manager of the London branch of the Yokohama Specie Bank (presently, the Bank of Tokyo) and later governor of China Prefecture, states as follows in his letter of July 28, 1939 to Ishibashi: "The *Toyo Keizai* is the only Japanese periodical that is not afraid of speaking the truth. Its English-language version is finally beginning to be recognized in many parts of the world for its unbending liberalism. I wish you every luck."

We had to wait until immediately after World War II, however, before *The Oriental Economist's* worth was graphically shown—by the GHQ's attitude toward it. In an article entitled "Twenty Years with *The Oriental Economists*", June, 1954, Ishibashi describes a meeting with Colonel R.C. Kramer of the Economic & Scientific Section of the GHQ on September 30, 1945, soon after his arrival in the war-devastated Tokyo.

THE ORIENTAL ECONOMIST

1984年8月9日合併号ピックアップ記事

1934年の創刊から50周年を迎え、代表取締役の高柳弘が、これまでのThe Oriental Economistの歩みを振り返り、石橋湛山がこの英文経済誌をローンチしようと決断した経緯や、第二次世界大戦の直後にGHQのクレーマー大佐がロンドンのエコノミストと同じくらい重要なメディアであると述べたエピソード等を

AUGUST / SEPTEMBER • 1984

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The
ORIENTAL ECONOMIST
(ENGLISH EDITION)

Vol. 1 No. 1 MAY 1934 Price 2.00

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Published Monthly by THE TOYO KEIZAI SHIMPO SHI, LTD. Osaka Established 1895

Cover Page of Inaugural Issue of THE ORIENTAL ECONOMIST Published in May, 1934

According to Ishibashi, Kramer stated that he had been a constant reader of *The Oriental Economist* and that he considered the periodical to equal *The Economist* of London in its importance.

Kramer further stated, according to Ishibashi, that it was fortunate indeed for the world to have *The Oriental Economist* for studying Japanese economy and requested Toyo Keizai's cooperation in the GHQ's activities in Japan.

When he resigned from the Economic & Scientific Section in December, 1945 to go back to the United States, Kramer personally paid a visit to Toyo Keizai and paid two years' subscription to *The Oriental Economist*, according to Ishibashi.

As part of its cooperation with the GHQ, Toyo Keizai not only prepared a weekly English-language report on Japanese economy but also did various research work for it.

The Oriental Economist's role became all the more important as Japan started following rapid economic growth after the end of the Occupation and the restoration of the nation's independence. The world's evaluation of the periodical also mounted. In its April, 1949 issue, for example, the *Fortune* magazine of the United States, in citing an editorial in *The Oriental Economist*, referred to the periodical as follows: "*The Oriental Economist*, a publication even politer than the London *Economist* but just as influential in its own area..."

Likewise, the *Newsweek* magazine, in its May 2, 1949 issue, spoke of "A detailed survey in the authoritative *Oriental Economist*..." in talking about foreign exchange problems.

The *Monthly List of Selected Articles* published by the UN Library in Geneva, on the other hand, never failed to cite two to three articles from *The Oriental Economist* in every issue.

It is a wellknown fact that *The Oriental Economist* was also widely quoted in the Soviet Union, China and other Communist countries in study reports on Japan.

At present, *The Oriental Economist* publishes, in addition to the monthly of the same name, *Japan Company Handbook* (inaugurated in January, 1974 and published semi-annually in January and August), *Second Section Firms* (inaugurated in 1982 and published semi-annually in March and September) and *Japanese Overseas Investment* (inaugurated in 1981 and published once every three years). Direct subscriptions to *The Oriental Economist* now come from 54 countries and many additional countries are receiving copies of the periodical via distributors, trading companies and other organizations. Many foreign residents in Japan also are the periodical's constant subscribers.

We at *The Oriental Economist* are determined to uphold the lofty ideals set forth by Tanzan Ishibashi and our other predecessors and keep on supplying correct information on and unbiased analyses of Japan's political, economic and social developments in our hope of having Japan fully understood throughout the world.

Hiromu Takayanagi

Hiromu Takayanagi
President
The Oriental Economist

THE ORIENTAL ECONOMIST

紹介し、先人が掲げた高尚な理想を堅持しながら、正確な情報と偏見のない分析を提供し続け、日本が世界で十分に理解されることを願っていると語った記事です。

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KIKKOMAN CORPORATION

Head Office:	339, Noda City, Chiba Prefecture
President:	Katsumi Mogi
Capital:	¥7,950 million
Major Lines of Business:	Production & sales of <i>shoyu</i> (soy sauce), worcestershire and other sauces, tomato products, wine, alcoholic and non-alcoholic beverages, foodstuffs and pharmaceuticals

WITH the aim of winning recognition for *shoyu* (soy sauce) as the world's "most delicious seasoning" Kikkoman Corporation has been cultivating a market overseas for this traditional Japanese seasoning. Thanks to the popularization of Japanese foods among health-conscious people of other countries, *shoyu* is now established as a universal seasoning.

In June last year, Kikkoman held a ceremony to celebrate the 10th anniversary of the start of *shoyu* production in the United States—at its Walworth Plant in Wisconsin. In November this year, Kikkoman started shipping to Southeast Asian countries and Australia *shoyu* manufactured at its Singapore Plant, the company's second overseas production base. With the slogan "Spreading Japanese Food Culture Throughout the World", Kikkoman is spearheading Japanese food companies in advancing overseas.

From Restaurants to American Homes

In 1973, Kikkoman started production of *shoyu* in America. The Walworth Plant in the Midwest started with an annual output of 9,000 kiloliters, and today it can produce more than 20,000 kiloliters a year.

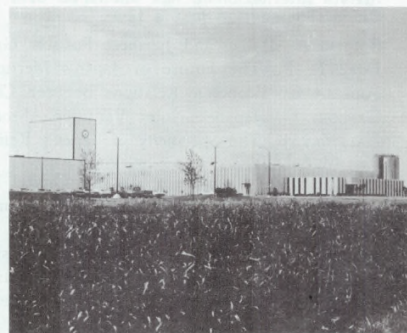
There are five major *shoyu* makers in Japan, including Kikkoman. If Kikkoman's American *shoyu* subsidiary, Kikkoman Foods, Inc. (KFI), were to be relocated to Japan, it would rank sixth following the five major manufacturers. Katsumi Mogi, President of Kikkoman Corporation, says, "Because KFI's production capacity is being expanded continuously to meet the rapid growth of the American market for *shoyu*, it is expected that within several years, KFI will rank third. It is even conceivable that twenty years from now KFI could overtake the parent company to become No. 1."

Japan imports most of her soybeans and wheat, the raw materials of *shoyu*, from America. It is often said that *shoyu* is a seasoning indigenous to Japan, but

actually, of all the ingredients of the *shoyu* that is made in Japan, only Kikkoman Aspergillus and water are indigenous to this country. The rest are produced in the U.S. and imported to Japan. Therefore, it doesn't seem so strange that *shoyu* has been able to take root in America.

A survey shows that about 60 per cent of all American families have used *shoyu* at least once for their cooking. And even more important two-thirds of these families always keep *shoyu* in their kitchen.

Kikkoman controls the biggest share of the American *shoyu* market, including a 45 per cent share of sales at supermarkets—the fastest growing *shoyu* retail outlet. But Kikkoman is not resting on its laurels. Yuzaburo Mogi, Managing Director of the company's International Operations Division, says, "There's a lot of talk about the Japanese food boom in the States, but the boom is still confined largely to restaurants. We want to see *shoyu* take a permanent place on dining tables in American homes."



Kikkoman Foods, Inc. in Wisconsin, U.S.A.

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Shoyu Can Become a Universal Seasoning

The exchange of people has played a significant role in the popularization of *shoyu* in America. Before World War II, many Americans of Japanese ancestry and other Orientals lived in the United States. After the war, an exchange of food culture took place through the medium of Americans living in Japan. *Sukiyaki* and *tempura* were taken to the U.S. by these people, and they helped create the first Japanese food boom in America.

In Australia—Kikkoman's second overseas target market—there have been fewer cultural exchanges with Japan. Kikkoman's top executives felt a bit apprehensive about producing *shoyu* in Singapore, but their conviction that "*shoyu* can eventually become a universally popular seasoning" gave them the courage to decide to start production.

America is now going through a new Japanese food boom. This time the star items are *sushi* (rice balls topped with sliced raw fish) and *sashimi* (sliced raw fish). Salt and pepper, which are the traditional seasonings of the West, are used on anything that is broiled, cooked, fried or deep-fried, but not with *sushi* and *sashimi*. As President Mogi says, "*Shoyu* goes perfectly with *sushi*. In fact, I believe *shoyu* is the most versatile seasoning with the widest range of applications."

The people of Australia are open-hearted, and are always willing to try and adopt new things. In addition, Australians are like Americans in their love of outdoor barbecues.

Kikkoman started test-marketing *shoyu* in Adelaide in southern Australia seven years ago. In the following year, the company extended its test marketing to such major cities as Sydney, Melbourne, Brisbane and Perth. The Singapore factory to supply these areas started production with an initial capacity of 3,000 kiloliters. Very soon, production will likely be doubled.

Strategy for Western Europe

Eleven years ago, the major *shoyu* consuming area in the U.S. was the West Coast, especially San Francisco and Los Angeles. Despite this, Kikkoman selected Wisconsin as the site for its American plant because it was already thinking of exporting American-made *shoyu* to West Europe via the Great Lakes.

However, as President Mogi laments, "It is extremely difficult to sell *shoyu* to the French and the Italians. The Latin races have great pride in their food culture. The French boast that their cuisine is the best in the world, and so hotels everywhere serve imitations of French food."



Kikkoman Daitokai Restaurant in Düsseldorf

Kikkoman, nevertheless, is steadily building up its foothold to eventually start production in Western Europe. In 1972, the company established the subsidiary Kikkoman Daitokai (Europe) GmbH in West Germany. This subsidiary operates a chain of restaurants specializing in *teppanyaki* (meat marinated in *shoyu* and broiled on a hot plate). The *teppanyaki* restaurant chain was started as a means to familiarize Germans with the taste of *shoyu* and thus gain entry into West German homes. *Teppanyaki* restaurants have been opened not only in Düsseldorf, where Kikkoman Daitokai's head office is located, but also in other major cities including Hamburg, Munich, Köln and West Berlin. Kikkoman is now thinking of establishing *teppanyaki* chains in neighboring countries too.

Kikkoman started selling *shoyu* in Sweden and Norway two or three years ago. Because *shoyu* goes very well with fish, a staple food in Scandinavia, Kikkoman began marketing *shoyu* in these countries without hesitation.

When Kikkoman was planning to build a *shoyu* plant in the U.S., one of its executives asked an American friend, "Which do you think will be easier, selling *shoyu* to Europe via America or directly from Japan?" The American friend replied instantly, "Via America, of course." His reasoning was: "The ancestral homes of most Americans are in Europe. If Americans say that *shoyu* is delicious, the people in the Old Country will be influenced."

Kikkoman's international marketing strategy of targeting sales first to the United States has proved very successful.

Now, it is also producing *shoyu* in Singapore for the Australian and Southeast Asian markets—the second major objective in the company's international strategy. It seems both likely and logical that Kikkoman will next focus on the European markets.

THE ORIENTAL ECONOMIST

1984年12月号ピックアップ記事

キッコーマンの海外マーケット開拓状況について、「世界で最も美味しい調味料」として醤油の認知度を高めることを目的とした、国際的なマーケティング戦略が成功していて、すでに米国の醤油市場で最大のシェアを持っているが、重要な目

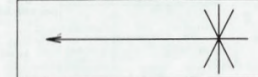
標である豪州や東南アジアをはじめ、今後は欧州にも焦点を当てる可能性が高いことを報じた記事です。

1983 Dec.

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MAN IN THE NEWS



Tadashi Kume
President,
Honda Motor Co., Ltd.

**A Man Who Has Overcome All
the Tribulations**

Kume, a deeply worried man, was on an extended trip to Shikoku Island in the spring of 1969.

"Why do things refuse to work out so obstinately?" Kume was thoroughly depressed, his brows burrowed by deep lines.

Kume, at that time, was at complete odds with Soichiro Honda, founder and then president of Honda Motor, over development of a new engine. Dejected and feeling bitter, Kume walked out of the company and went on a trip to Shikoku after informing Kiyoshi Kawashima, then managing director and Kume's predecessor to Honda's presidency, that he would like to resign. He was seriously worried about his future but he simply could not sacrifice his convictions as an engineer for a secure job.

After a month of absence, Kume returned to Honda Motor and started developing a new water-cooled engine after having persuaded Soichiro Honda, a strong believer in air-cooled engines. The result was the famous CVCC (compound vortex controlled combustion) engine, the first "clean" engine in the world to clear the stiff exhaust gas regulations.

The CVCC engine not only changed the course of engine development in the world but also heralded the arrival of a new breed of engineers who had finally caught up and overtaken the company's dominating genius, Soichiro Honda.

Fourteen years afterwards, Kume was elected president of Honda Motor at a board of directors meeting in October, 1983 and came to handle one of Japan's leading automobile corporations, following the footsteps of Founder Honda and his successor Kiyoshi Kawashima. Kume is 51, an age extraordinarily young for a president of a major Japanese company.

Kume confessed that he was "flabbergasted" when he heard of his appointment to the company's top post from Kawashima. Everyone else, however,

never doubted that Kume was next in line. Kawashima, his predecessor, had steadily engineered the company's sentiments toward that direction.

Kawashima, for example, more or less completely relegated, as from summer, 1982, day-to-day company operations to the "shadow cabinet" headed by Kume. Kume's recent appointment was nothing but an official seal of recognition of what had been going on unofficially for a long time.

Kume cuts a sharp contrast to Kawashima in personality. The fact is graphically shown by the farewell presents they received from their respective subordinates when they left their former posts. Kawashima, who loves trawling, received a finely-worked wood-made model of the Victoria when he gave up the presidency and assumed the post of supreme advisor. The gift given to Kume from Nobuhiko Kawamoto, his subordinate and present managing director of Honda Research & Development Co., was a big badger ornament carrying a bottle of *sake*, a symbol of heavy drinking.

Kume loves *sake*, there is no doubt about it. He also loves what is right and hates what is wrong, true to his forbears, an honor-bound band of outlaws of Hamamatsu who reportedly protected the weak and fought against the strong.

Kume also has an unsatiable weakness for automobiles. He often takes extended auto trips to various parts of the country, especially the area around the lofty Yatsugatake range in the central part of the country.

Kume could not have made a more correct choice when he joined Honda after graduating college. He was carefully fostered as an engineer in Honda Research & Development Co., Honda Motor's research organ where evaluations are made purely on a works-done basis. Engineers can afford to pay absolutely no heed to the usual corporate rat race there. Without this system, a man like Kume, whose forte has never been upstaging others, would never have made to the top of a leading Japanese corporation.

Former President Kawashima, who has always been a superb coordinator, has selected Koichiro Yoshizawa, a man of great managerial expertise, as vice president to support Kume, a genius-type engineer who has more than few edges unheven. Joining Honda in the same year as Kume, Yoshizawa was responsible for Honda's creation of a motorcycle plant in the United States. He also presided over Honda's fierce sales war with Yamaha Motor and brought the competition to a resounding success for



Honda.

At the 35th anniversary ceremony of the company's foundation on October 15, 1983, Founder Soichiro Honda made a speech before 20,000 workers of his company.

"Former President Kawashima was a man of loose ends," Honda announced, provoking a chain of snickers. "New President Kume also is rapidly turning into a man of loose ends. Our company's rule is to choose the greatest man of loose ends as president." By his speech, Honda completely broke the ice and the ceremony turned into a highly vivacious affair, thereby making Kume infinitely closer the employees' hearts.

Kume faces several tough decisions. One is how to cope with the company's growing difficulty to fully meeting steadily increasing demands for its four-wheeled vehicles and the other is how to develop the company's overseas projects. It is particularly interesting to see how Kume and his team will try to shorten the gap between their company and the pace-setting Toyota Motor and Nissan Motor.

Kume was born in January, 1932 in Hamamatsu City, Shizuoka Prefecture. After graduating from the mechanical engineering department of Shizuoka University, Kume joined Honda Motor in 1954, the year when the company was so poor in its business performances that it paid only token year-end bonuses to its employees.

Kume's hobbies are *sake* drinking and driving. (T. Ito)

THE ORIENTAL ECONOMIST

1983年12月号ピックアップ記事

本田技研工業の創業者であり社長であった本田宗一郎と、新エンジンの開発をめぐって対立していたエンジニアの久米是志が、困難に直面し一時は退職の旨を伝えながらも会社に戻り、世界で初めて厳しい排気ガス規制をクリアした CVCC エンジンを誕生させ、その 14 年後に、Honda イズムの継承者として 3 代目社長に就任したことを伝える記事です。

1982 Dec.

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Highlights of the Month

Debut of Nakasone Administration

THE new administration headed by Yasuhiro Nakasone made its debut on November 26. For more than 40 long days after former Prime Minister Zenko Suzuki's decision not to seek reelection as the standard-bearer of the ruling Liberal Democratic Party, the conservatives went through a series of empty motions, symbolized by the primary elections participated in by the party's rank-and-file members. The final election of Nakasone, however, had long been a foregone conclusion, as he enjoyed strong backing by the two powerful mainstream factions headed by Kakuei Tanaka and Zenko Suzuki. Against the joint forces of Tanaka, Suzuki and Nakasone factions, anti-mainstreamers belonging to Fukuda, Komoto and Nakagawa factions really had no chances. As is clear from the nature of its backers, the Nakasone Administration is bound to follow the courses laid down by its predecessor.

The newly-formed Nakasone Administration faces an exceptionally long series of truly tough problems. The serious nature of the problems can easily be seen from the fact that Zenko Suzuki, Nakasone's predecessor, suddenly gave up his post for no specific reasons.

Japan, for example, is now being strongly pressured by the United States to step up its defense efforts. Tokyo also faces mounting demands from Washington and European capitals to control exports and increase imports.

Within the country, government deficits have already ballooned to dangerous proportions, while the economy has been in a prolonged slump. Although the government has done much lip service to administrative reforms, moreover, actually nothing has as yet been carried out to that purpose.

The trouble with all these problems is that possible solutions to one problem can easily prove serious obstacles to others. What makes the task of the Naka-



New Prime Minister Yasuhiro Nakasone

sone Administration all the harder is the fact that it is no longer in a position to take time in solving the problems, as its predecessor had procrastinated too long. Especially urgent are the necessity to somehow avert the worst in Tokyo's trade relations with the United States and Europe and, at the same time, to give a short in the arm in the ailing Japanese economy. Nakasone also is required to live up to his promise, frequently made during he was Director General of the Administrative Management Agency, to carry out through administrative reforms.

It is problematical to what extent Nakasone will be able to cope with the tough problems now facing him and his administration, given especially the highly complex intra-party and inter-factional conditions. With the House of Councillors election and local elections slated for the coming year, Nakasone will be required to make truly tough choices—and that immediately.

Reorganization of Petrochemical Industry

A gigantic industrial reorganization, comparable in scale to the restructuring of the shipping industry in the early postwar years, is now about to begin involving this time the now seriously battered petrochemical industry.

The general direction of the reorganization was presented in the report submitted last June by the Chemical Industry Committee of the Industrial Structure Deliberation Council. In its highlight, the report points

out the necessity of scrapping surplus production facilities and eliminating excessive competition so that the industry will be able to concentrate production in high efficiency equipment and compete with their overseas rivals on an equal footing. For this purpose, the report urges petrochemical corporations to form a few groups centering around the most important manufacturers.

According to an estimate made by the Petrochemi-

THE ORIENTAL ECONOMIST

1982年12月号ピックアップ記事

11月に誕生した自民党の中曽根政権について、国内では政府の財政赤字がすでに危険な水域に膨れ上がる中で長引く不振に陥っているため、行政改革を実行する必要がある、米国や欧州との貿易においては、最悪の事態を何らかの形で回避する必要がある等、新政権が直面している厳しい状況とその内幕を詳報した記事です。

東洋經濟新報社