Introduction

In the sunny living room of his home near Osaka, 26-year-old Seiji Hayakawa last week contemplated his existence and found it good. Mornings, Seiji and his young wife Kumiko wake to the bubbling of their automatic rice cooker, turned on minutes before by an electric timing device. Evenings they watch Laramie or the samurai dramas on their television set and fight off the winter chill by toasting their feet on an electric footwarmer. So well paid are their jobs at the nearby Matsushita Electric Company radio plant—as a foreman, Seiji makes $61.12 a month, plus a bonus of 6 1/2 months pay last year—that they also own a refrigerator, transistor radio, vacuum cleaner, electric iron and washer. If the expectant Kumiko presents him with a son next month, Seiji even talks confidently of sending the boy to a university. “What more could I want?” Seiji ruminates contentedly—and answers himself, “I can’t think of anything.”

This was how Time magazine opened its February 23, 1962, cover story on Japan’s extraordinary postwar recovery. On the magazine’s cover was a portrait of Matsushita Konosuke,* founder and chairman of the Matsushita Electric Company. The story paid glowing tribute to the achievements of Japanese industry, calling it “the biggest and most hopeful economic news out of Asia since the end of World War II.” But the article did not focus on statistics of steel or ship manufacturing. Rather, it emphasized the consumer and the “daring” companies that were bringing a better standard of living to ordinary Japanese people. Around 1960, Japanese consumers began to believe that high economic

*Throughout this book Japanese names are given in Japanese order (family name first).
growth was there to stay, and analysts began charting the "lifestyle revolution" that was sweeping Japanese society.

This book examines the arrival of a mass consumer society. Its locus is Japan, but the phenomenon it describes is common to all the advanced industrial societies and has, for better or worse, profoundly affected our lives. At the same time, this is the story of one of the great successes of Japanese economic history: the rise of the consumer electrical goods industry.

It was the latter story that first attracted me. I grew up with names like Hitachi, Sony, Panasonic (a Matsushita brand), and Toshiba stamped on my mind by way of the hardware of my school days: transistor radios, cassette players, and stereo systems. At the time, I never stopped to think about where these objects of desire originated. Later, as a management consultant during the boom days of Japanese acquisitions in the United States, I frequently came across these companies in a different context: as wielders of awesome financial might. By that time, the laments over the decline of the American consumer electronics industry (excluding computers) had almost faded away: there was little left to lament. The Japanese giants of the electronic age had appeared on the world scene with dramatic suddenness, and now they were known—and their products owned—by virtually every household in the industrialized world. Where on earth had these corporations come from?

My initial agenda was simply to understand the origins of these Japanese electronics giants and to explain how they rose to such dominance in the global market. But I had not gone far in my research before I realized there was another question of equal or greater importance. Japanese consumer electronics exports began at the end of the 1950s with the transistor radio, followed soon after by black and white televisions. By that time, Japanese companies had already enjoyed almost a decade of extraordinary growth in the domestic market, which analysts agree was an essential prerequisite for the takeoff of exports. Indeed, the unprecedented boom in Japanese consumption of durable consumer goods left contemporary analysts gasping for superlatives. This growth was all the more remarkable given that, by any objective measure, Japanese incomes were still close to the poverty level. Per capita income was $97 per year in 1950 and had grown only to $318 by 1960. A television in 1955 cost ¥110,000 ($305) in Japan. How could Japanese people buy televisions and washing machines when they apparently lacked many of life's bare essentials?
As I pondered these questions, a third, much broader group of questions kept reemerging. The story of Japanese electrical goods intersects some of the biggest issues in the modern (particularly the late modern) history of Japan—indeed, of all advanced industrial societies. One such issue is the relationship of technology to the startling changes that have swept over all of our lives during the course of the past century. As the Electronics Samurai—my term for the engineers and entrepreneurs who led the industry’s growth in Japan—tell it, technological prowess lay at the heart of their stunning success. What role did technology play in the great changes that took place during the 1950s, both in the electrical goods industry and in Japanese society as a whole?

A second broad issue is that of consumption and the role of the consumer in the construction of the late modern political economy. I argue in this book that one of the keys to the prosperity of the electrical goods industry was the creation of a middle-class consuming public. Electrical goods companies consciously engaged in market-creating activities even though incomes in Japan were apparently too low to support a consumption-oriented lifestyle. By the end of the 1950s, an elite consensus had emerged around the idea that consumption was a key ingredient in the political economy of high growth. This consensus subsequently drew both praise and criticism: praise as a model of rapid economic development, criticism as an allegedly cynical ploy to hide real and growing inequalities in wealth and power under the mantle of a “middle mass” ideology.

A third issue is the construction of gendered roles during the postwar era. Constructed gender enters my story in two important ways. At the turn of the 1950s, despite a history of increasing emphasis on the role of women as household managers, housewives still constituted a minority in Japan. Early sales campaigns by electrical goods companies focused less on housewives than on household heads—usually the patriarchal family head. But during the course of the 1950s, companies increasingly came to see the importance of the housewife as a decision maker and manager of household consumption. In this they were guided by the model of the idealized American middle-class family with a housewife at its center. The images of idealized homes created by electrical goods companies surely helped consolidate gender roles in postwar Japan. Yet, paradoxically, electrical goods companies at the same time depended on the availability of nimble-fingered, relatively powerless young women willing to work for extremely low wages—women who bore almost no similarity to the housewife stereotype.
These major issues are crucial to any coherent interpretation of the trajectory of modernity in the late twentieth century, and all are closely related. Technology, particularly with respect to marketing and the mass communications media, was a tool in the creation of markets and demand. Women in the home and the workplace also played their part in the story of corporate success: the idealized middle-class household with a housewife-manager was as important to corporate efforts as the availability of cheap female labor. I will be happy if this book succeeds in throwing even a small ray of light on these large and difficult issues.

Behind the growth of the postwar Japanese electrical goods industry lay a profound continuity. Everything that happened in the boom years of the 1950s and 1960s—including the development of leading-edge technologies, the birth of a consumer culture, the promotion of electronics through government policy, and the phenomenon of high growth itself—had its antecedent in the prewar and wartime eras. Those antecedents are the subject of Chapter 1.

But my interpretation focuses on important new developments after the war—developments that were the product of a catastrophic defeat attributable in part to the failure of Japanese technology. My story revolves around the visions that established business leaders, bureaucrats, and entrepreneurs, as well as ordinary Japanese people, developed during the formative years of the Allied Occupation of Japan (1945–52). This is the topic of Chapter 2. During these early postwar years, Japanese businessmen and others began quite consciously to search for the keys to the immense prosperity of the United States—a prosperity that was all the more tantalizing given its contrast with life in a Japan prostrate from defeat. Although these visions were diverse and often contested, key protagonists in this story focused on a few common themes that were to unlock, for them, the gates to prosperity.

The first of these “keys to prosperity” was the power and influence of the media, particularly the new medium of television. In Chapter 3, I argue that despite the gloomy economic conditions of the early postwar years, some entrepreneurs saw immense business opportunities in the emerging new technologies of mass communication. One man in particular—Shōriki Matsutarō, a newspaper magnate who well understood the power and profitability of the media—forged alliances with politicians, bureaucrats, and investors to bring television to Japan much sooner than conventional economic logic would have suggested. In
doing so, he both created a new industry and contributed to the transformation of Japanese society.

The second key was the importation of technology on a massive scale. Although this importation took place across the board, the electrical goods industry was a particularly large buyer of foreign technology. In spite of the fact that imported electronics technologies made a negligible short-term contribution to the national mission of industrial recovery and export growth, electrical goods companies joined in an orgy of product and process technology acquisitions in order to bring the latest communications products to Japan. However, as I argue in Chapter 4, this feast of technology represents only part of the story. Japanese companies had to develop not only new products but also markets for those products. Toward that end Japanese companies imported a wide range of production, management, and marketing techniques, a process at least as important as the importation of product technologies.

I turn to the domestic market in Chapter 5. As early as the turn of the 1950s, some visionary Japanese business leaders saw the production of an American-style middle-class society as crucial to Japanese prosperity. In such a society, the consumer was vitally important. In spite of the poverty that continued to haunt Japan, these businessmen set out to emulate their American counterparts and pioneer new markets—particularly a market for expensive electrical products.

A final key to prosperity increasingly has been forgotten in the recent celebration of Japanese technological prowess: the cheap labor of the underprivileged classes, particularly young women. This is the focus of Chapter 6. Cheap labor was Japan’s traditional advantage in the international marketplace, and it was surprisingly appropriate to the manufacture of “high-tech” goods such as radios and televisions. Indeed, it lay behind Japan’s first great export success in the electrical goods industry: the portable transistor radio.

I use the term “electrical goods industry” to describe the focus of this book. For the most part, my study is limited to consumer products. The exception is the transistor, an industrial component that was a key ingredient in the transistor radio. “Electrical goods” is an umbrella term that includes both electronic products (radios and televisions) and household appliances such as washing machines and refrigerators. Before and during World War II, the market for electrical household appliances was virtually nonexistent, so Chapter 1 focuses more specifically on the electrical communications industry, forebear of the modern electronics industry.