executive of the Sony Corporation, as stating that "...much of the answer (of how Japan does it) lay in industrial research, which has made Japan an innovator, not a copier." And to this observation there is the added weight of TIME (Aug. 8, 1961, South Pacific edition). In discussing Honda motor cycles, TIME stated:

"...Honda's machines have lapped the best in Europe." "Europeans are awed by Honda's performance. 'It is time the British firms copied Japanese know-how, grumped London's Daily Mirror. One British manufacturer took a Hondu motor cycle apart, marvelled 'It's made like a watch and isn't a copy of anything.'"

Gone, it seems, is the self-deceiving smugness regarding the supposed "natural inferiority of the Japanese" which we were so often told and were expected to believe.

And Mr. Hunter continues to raise the curtain on the Japanese question:

"JAPANESE LABOR COSTS (he tells us) ARE NOT AS LOW AS THEY APPEAR because of the many fringe benefits which are traditional in industry." (Our stress.)

It seems that: "The paternalist attitude of most big employers also means that the number of workers is often much higher than in Western countries. Redundant employees are not sacked but are carried in unimportant jobs." (The dead hand of feudal "charity" seems still to affect Japanese industrialists, unlike their Western counterparts who disdain to run "charitable organizations.")
Furthermore:

"Regular half yearly bonuses, and an imposing list of welfare services also inflate what APPEAR to be low wages. (Our stress.)

"A skilled worker with a basic wage of about 24 pounds (Australian) a month, could expect in a year about six months' extra salary in bonuses, free transport, free lunches, free dental and medical care, and housing assistance.

"In addition most big companies give employees and their families holidays at beach and mountain resorts maintained by the company."

So it is social services which keep down the take-home pay directly in proportion to the extension and value of the services. The combined effect of high social service benefits and low wages is that the commodity labor-power, in Japan as everywhere else in the world, sells at its value. The riddle is solved and the labor theory of value is once again vindicated. And, we cannot help but note in passing, since the social services already existing in Japan are the same social aspirations of Mr. Khrushchev for the Soviet Union 20 years hence, perhaps Mr. Khrushchev has "copied" his "revolutionary" ideas from capitalistic and monarchial Japan.

Mr. Hunter notes one more important aspect of modern Japan:

"Although living standards remain lower than most Western countries, they are rising fast in food, clothing, electrical appliances and housing, and this will help to sustain Japan's boom."

The finance editor is entitled to his opinion but we would venture to advise him in advance of some of the future trends of Japanese economics and social affairs, trends which will prevent us from sharing the optimism on the future standards of the majority of the Japanese population, at any rate. The fast rising real wages and improved living standards simply conform to the general law of developing industrial capitalism. Naturally, present and future productivity of labor will increase faster than do working class living standards. **Thus, simultaneous with these rising living standards, there will be an ever increasing degree of exploitation of the Japanese working class.**

Furthermore, as Japanese know-how extends outwards from mere technical ability, they will learn how to regulate their family sizes and spacings. Thus will the sharply rising population tend to taper off. For Japan is subject to the same economic and population laws as are all the older industrial nations. Finally on the subject of predictions, Japan's rapid development has, from the socialist standpoint, brought that country into line with the other advanced capitalist nations in paving the way for socialism.

Looking back at Japan's immediate past, less is heard today of the "miraculous 50 years of Japan." Probably because the same "miracle" is now transforming so many other countries simultaneously, and in much less time than 50 years. Russia began its modern transformation in an age of electricity, aviation, radio communication and general compulsory education. Now India, Africa, and China are beginning theirs in an atomic age. All of these are more swiftly developing and on a far vaster scale than Japan. ALL OF THEM HOWEVER ARE DEVELOPING ALONG THE SAME LINES AS JAPAN. AND JAPAN HERSELF IS A FAITHFUL REPLICA OF THE OLDEST CAPITALIST NATION: BRITAIN.

European contact with Japan was sporadic and left little imprint upon that country before 1854-55. But this isolation was destined to quickly end when Commodore Perry, commissioned by the American Government, entered into Uraga harbor. Perry steamed with his ten battleships into the Japanese port in the teeth of a stiff breeze. No doubt, a well-thought-out piece of propaganda, calculated to create a strong impression on the intelligent, watching Japanese. Perry withdrew only after he had obtain the necessary agreement for future trading and other concessions.

Immediately following the American visit there took place, in rapid succession, the changes needed to transform a static feudal society into a modern, dynamic, industrial capitalist nation. In short order: feudalism was abolished; railways, postal and telegraphic services were begun and rapidly extended into a network over Japan; Imperial restrictions on Japanese travel abroad were lifted, indeed the Emperor in 1868 declared: "Knowledge shall be sought throughout the world, so that the welfare of the Empire may be promoted." And in 1872 education, universal and compulsory, was made law.

In 1904-1905, exactly 50 years after the visit of Perry and his Armada, Japan waged and won the war with Russia on both land and sea. The onlooking, anti-Tsarist countries loudly applauded this first defeat inflicted upon a European nation by an Asiatic one. Truly Japan was one of their kind. That Japan emerged triumphant from this war was the crowning feature of her 50 years of "miraculous" development.

But the "miracle" of Japan was not ended. Forty years later, in 1945, she had another visit from agents of Washington. The first two atom bombs to be used in war were dropped on two of her cities. Thus, in 90 years, modern Japan has featured in two "miracles" — the first, constructive and the second, destructive. Both miracles emerged, however, from a common origin — from the needs of capitalism. The Japanese working-class, more demonstratively anti-war and anti-H Bomb than perhaps any other working class today, has still to learn that capitalism, with or without rising living standards, can only lead to further war. Organization for socialism, and for nothing short of socialism, is the answer to their problem and to the problem of all mankind.

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