

# The yen also rises

**T**OKYO — "You're crazy to buy a Japanese radio," friends told me. "They only make junk." That was the general view of Japanese goods — in 1959. I bought the radio anyway and marvelled at its quality and sonority.

At the time, its maker, Matsushita, was unknown in the West. Today, under the brand name Panasonic, its products and those of other Japanese firms are respected everywhere. In one short generation, Japanese industry has gone from making cheap tin toys to becoming a world leader.

I saw some of the reasons for such an astonishing transformation during a visit to one of Toyota's huge auto plants outside of Nagoya. What impressed me even more than the robots putting together auto bodies were Toyota's assembly line workers. I have certainly never seen western workers doing their jobs with such speed, care or evident elan.

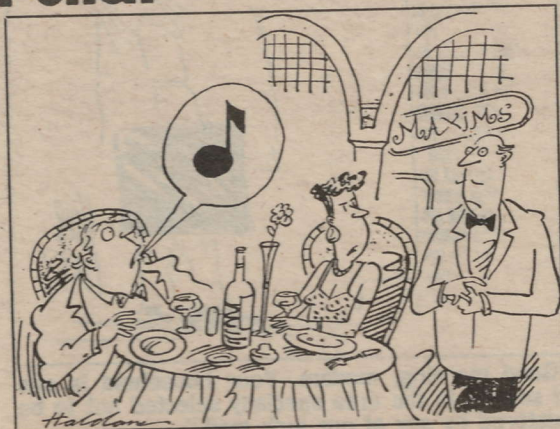
These workers and those in the rest of Japanese industry are no longer the low-paid toilers who pulled the shattered remains of Japanese industry out of the wreckage of World War II. With salary and bonus, Toyota's line workers earn \$45,000 annually. Japan's rapidly rising wage rates have made entire sectors of the nation's industry uncompetitive. Government and industry have responded to this problem in two important ways.

Under the artful guidance of the powerful ministry of international trade and industry (MITI), Japan is slowly easing its way out of heavy industries like shipbuilding and steel — the same ones that formerly led Japan's meteoric expansion.

Japan has moved important sectors of its industrial production and assembly to such lower-wage nations as South Korea, Taiwan and Hong Kong. In response to rising tariff barriers and protectionism, the larger members of Japanese industry set up plants in North America and Europe.

Will products made by non-Japanese workers be as good as those made in Japan? Somehow, I don't think so. Western workers, in particular, just don't have the dedication, care and pride in their work that is so evident in Japan.

## Punch



"Excuse me, monsieur, my husband's songbird seems to have been a trifle underdone."

## ERIC MARGOLIS



Japan Inc. appears to have taken a major decision to adopt a long-term plan to slowly allow its manufacturing sector to decline. Instead, Japan will use its sky-high yen to continue investing abroad in foreign industries, land and financial institutions. This will allow Japan to almost live on foreign income — like Britain did for almost two centuries.

At the same time, Japan will accelerate its concentration on advanced technology. In one more generation, Japan will likely go from being a giant factory to becoming one huge national research laboratory. Already Japan is the world leader in electronics, ceramics, composite materials and fermentation, to name but a few key areas. I expect Japan will soon overtake the U.S. in computer science and could even soon rival the Americans in space and military technology.

In 20 years, according to the Japanese plan, the nation will become the world's leading exporter of technology. This technology will flow to Japanese plants across the world and be financed by Japan's banks, now the world's largest.

Japan's determination to become the world leader in technology is being orchestrated by MITI, its banks and large industrial groups. Investment in research and development is already far ahead of other nations. Equally important, Japan's superb educational system is turning out the scientists and technicians to man its laboratories. In mathematics, science and even history, I would estimate a Japanese Grade 12 student to be about equal in knowledge to our university graduates.

Some observers have been looking for a decline in the younger generation's work ethic. Not so. The next generation of young Japanese appears as determined, serious and hard-working as its elders. These are qualities that are ingrained by parents and schools.

Compare this to the next generation of Canadian children who will be abandoned by their working mothers to be brought up in socialist daycare centres and then left to the incompetence and indiscipline of our wretched school system. It's small wonder that Japanese often look down on our western societies as something uncomfortably close to the Third World.

So Japan seems well on the way to turning itself from a nation of auto builders, fishermen and steelmakers into a larger version of Switzerland: rich, prudent and stable; an exporter of high technology and investment, an importer of dividends.

Canada's politicians, who have done so much to wreck and debauch our once-rich economy, ought to get on the next plane to Japan and learn by the numbers how it's done right.