Japanese Candidates - Board of Trustees

Ichiro HATTORI	(cv on file attached)
Takashi HOSOMI	(cv on file attached)
Yoshizo IKEDA	(cv on file attached)
Yusuke KASHIWAGI	(cv on file attached)
Yotara KOBAYASHI	
Yuzaburo MOGI	(cv on file attached)
Akio MORITA	(cv on file attached)
Michio NAGAI	
Saburo OKITA	(cv on file attached)
Shigeto TSURU	
Jiro USHIO	(cv on file attached)
T. WATANABE	(cv on file attached)
Hideki YUKAWA	

Morita

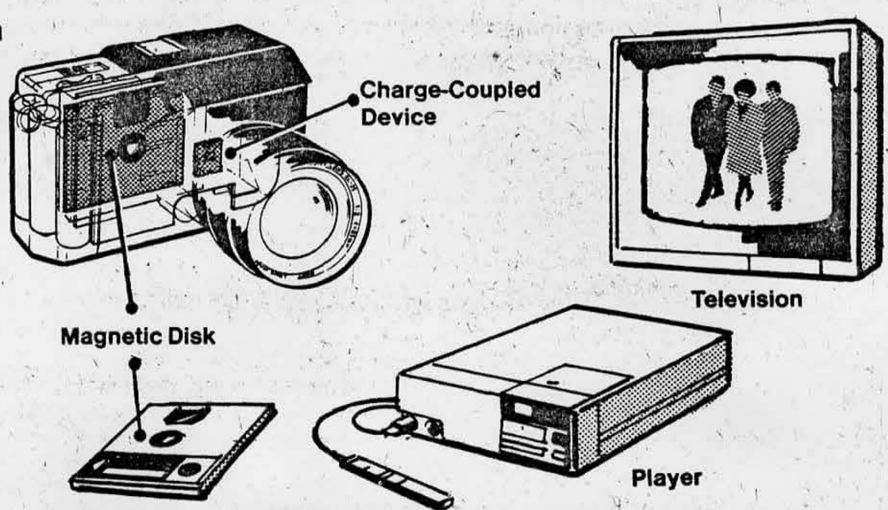
The New York Times

July 31, 1984

Sony's Troubled New Camera

Sony's Electronic Camera Is Still Little More Than a Promise

The Mavica uses a special electronic chip called a charged-coupled device to turn images into electronic signals. The signals are stored on a small magnetic disk similar to the floppy disks used to store computer data. To display the pictures, the disk is put into a special player that converts the electronic information into signals that can be shown on a television screen.



High Cost, Poor Image Hurt Plans

By ANDREW POLLACK

Special to The New York Times

TOKYO, July 30 — With his flair for publicity, Akio Morita, chairman of the Sony Corporation, showed off a product in 1981 that he hailed as "a revolutionary development in photographic history."

Mr. Morita's wonder product, known as Mavica, was an instant electronic camera that could take still pictures using a magnetic disk instead of film and then show them on a television screen. It seemed to promise a vast new market for Japan's consumer electronics wizards while threatening the chemical-based photography that has been used since the 19th century.

Demonstrations Are Halted

But Mr. Morita's electronic photography revolution has yet to get under way. Sony, which said the product would go on sale in 1983, still has not made it available and will not even give demonstrations anymore.

Analysts and competitors alike say that Sony's announcement was premature — intended, they surmise, to bolster the company's image as an innovator and perhaps bolster its stock price. Before its captivating new camera can become a practical product, Sony has to solve technical problems with image quality, financial problems in keeping costs down and negotiation problems in getting agreement on industrywide standards. Its slow progress shows how long the road can be.

"We can't say when we'll market it," said Yoshikazu Baba, general manager of planning and control for Sony's video group.

Technology: The Japanese Challenge

Thirteenth article of a series to appear periodically.

But Sony and its competitors are pushing ahead with the electronic camera, first as an expensive item for industrial use and, eventually, as a consumer product.

Canon, for instance, is testing its electronic camera at the Olympic Games in Los Angeles. The company said it intended to market an industrial electronic camera no earlier than the end of 1985. Such cameras will not be competitive with conventional cameras for consumer use for five years, a company spokesman said.

The Mavica and other electronic

Continued on Page D17

Financial Times

Akio Morita, chairman of the Sony Corporation. The company's trouble-plagued instant electronic camera, the Mavica, has been delayed.

Troubled New Camera at Sony: Costs High, Quality Low

Continued From First Business Page

cameras work by using a special electronic chip, to turn images into electronic signals that are stored on a magnetic disk. The disk, 1.85 inches in diameter, is similar to but smaller than the 5¼-inch floppy disks used to store computer data.

This photographic disk, which holds 50 pictures, can be put into a special player, and the pictures can be displayed instantly on a television screen. The disks can be erased and reused. Sony also announced a special printer to make permanent copies of the pictures.

Technological Problems

The electronic camera has been slowed both by a new sense of caution in Japan's consumer electronics industry and by technological hurdles.

Sony says a major reason for the delay is that it decided to wait for the industry to agree on standards for the new electronic cameras. Sony was once willing to plunge into new markets alone, but it learned its lesson the hard way in the video cassette recorder market. After Sony brought out its Betamax, its larger rival, Matsushita, introduced the incompatible VHS system, and captured a majority of the market. Consumers and the companies were hurt by the market fragmentation.

Since then, Japanese electronics companies have preferred to work out standards in advance for such products as the electronic still cameras and the 8-millimeter video cameras that will appear this year.

But if standards were the only thing delaying electronic cameras, the market would be ready to begin. Standards for the electronic still camera disks, which are being called video floppies, were agreed upon in May by 32 companies, including Eastman Kodak and Minnesota Mining and Manufacturing. There is also a problem with quality.

Chip Is Limited

Sony underestimated the picture quality users would demand and the rate of technological development. The system, if produced today, would provide pictures with images of lower quality than conventional 35-millimeter photographs, and at a much higher price. Indeed, the quality is lower than that of a television picture.

The key is a fingernail-sized chip called a charge-coupled device, or CCD, which converts the image into electronic signals. Such CCD's are also used in the small video movie cameras.

The CCD's now available however, can handle only 200,000 picture elements — enough to produce acceptable quality for video movies in which the frames flash by, but not for still pictures, which the viewer can peer at for a long time.

Sony initially thought the pictures' instant availability would compensate for the poor quality. But its product announcement received a negative reaction. That was reinforced when Kodak's little disk camera, using conventional film in a plastic disk that emphasized ease of use, experienced sluggish sales partly because of inadequate picture quality.

Sony and other manufacturers say CCD's need twice the resolution before an acceptable electronic camera could be marketed. Texas Instruments has recently developed such a device, and Canon is using it in its electronic camera. But even with the new chips, the pictures would be limited in quality by the resolution of the television screen, which is considerably below that of a 35-millimeter print.

Costly Operation

And such a camera would be expensive. Sony had initially said the camera would sell for $660, the disks for $2.65 and the player for $220. The printer was to be an additional $640. But if the camera were to appear today, it would have to sell for at least $1,500, putting it beyond the range of most nonbusiness consumers.

The Asahi Shimbun, a major newspaper here, is testing the use of a black-and-white Mavica system. Newspapers now have to develop and print photographs before they can send them by wire, which is especially hard on tight deadlines. With electronic still cameras, the disk can be dropped into a special transmitting machine and the pictures sent instantly over the phone lines. Since pictures are in electronic form, they can then be fed directly into the newspaper's computer typesetting system.

Officials at Asahi Shimbun won't comment much on the results of the tests so far. One problem, however, is that the Mavica pictures are of lower resolution than used by newspapers. Another is that the device is still somewhat undependable and uncomfortable for photographers who are used to conventional cameras.

Sony officials say the company has also received requests from police departments, which could use the Mavica to store mug shots and fingerprints, and from hospitals, which could use it to store graphic data from X-rays and other tests.

New Uses Expected

Some analysts and industry officials suspect that to succeed as a consumer product, the Mavica will be portrayed as more than merely a different type of camera. The Mavica disk, for instance, will also be capable of storing picture frames from television, which will be useful when electronic information services, such as videotex, become popular.

Sony also says the industry has started discussions about developing standards for use of the video floppies in storing computer data in pocket-sized computers. It is also likely that the electronic still cameras and video movie cameras will be combined in the same product, since the imaging technology is the same.

Some say the problem with Mavica is that it was announced too early. These analysts and executives say Sony, fearing that the end of its heyday was near, tried to shore up its image as an innovator and made a premature announcement.

Sony does seem to have a propensity for early announcements. It announced the compact digital audio disk in 1979 and then reannounced it in 1981. Yet the product did not appear on the market until the end of 1982.

"Everyone knows Sony's Mavica was very questionable," said one competitor. Sony's announcement, he said, "was very political, to keep the price of their stock high."

"One consideration was that at that time, there was growing feeling that Sony had lost its technological edge," said Darrel E. Whitten, a Tokyo analyst with Prudential-Bache Securities.

Sony officials dispute that. They say they still have great hopes for the product. The company still contends that the electronic cameras will replace conventional cameras, but it might take 10 years.

Tokyo in New York: 5 Men of Power

They break tradition by leading hectic public lives. The Waldorf is a favorite.

By SUSAN CHIRA

MAMORU Tabuchi considers it a good week if he eats dinner at home twice. Most nights, the president of Mitsui's American subsidiary is driven in a chauffeured Cadillac to the Yale Club in midtown New York to pick up his wife, Seiko, and begin an obligatory round of social engagements.

They may head for a reception at the Waldorf-Astoria Hotel nearby, a small dinner party for visiting Japanese colleagues at the Kitcho Restaurant blocks away, or a lecture at the Japan Society, also in midtown. The schedule is often so heavy that the Tabuchis, who live in suburban Scarsdale, rent a suite at the Yale Club so that his wife can change clothes before parties — or between them.

Mr. Tabuchi heads the American operations of Mitsui & Company, a large Japanese trading conglomerate. His busy evening schedule reflects his position at the summit of Japanese businessmen in the United States. Within this self-contained world, the 59-year-old Mr. Tabuchi and a handful of other top executives have the sort of fame and influence that Lee A. Iacocca of Chrysler or Walter B. Wriston of Citicorp have among Americans.

Other top Japanese in the United States today are Kenji Tamiya, president of the Sony Corporation of America; Yoshio Terasawa, chairman of the United States branch of Nomura Securities, Japan's largest securities firm; Tatsuo Yoshida, chairman of the Industrial Bank of Japan Trust Company, and Takeo Kondo, president of Mitsubishi International Corporation, Japan's other giant trading company.

The prominence of these five executives — all of them with headquarters in New York — stems partly from the prominence of their companies. But they are also a special breed: the relatively rare Japanese executive who is at home with American culture and business practices. Each is on his second or third assignment to this country, fluent in English. Most have spent some time at an American university.

Though their corporate lives are separate, their social lives often are not. They eat together at midtown restaurants like Kitcho, Mitsukoshi or Shimbashi; they chat with one another during receptions at the Waldorf, a hotel with the prestige and stability that they seem to prefer. Some of them drink together

Continued on Page 8

Mamoru Tabuchi, president of Mitsui & Co., U.S.A.

Tokyo in New York:

Continued from Page 1
at Kaoru, Tono or Gin-Ray, piano bars with Japanese hostesses. They rotate as chairmen of the power centers of the Japanese community here, such as the Nippon Club and the Japanese Chamber of Commerce. To impress their American business contacts they join — when they can — such institutions as the Harvard or Yale Club. They are members of Wall Street luncheon clubs, suburban country clubs and fund-raising committees for Carnegie Hall, the Museum of Modern Art and the Metropolitan Museum. They, or delegated subordinates, have learned to lobby Congress and to entertain local political leaders, like Mayor Koch or Governor Cuomo.

All of which is quite different from the goings-on back home. Young Japanese executives are taught to be reserved and to live in their company's shadow. In social introductions, their company's name is always mentioned before their own. Mr. Terasawa of Nomura Securities describes the Japanese formula for executive success as "un, don, kon," — un for luck, don for dullness, and kon for patience, he said.

In America, Mr. Terasawa, Mr. Tabuchi and the others march to a different tune. They consider themselves unofficial emissaries representing not only their companies but also their country. "In Japan, business leaders would be trying to defend only their own companies," said Yoshi Tsurumi, professor of international business at Baruch College of City University of New York. "But here they are forced to be involved in community image-building. This dual role makes a top leadership position here not only visible, but much more important."

The New York Times/Fred R. Conrad

Takeo Kondo, president of Mitsubishi International

For the older of these prominent men, who were teen-agers during World War II, their present assignments might be their final postings before retirement. For the younger, the time in New York might be a prelude to a top job back home.

"Starting about 10 years ago, the major companies in Japan recognized that the New York post was one of the most important in the entire corporation," said Jonathan Mason, executive director of the Japan Fund, a cultural society. "The man who is put in the New York post is usually one of the top four or five men in the company. His experience here will not isolate him but will enhance his chances of becoming the head of the company back in Japan. They send all their best people here."

Yoshio Terasawa
Nomura Securities

"Terry" Terasawa, as he is known to American friends, is one Japanese who breaks through the practiced blandness that most of his colleagues don for Americans. By Japanese standards, he is even a bit flamboyant — outspoken, convivial and opinionated.

Mr. Terasawa, who is 52, was the first Japanese to buy a seat on the New York Stock Exchange. His company, Nomura Securities, paid $285,000 in 1981 after the Japanese Government lifted restrictions on the purchase of American stocks by its nationals and the New York Stock Exchange lifted a ban on foreign membership. He celebrated the purchase by stepping onto the floor of the exchange, minutes after becoming a member, and buying 30,000 shares of General Motors, for a mutual fund managed by Nomura.

"If Japanese people become shareholders of General Motors, and if the American people become shareholders of Toyota, hopefully that will soften the conflict of trade between our countries," Mr. Terasawa said at the time, sounding one of his favorite themes as a businessman-emissary.

Mr. Terasawa's American operation has been trading between $20 million and $30 million worth of stock a day, mostly for American institutions investing in Japanese stocks. Nomura also brokers American stocks for Japanese investors back home.

Mr. Teresawa, who also made history in 1970 by becoming the first Japanese member of the Boston Stock Exchange, readily reveals that his salary is $300,000 a year. The Japanese are reluctant to discuss salary, but Professor Tsurumi of City University estimates that $200,000 to $300,000 is a representative range for the top Japanese executives in this country. In addition these executives receive an annual bonus, equal to about six months' pay, plus living allowances that permit them to occupy luxury apartments and suburban homes. Mr. Terasawa lives in a large Fifth Avenue apartment.

Like most top Japanese executives here, Mr. Terasawa has studied in the United States. In 1956, he spent a year as a Fulbright scholar at the University of Pennsylvania's Wharton School of Business, then returned to Japan to work as a securities salesman for Nomura. His first posting in New York was from 1968 to 1975. He returned in 1980 to assume his present post as chairman of Nomura Securities International, the American subsidiary.

Mr. Terasawa's American operation — based mostly in New York — includes 150 American employees and 46 Japanese and accounts for about 5 percent of Nomura's worldwide revenue. It also fielded the championship baseball team this year in a league of Japanese companies in New York. Of his three children, two have chosen to stay in the United States for their education.

His wife now lives in Tokyo with their two youngest children. Like many Japanese schoolchildren with parents stationed in the United States, they have returned to Japan for high school because few top-ranking Japanese corporations hire graduates of foreign colleges, and few top Japanese universities accept graduates of foreign high schools. Nomura is one of the exceptions, and Mr. Terasawa said he hoped the company would start a trend. "Living separately, as I am doing," he said, "is, in my opinion, not human. It's not natural."

Mamoru Tabuchi
Mitsui & Company

Mamoru Tabuchi, the president of Mitsui & Company U.S.A., arrived at Ohio State University in 1953 as a Mitsui trainee. He had been sent for a year of graduate work to learn about American entrepreneurship.

At that time, he recalled, "Japan was trying very hard to stand up on our two feet after the war. We had to learn a lot from the United States."

Mr. Tabuchi, who was a teen-ager for most of World War II, said he was struck by the kindness and generosity of Middle Westerners toward Japanese so soon after the war.

Now, 30 years later and on his third assignment in New York, Mr. Tabuchi sees an America that is less strong, less omniscient. "We are having a reverse situation," he said. "I feel very strongly about the debt that we owe to the United States."

Under Mr. Tabuchi, Mitsui has become involved in a number of civic projects, among them summer visits to Japan for children of Mitsui's 500 American employees and a two-week teacher exchange to give American teachers "a kind of a friendly feeling for Japan."

As a businessman, Mr. Tabuchi has been building Mitsui's direct investment in United States companies, adding to the dozens of corporations worldwide that Mitsui owns, controls or trades for. Its major investment here is in Alumax Inc., an aluminum producer.

Mr. Tabuchi, completing 18 months in his present post, lives in Scarsdale with his wife and three daughters, all students at Manhattanville College. Two daughters are American citizens, born during his second assignment in New York, from 1962 to 1967. He is chairman of the Japanese Chamber of Commerce here.

One of Mr. Tabuchi's priorities is to hire American workers for management positions, replacing some of the 250 Japanese on staff.

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Although Nomura's primary business is exporting Japanese securities to the United States, Mr. Terasawa is encouraging Japanese investors to buy American blue-chip stocks. Lately he has been pushing I.B.M. and has sold two million shares to Japanese since October, he said.

Sales of the stock in Japan apparently have not been hurt by last year's scandal over the Hitachi Corporation's theft of computer secrets from I.B.M. The case generated considerable emotion among Japanese who charged that Hitachi had been entrapped by I.B.M. and the F.B.I. "In Japan, too much emotion was involved," said Mr. Terasawa. "Here we were rather calm. We thought it would be solved in a matter of time and money, a business-like solution.

"I am in a position to meet many, many American businessmen," Mr. Terasawa continued, "and none has asked me about Hitachi, although as a matter of business conversation some of them asked if I had read about the case in the newspaper."

Mr. Terasawa's business success has subjected him and his family to more than the usual strains of relocation. A live-in housekeeper helps him look after two of his children, who have chosen to stay in the United States for their education.

His wife now lives in Tokyo with their two youngest children. Like many Japanese schoolchildren with parents stationed in the United States, they have returned to Japan for high school because few top-ranking Japanese corporations hire graduates of foreign colleges, and few top Japanese universities accept graduates of foreign high schools. Nomura is one of the exceptions, and Mr. Terasawa said he hoped the company would start a trend. "Living separately, as I am doing," he said, "is, in my opinion, not human. It's not natural."

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One of Mr. Tabuchi's priorities is to hire American workers for management positions, replacing some of the 250 Japanese on staff.

He found one of his top American executives, Arthur E. Klauzer, who heads Mitsui's Washington office, at the Harvard Business School Advanced Management Training Program, which he attended in 1974. The program, which draws almost half of its students from foreign countries, also generated other lasting friendships for Mr. Tabuchi.

Mr. Klauzer recalls having to digest three pounds of mimeographed material a day for the program. "Mory" — Mr. Tabuchi's American nickname — "would come in in his bathrobe and we'd get some apples and go over the damn thing until we got it and then get up at around 6 A.M.," he said. "We got to be terribly close."

Kenji Tamiya

Sony Corporation

Kenji Tamiya, the 49-year-old Sony president, speaks of his early career with mock bravado. He was a "genius salesman" in Japan, he says, peddling Sony's array of TV sets and consumer electronic products before he went abroad in 1963. That knack at salesmanship played a role in promotion of the Walkman, one of Sony's most spectacular successes in the United States. Mr. Tamiya's [illegible]rat-

Five Japanese Men of Power

egy: innovate. The new, smaller Super Walkman, introduced this fall, is such an innovation.

But Sony's video casette recorder, the Betamax, has lost market share in this country, where Sony takes in 25 percent of its worldwide revenues. As a result, Sony earnings fell last year and again in this year's first half. Struggling against the downturn, Mr. Tamiya is pushing to expand beyond the consumer market here into products industrial use. His scattered American operations employ 6,000 people. Some 120 are Japanese.

The biggest challenge Sony faces in the United States, and one that takes up a great deal of Mr. Tamiya's energy these days, is the debate over video cassette recorders. A landmark case before the Supreme Court will decide whether using a recorder like the Betamax to tape TV programs is a violation of copyright law. A Federal appeals court has ruled that Sony has in fact contributed to copyright infringement by individuals who tape movies and other programs from their TV sets. If the Supreme Court agrees, Sony and other manufacturers of video casette recorders, like RCA and General Electric, will have to pay royalties to movie companies and other program suppliers, probably in the form of a surcharge on the price of recorders.

But Mr. Tamiya and others are trying to pursuade Congress to adopt legislation declaring that home taping of TV shows does not violate copyright law. He frequently flies to Washington to push Congressmen for such a bill.

"Our position is to defend the American public's right to videotape programs sent through public airways to their homes for individual and personal use," Mr. Tamiya says.

New York has been home to the Sony chief for 10 of his 15 years abroad, though his first assignment, in 1963, was to South America. Five years later, he established a Sony subsidiary in Hawaii, then managed operations in Chicago and Los Angeles.

Mr. Tamiya, who lives with his wife and daughter in Cliffside Park, N.J., is unusual in his lack of both a housekeeper and a chauffeur — two common perks among top Japanese executives in this country. He prefers to drive his car to work, he said, and his wife refuses outside help even though the Tamiyas often entertain at home.

His 16-year-old son attends Doshisha High School in Kyoto, and his daughter, 13, born in Chicago, attends the Japanese School of New York. Both children are bilingual. "When they speak to each other they speak in English, but we have made it a rule to speak in Japanese to them," he said.

said, with a hint of resignation. "Every time any company changes branch managers, the top man comes to New York to host a reception."

Takeo Kondo
Mitsubishi International

Because Takeo Kondo's daughter and his youngest grandson have American citizenship, Mr. Kondo, 61, feels a "little like coming home" when he travels to the United States. He first came here in 1954, to open an office for Mitsubishi in Los Angeles, but because the Japanese Government still tightly controlled foreign exchange, he couldn't get the funds to bring over his family for 15 months.

"The living was not so easy then," said Mr. Kondo, who returned to this country in July for his current assignment, as president of Mitsubishi International Corporation, the trading company's American subsidiary. He and his wife have a spacious 26th-floor Fifth Avenue apartment.

Mr. Kondo, whose salary is $200,000 a year, is a Buddhist, but his wife graduated from a Christian school in Kobe, and he said her exposure to other religions has helped him to understand Americans better. "Here still in many cases religion is the basis of family life," he said. In Japan, although most households contain both Buddhist and Shinto shrines, religion is not generally a factor in day-to-day life, Mr. Kondo said.

Takeo Kondo began his career at Mitsubishi as an aircraft engineer, and his 1954 assignment was to seek connections to the American aircraft industry. Now Mitsubishi is building jet airplanes with American labor in San Angelo, Tex. It has 15 offices in the United States, 800 employees and

is among the top five exporters of American goods. Its American subsidiary registers $12 billion in trade transactions annually.

Aircraft and auto assembly are two areas in which Mitsubishi wants to expand, Mr. Kondo said. Last year, about 40,000 cars made by Mitsubishi Motors in Japan were sold in the United States. "We have to increase that," he has said.

For years, Mitsubishi vehicles were marketed in the United States through Chrysler's dealer network, but that arrangement ended in 1981 and Mitsubishi is now building its own dealerships. In addition, there have been months of discussion with Chrysler of a joint venture to manufacture a subcompact car.

Mr. Kondo's other goals are to draw Mitsubishi further into research and high-technology ventures. Recently, for example, it bought 5 percent of the common stock of Micro-Rom Inc., a computer company in Washington State.

What's next for Mr. Kondo, no one can say. But his predecessor, Toshihiro Tomabechi, returned to Tokyo as vice chairman of Mitsubishi Motors, an indication of the importance Mitsubishi places on the marketing of autos in America. ■

The New York Times/William Sauro, Sara Krulwich

Yoshio Terasawa, left, chairman of Nomura Securities International, and Kenji Tamiya, above, president of the Sony Corporation of America

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"It seems to me that some American bankers are not satisfied unless ... in Japan have exactly the same

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Tatsuo Yoshida

Industrial Bank of Japan

When Tatsuo Yoshida, 52, is asked why American banks in Japan have not won as many local customers as they would like, he tells them it's because Americans are intolerant of Japanese banking ways.

"It seems to me that some American bankers are not satisfied unless we in Japan have exactly the same banking system as in the United States," said Mr. Yoshida, the chairman of the Industrial Bank of Japan Trust Company. "Several years ago, the Japanese did not have certificates of deposit. Now we allow them in Japan, but we have some restrictions on amounts and terms that do not exist here in the States. Gradually, restrictions and regulations are going to come off, but it might take some time to harmonize both systems."

Mr. Yoshida speaks as one who can run a bank in either country. His first exposure to American banking came in 1965, when the bank sent him to New York to work as a trainee at the Morgan Guaranty Trust Company. He returned to New York in 1980, after a stint in Tokyo as a top executive in the international finance division and after "surviving a very tough and difficult course" at Harvard Business School's Advanced Management Training Program.

As head of the bank's American operations, his efforts are concentrated on financing trade with Japan: for example, Chrysler Corporation's past purchases of Mitsubishi autos, vehicles Chrysler has sold under its own model names.

Mr. Yoshida said he and his wife have learned a great deal about America from their Park Avenue neighbors. Their two daughters attend American schools — New York University and Sacred Heart High School.

Mr. Yoshida serves both as chairman of the International Bank of Japan Trust Company — a New York State-chartered bank with $1.6 billion in assets — and as the head of the New York agency for the parent bank. The agency, with $3 billion in assets, handles operations in the United States, Central and South America. All together, Mr. Yoshida oversees about 170 employees in the United States, 40 of them Japanese.

His main goal he said, is to expand the bank's relations with American corporate customers. I.B.J. Trust has recently acquired some accounts of American telephone companies interested in doing business with Japanese equipment companies, Mr. Yoshida said. But so far, its main role has been to act as banker, broker or leasing agent to Japanese companies that do business in the United States. The Nissan Motor Company and Japan Air Lines are among its clients, along with Mitsubishi.

Mr. Yoshida, too, spends much of his time after work either entertaining visitors from the home office or attending obligatory receptions. "The Japanese people like all kinds of receptions very much," Mr. Yoshida

HARVARD UNIVERSITY
COMMITTEE ON THE A.B. DEGREE IN EAST ASIAN STUDIES
ARCHIBALD CARY COOLIDGE HALL
1737 CAMBRIDGE STREET
CAMBRIDGE, MASSACHUSETTS 02138

January 19, 1982

Mr. James R. Houghton
Vice Chairman of the Board
Corning Glass Works
Corning, New York 14830

Dear Mr. Houghton,

I am responding to your letter to Professor St~~u~~ewart requesting an evaluation of the Japanese candidates for trusteeship for the Center for Advanced Study at Princeton.

It happens that I know all the candidates personally. In my view all of the candidates listed here are worthy of serious consideration

CV ATTACHED

except for Mr. Ushio. Mr. Ushio is a charming articulate young man who is a favorite among newspaper writers, and he will have the major responsibility for the Japanese science exhibit some five years away. However, like Mr. Morita of Sony, he is sufficiently controversial and out of the mainstream of Japanese business life to be inappropriate for your purposes.

CV ATTACHED

Mr. Watanabe is older, but he is still in extremely good health, he has a very lively high quality mind and had an excellent reputation as head of the Asian Development bank. He is still vigorous and would be able to carry on the duties of trusteeship.

CV ATTACHED

Mr. Hosomi, a member of the advisory committee of the U.S.-Japan Program which I direct at Harvard, is, like Mr. Watanabe, a graduate of the Japanese Finance Ministry. He has generally become involved in international finance issues. His new position is as President of the "Overseas Economic Cooperation Fund". He is thoroughly steeped in international financial issues.

CV ATTACHED

Mr. Saburo Okita is an imaginative economist who has been very creative in thinking through issues of international development. Having recently completed his term as special trade advisor, he is quite likely free for other activities.

CV ATTACHED

Mr. Hattori, of the family which owned the Seiko Watch establishment, spent several years at Yale and is one of the high quality independent intellects of the Japanese business community.

CV ATTACHED

Mr. Yuzaburo Mogi had his name incorrectly spelled in your listing Motegi. He travels to the United States bi-monthly to look after his plant in Wisconsin and is very gregarious and gets along easily with Americans.

There are two other people I would add to this excellent list: Michio Nagai, suggested also by Reischauer, and Yotaro Kobayashi.

Nagai has a PhD from Ohio State, is professionally concerned with higher education, served a term as Minister of Education in Japan, and is in fact the senior Japanese advisor to the U.N. University in Tokyo. Of all the people on the list he is the one the most concerned in the role of higher education and research.

Kobayashi has many of the same qualities as Hattori. A graduate of Wharton, he is about the same age of Hattori, president of Fuji Xerox, and already identified as one of the future business leaders of Japan.

If you are looking for someone who already has access to the Japanese financial community, I doubt if you could find anyone better than Watanabe. His seniority, his range of contacts and his experience in major financial projects would make him a natural. I do not know whether Mr. Hosomi could command equal access to funds. Mr. Okita has been involved more as a technician and as a trade negotiator of very great stature and I do not believe that he would be the ideal person to assist in fund raising as he is much more of an idea person. I believe that Mr. Hatorri and Mr. Kobayashi would not easily be able to raise appreciable funds at the present time, but if you are thinking of people who will serve five to ten years, by the latter part of the 1980's they should be in a position to command very considerable influence within the Japanese business community. Nagai has been very helpful in raising Japanese funds for the U.N. University and would make an excellent candidate. In short, if you prefer a senior person who can now raise funds and your main interest is in international development, Watanabe would be my first choice. If you want somebody who is primarily interested in development in education and research and who also has access to Japanese funding sources, Nagai would be my first choice. If you want a young man of about 50 who is interested in ideas and research who will be a mainstream business leader and can operate easily in English, I would recommend either Hattori or Kobayashi.

Since in selecting a Japanese person you want someone who is selected in a representative role, you might consider approaching some senior Japanese person either in the business or in economic or cultural community who could consult with others and then make a final recommendation. My personal suggestion would be to take a list of three or four names such as that of Watanabe, Nagai, Hattori, and Kobayashi and have someone approach Shige haru Matsumoto, head of the Japanese International House, ask him to consult with some of his friends and see whom he would recommend. He is dean of Japanese participation in international cultural and educational affairs, a person who has spent some time in Princeton who would naturally take some interest in selecting an appropriate candidate and he himself is too old to serve. Then it would be understood that the candidate that he selected would come partly in a representative role to your trustees and not just in an individual capacity.

Sincerely,

Ezra F. Vogel

Ezra F. Vogel

kak

cc: Zeph Stewart

HATTORI

APPENDIX 3

Mr. Ichiro Hattori

President of Dai-ni Seikosha
President of Suwa Seikosha
Director of Hattori Tokei Co., Ltd.

Date & Place of birth: February 27, 1932, Tokyo

Education:	1954	Graduated from the Faculty of Law of Tokyo University
Experience:	1960	Appointed the chief of the planning office of Dai-ni Seikosha
	1961	Appointed the director of Dai-ni Seikosha
	1965	Appointed the managing director of the aobve company
	1967	Appointed the executive director of the above company
	1972	Appointed the director of Hattori Tokei
	1979	Appointed the president of Dai-ni Seikosha
	1980	Appointed the president of Suwa Seikosha
Hobby:		Sports
Family:		Mrs. Takako Hattori (Wife) Born on December 16, 1936

Present address: 4-5-31, Minami Azabu, Minoto-ku, Tokyo 106

Telephone: 03 - 441 - 3748

Hosomi

Mr. Takashi Hosomi

Advisor to Japan Development Bank
Superintendent of Nichicon Capacitor Ltd.

Date & Place of birth: April 24, 1920, Kyoto

Education: 1942 Graduated from the Faculty of Economics of Tokyo University

Experience: After serving as chief of Inspection Section of Tax Bureau, chief of the General Affairs Department of Osaka Regional Tax Admimistration Bureau and director of Tokai Regional Finance Bureau in Ministry of Finance,

- 1968 Appointed a deliberative commissioner of Minister's Secretariat
- 1969 Appointed the director of Tax Bureau
- 1972 Appointed a financial commissioner
- 1973 Appointed an advisor to Ministry of Finance
- 1975 Appointed an advisor to Japan Development Bank

Hobby: Golf

Family: Mrs. Namie Hosomi (Wife)
Born on January 5, 1930

Mr. Ken Hosomi (Oldest son)
Born on March 24, 1949
Working for The Tokyo Electric Power Co., Ltd.

Mr. Shin Hosomi (Second son)
Born on January 12, 1952
Serving at Ministry of Finance

Present Address: 5-19-11, Yoyogi, Shibuya-ku, Tokyo 151

Telephone: 03 - 466 - 8701

MoGi

MoGi
Mr. Yuzaburo ~~Motegi~~

Director, Manager of Overseas Enterprise Department and Accounting Department of Kikkoman Shoyu Co., Ltd.

Date & Place of birth: February 13, 1935, Chiba

Education:	1958	Graduated from the Faculty of Law of Keio University and the postgraduate course at Columbia University
Experience:	1958	Entered Kikkoman Shoyu Co., Ltd.
	1979	Appointed the director of the above company

Present address: Mita Tsunamachi Park Mansion #501
2-3-24, Mita, Minato-ku, Tokyo 108

Telephone: 03 - 455 - 2259

OKITA

Mr. Saburo Okita

Doctor of Economics
Representative of the government for Foreign Economics
Advisor to Japan Economic Study Center
Advisor to Japan Regional Development Center
Director of Japan General Study Institute
Chief Secretary of Forum '80

Date & Place of birth: November 3, 1914, Dairen

Education: 1937 Graduated from the Faculty of Electrical Engineering of Tokyo University

Experience: After serving at Ministry of Posts & Telecommunications and at Ministry of Greater East Asia,

1947 Appointed the chief of Investigation Section of Yasumoto Secretariat
1952 Appointed to ECAFE office
1957 Appointed the chief of Planning Bureau of Economic Planning Agency
1962 Appointed the chief of Development Bureau
1963 Appointed the chief director of Economic Study Center
1965 Appointed a committeeman of United Nations Development Planning
1968 Appointed a committeeman of Piason World Bank
1969 Appointed a committeeman of OECD Scientific Policy committee
1973 Appointed the president of the Overseas Economic Cooperation Fund
Appointed a NHK management commissioner
Appointed the chairman of Japan Economic Study Center
1979 Appointed Minister of Foreign Policy of the Second Ohira Cabinet
1980 Appointed representative of the government for Foreign Economics

Writings: "Vision for Japanese Economy"
"Japanese Economy in Asia"
"Conditions as an advanced nation"
"Japan without competence and the world"
"A loosely-knit economic strategy"
"The developing Economics and Japan"

Hobby: Reading
Golf

Family: Mrs. Hisako Okita (Wife)
Born on August 5, 1921
Graduated from the specialty course of
Tokyo girl's teacher school

Mr. Yoichi Okita (Oldest son)
Born on July 2, 1943
Graduated from the Faculty of Economics of
Tokyo University
Serving at Economic Planning Agency

Mr. Yuji Okita (Second son)
Born on February 11, 1945
Graduated from the Faculty of Technology
of Tokyo University
Working for Toshiba Corporation

Mr. Ryozo Okita (Third son)
Born on September 2, 1947
Graduated from the Faculty of Technology
of Keio University

Mr. Haruko Senda (Oldest daughter)
Born on November 29, 1950
Graduated from Art University

Present Address: 5-13-12, Koishikawa, Bunkyo-ku, Tokyo 112

Telephone: 03 - 811 - 0742

Ushio

Mr. Jiro Ushio

Chairman of Ushio Electric Inc.
President of Social Engineering Research Institute
Permanent director of International Science and Technology Exhibition Institute
Director of Matsushita school of Government and Management
Secretary of Japan Committee for Economic Development
Committeeman of Economic Council of Economic Planning Agency
Councilor to Science and Technology Agency

Date & Place of birth: February 12, 1931, Hyogo

Education:	1953	Graduated from the Faculty of Politics of Tokyo University
	1956	Graduated from the postgraduatd course at California University
Experience:	1953	Entered The Bank of Tokyo
	1957	Moved to Foreign Department of Kobe Bank
	1959	Appointed the director of Ushio Kogyo
	1963	Appointed the vice president of the above company
	1964	Appointed the president of Ushio Electric Inc.
	1979	Appointed the chairman of the above company
Hobby:	Golf	
Family:	Mrs.	Haruko Ushio (Wife) Born on February 23, 1933 Graduated from Nippon Girls University
	Mr.	Shio Ushio (Oldest son) Born on April 14, 1958
	Miss	Sachiko Ushio (Oldest daughter) Born on May 31, 1959
	Mr.	Yoshiro Ushio (Older brother) President of Ushio Kogyo
Present address:	1-50-3, Denenchofu, Ota-ku, Tokyo 145	
Telephone:	03 - 721 - 1525	

APPENDIX A

WATANABE

Mr. Takeshi Watanabe

Charirman of Japan-Ameriaca-Europe Committee, Japan
Chairman of Revlon K.K.
Ex-vice count

Date & Place of birth: February 15, 1906, Tokyo

Education:
1930 Graduated from the Faculty of Polictics of Tokyo University
1931 Graduated from London University

Experience:
1949 Appointed a financial commissioner at Ministry of Finance
1954 Appointed Japanese minister to the United States
1956 Appointed the director of IMF and the International Bank for Reconstruction and Development
1960 (Returned home)
Engaged in floating a foreign loan as financial consultant
1966 Appointed the president of the Asian Development Bank
1972 Retired from the above post
1973 Appointed the chairman of Trident International Finance Ltd.
1977 Appointed the chairman of Revlon K.K. and Japan Silver Volunteers
Appointed the chief director of AFS Japan association
Appointed the director of Tokyo-Jikei Committee of Asia Productivity Organization

Praize:
1976 Given the First Order of the Second Treasure

Writings:
"Kiridayori"
"Sengakushu"
"The memorundum of Japanese Finance under occupation"
"Diary of the president of the Asian Development Bank"

Hobby:
Photography
Horticulture

Family:
Mrs. Eiko Watanabe (Wife)
Born on November 29, 1914
Graduated from an advanced course of Gakushuin

Mrs. Neiko Kubo (Oldest daughter)
Born on January 8, 1935
Graduated from George Washington University

Mr. Takashi Watanabe (Oldest son)
Born on November 17, 1938
Took a MS at MIT

Working for High Speed Furnace Engineering

Mrs. Yuko Fujisawa (Third daughter)
Born on August 11, 1940
Graduated from Smith University

Mr. Hiroshi Watanabe (Second son)
Born on February 11, 1944
Graduated from the postgraduate school of the College Yell

Mr. Atsushi Watanabe (Third son)
Born on March 30, 1947
Graduated from Gakushuin University
Working for The Bank of Tokyo

Mr. Megumu Watanabe (Younger brother)
Doctor of Science
Professor emeritus of Hawaii University

Present address: 35-19, Ooyamamachi, Shibuya-ku, Tokyo 151

Telephone: 03 - 466 - 0610

IKEdA

YOSHIZO IKEDA

CV unavailable

Mr. Yoshizo Ikeda
President
Mitsui and Company, Ltd.
1-2-1 Ohtemachi
Chiyoda-ku
Tokyo 100, Japan

KASHIWAGI

KÄSER, Helmut Alfred; Swiss lawyer and sports administrator; b. 14 Nov. 1912; m. Silvia Löpfe 1946; ed. Commercial High School, Neuchâtel, and Univs. of Berne and Zürich; Lawyer, Zürich court; fmr. lawyer, Ministry of Economics; Gen. Sec. Swiss Football Asscn. 1942–60; Sec.-Gen. Fédération Internationale de Football Asscn. (FIFA) 1961–. *Publications:* Untersuchungen über den Begriff des Ersatzwertes in der Versicherung 1937. *Leisure interests:* colour photography, shooting, skiing, mountaineering. *Address:* Hitzigweg 11, 8032 Zürich, Switzerland.

KASER, Michael Charles, M.A.; British economist; b. 2 May 1926, London; s. of Joseph Kaser and Mabel Blunden; m. Elizabeth Anne Mary Piggford 1954; four s. one d.; ed. King's Coll., Cambridge; with Econs. Section Ministry of Works, London 1946–47; H.M. Foreign Service 1947–51, Second Sec., Moscow 1949; UN Econ. Comm. for Europe, Geneva 1951–63; Lecturer in Soviet Econs., Univ. of Oxford 1963–72, Chair. Faculty Bd. 1974–76, mem. Gen. Bd. of Faculties 1972–78, Chair. Advisory Council of Adult Educ. 1972–78; Gov. Plater Coll., Oxford 1968–; Visiting Prof. of Econs., Univ. of Mich., U.S.A. 1966; Visiting Lecturer, European Inst. of Business Admin., Fontainebleau 1959–79, Univ. of Cambridge 1967–68, 1977–78, 1978–79; Reader in Econs. and Professorial Fellow, St. Antony's Coll., Oxford 1972–; Vice-Chair. Social Science Research Council Area Studies Panel; Sec. Co-ordinating Council, Area Studies Assocs.; mem. Int. Social Science Council (UNESCO), Council Royal Inst. of Int. Affairs, Cttee. Nat. Asscn. for Soviet and East European Studies, Steering Cttee. Königswinter Anglo-German Confs., also various editorial bds. and Anglo-Soviet and British-Romanian Round Tables. *Publications:* Comecon: Integration Problems of the Planned Economies 1965, Planning in East Europe (with J. Zielinski) 1970, Soviet Economics 1970, Health Care in the Soviet Union and Eastern Europe 1976, ed. Economic Development for Eastern Europe 1968, Planning and Market Relations 1971, The New Economic Systems of Eastern Europe 1975, The Soviet Union since the Fall of Khruschev 1975; articles in econ. and Slavic journals. *Address:* St. Antony's College, Oxford, OX2 6JF (Office); 7 Chadlington Road, Oxford, OX2 6SY, England (Home). *Telephone:* (0865) 59651 (Office); (0865) 55581 (Home).

KASHIWAGI, Yusuke, LL.B.; Japanese banker; b. 17 Oct. 1917, Dairen; s. of Hideshige and Kiyo Kashiwagi; m. Kazuko Soma 1946; two s. two d.; ed. Tokyo Imperial Univ.; entered Ministry of Finance 1941; Foreign Exchange Bureau 1941, Minister's Secr. 1945, Budget Bureau 1948, Senior Budget Examiner 1951, Dir. Research Section of Foreign Exchange Bureau 1954, Dir. Planning Section 1956; Financial Sec. Embassy in Washington, D.C. 1958; Financial Counsellor, Ministry of Finance 1961; Financial Commr. 1965; Dir.-Gen. Int. Finance Bureau 1966; Vice-Minister of Finance for Int. Affairs 1968; resgnd. from Ministry of Finance 1971; Special Adviser to Minister of Finance 1971–72; Deputy Pres. Bank of Tokyo Ltd. 1973–77, Pres. 1977–; Chair. Bd. of Dirs. Bank of Tokyo Int. Ltd., London 1978–, Bank of Tokyo (Luxembourg) SA 1977–, Bank of Tokyo (Holland) NV, Amsterdam 1977–; Perm. Rep. of Bank of Tokyo on Bd. of Dirs. Banque Européenne de Tokyo SA, Paris 1977–; Dir. Sony Corpn. 1976–; mem. Exec. Cttee. Trilateral Comm. 1973–; Adviser, Int. Finance Corpn., Washington, D.C. 1979–; mem Int. Monetary Conf. 1977–, mem. Bd. of Dirs. 1979–. *Leisure interests:* golf, travelling. *Address:* Bank of Tokyo Ltd., 6-3 Nihombashi, Hongoku-cho 1-chome, Chuo-ku, Tokyo 103 (Office); 11-16 Nishi-Azabu 1-chome, Minato-ku, Tokyo 106, Japan (Home). *Telephone:* 03-245-1111 (Office); 03-408-1323 (Home).

KAŠLÍK, Václav; Czechoslovak composer and conductor; b. 28 Sept. 1917, Polička; s. of Hynek and Paula Kašlíková; m. Růžena Stučesová 1942; three s.; ed. Faculty of Philosophy, Charles Univ., Prague, Prague Conservatoire and Conductors' Master School, Prague; Conductor, E. F. Burian Theatre, Prague 1940–41; Asst. Dir. Nat. Theatre, Prague 1941–43; Chief of Opera Ensemble, Opera of May 5th 1945–48; Conductor, Smetana Theatre, Prague 1952–62; Chief Opera Dir., Nat. Theatre, Prague 1961–65, Opera Dir. 1966–; tours include New York, Leningrad, Moscow, Vienna, Munich; Klement Gottwald State Prize 1956; Honoured Artist 1958. *Works:* Operas: Robbers' Ballad 1944, Calvary 1950, Krakatit 1960; ballets: Don Juan 1939, Jánošík 1951, Prague Carnival 1952; Dir. of operas: The Water Nymph (Dvořák), Vienna 1965, Julietta (Martinů), Hanover 1966, Albergo dei Poveri (Testi), Milan 1966, Die Soldaten (Zimmermann), Munich 1969, Pelléas (Debussy), Covent Garden 1969, Don Giovanni (Mozart), Prague 1969, Cardillac (Hindemith), La Scala 1969, Idomeneo (Mozart), Vienna 1971, The Greek Passions (Martinů), Spain 1972, The Queen of Spades (Tchaikowsky), Stockholm 1973, Katya Kabanová (Janáček), Geneva 1975; work for TV, Magic Lantern Theatre: Hoffman's Tales 1962; Katya Kabanová (Janáček), TV production, Copenhagen 1970, Boris Godunov (Mussorgsky), Verona 1976, Rusalka (Dvořák), Haag 1976, Karlsruhe 1977, Ariadne auf Naxos (St[…] Prague 1977, Carmen (Bizet), Geneva 1977. *Address:* Škréto[…] Prague II, Czechoslovakia. *Telephone:* 230083.

KASSIMATIS, Grigorios, D. en D., DR.RER.POL.; Greek pro[…] and politician; b. 16 March 1906, Athens; s. of Panagiotis and Kassimatis; m. Efi Kassimatis 1945; ed. Univ. of Athens and de Paris à la Sorbonne; practised law 1927–37; Under-Se[…] Labour (resigned) 1936; in concentration camp during S[…] World War; Assoc. Prof. Salonica Law School, then Prof. Pa[…] School 1937–46; Assoc. Prof. of Civil Law, Law School of Un[…] Athens 1939, Prof. of Civil and Labour Law and Social P[…] 1941; Prof. of Social Studies and Labour Law, Higher Indu[…] School, Athens 1959; Assoc. Prof. Univ. of Paris; Deputy of A[…] 1946, and as an Independent 1950, for Liberal Party 1951, for Radical Union 1956, 1958, 1961, 1963, 1964–67 (party suspe[…] in April 1967); Minister of Finance and Public Welfare and A[…] Minister for Labour and Justice in Govts. of P. Voulgaris Archbishop Damaskinos, then Minister of Finance and A[…] Minister of Agriculture in P. Kanellopoulos Govt. 1945; Min[…] without Portfolio as Under-Sec. of Press and Information Acting Minister of Justice and Finance, then minister of La[…] and Acting Minister for Public Works 1950, Minister of Ind[…] 1951, of Labour 1951–52; Minister without Portfolio and A[…] Minister for Co-ordination 1956–58; Minister of Educ. and Reli[…] 1961–63, of Educ. 1967; Head of Greek Cttee. to UN 1956–67; […] of Greece to Int. Bank of Reconstruction and Devt.—World B[…] (IBRD) 1957, 1958; Amb. and Perm. Del. to UNESCO 1979–; E[…] Prof. Univ. of Athens; mem. Acad. of Athens; Dr. h.c. (Univ[…] Aix and Bari). *Publications:* several books and articles. *Addr[…]* The Greek Delegation to UNESCO, 7 place de Fontenoy, 7[…] Paris, France; 2022 Ypsilautou Street, Athens 140, Greece. *T[…]phone:* 718271, 748221 (Greece).

KASTEN, Robert W., Jr., B.A.; American politician; b. 19 J[…] 1942, Milwaukee, Wis.; s. of Robert W. and Mary (Ogden) Kas[…] ed. Univ. of Arizona and Columbia Univ., New York; with Gene[…] Nashville, Tenn. 1966–68; Dir. and Vice-Pres. Gilbert Shoe […] Thiensville, Wis. 1968–75; mem. Wis. Senate 1972–75; Joint Fina[…] Cttee. 1973–75, Chair. Joint Survey Cttee. on Tax Exempti[…] 1973–80; Designee Eagleton Inst. of Politics 1973; mem. House Reps. 1975–79 from 9th Dist., Wis., mem. Govt. Operations Ctt[…] Small Businesses Cttee.; alt. del. Republican Nat. Convention 19[…] del. 1976; Senator from Wisconsin 1981–. *Address:* U.S. Sena[…] Washington, D.C. 20610, U.S.A.

KASTL, Jörg; German international official; b. 21 June 19[…] Berlin; s. of Dr. Ludwig Kastl and Gertrud Otto; m. Eva M. L. […] Essen; two d.; ed. Neubeuern, Bavaria, and law studies in Lausa[…] and Munich; served in armed forces 1941–45; German Fore[…] Service School 1950–51; Vice-Consul, Paris 1951–52; Second S[…] Buenos Aires 1953–55, Asunción, Paraguay 1955–57; First S[…] Foreign Office, Bonn 1957–59, Moscow 1959–61; Fellow, Center […] Int. Studies, Harvard Univ. 1961–62; First Sec., Washingt[…] 1962–63; Counsellor, Spokesman of German Foreign Office 1963–[…] Head of East European Desk, Foreign Office, Bonn 1967–69; A[…] Sec.-Gen. for Political Affairs, NATO 1969–75; Amb. to Argent[…] 1975–77, to Brazil 1977–; Head German Del. to CSCE Co[…] Madrid. *Address:* c/o Ministry of Foreign Affairs, Bonn, Fede[…] Republic of Germany.

KASTLER, Alfred; French physicist; b. 3 May 1902 Guebwil[…] (Alsace); s. of Frédéric Kastler and Anne Frey; m. Elise Cos[…] 1924; two s. one d.; ed. Ecole Normale Supérieure; taught in lyc[…] at Mulhouse, Colmar, Bordeaux 1926–31; Asst. at the Faculty Sciences, Univ. of Bordeaux 1931–36, Prof. 1938–41; Lectu[…] Faculty of Science, Univ. of Clermont-Ferrand 1936–38; Prof. Physics, Ecole Normale Supérieure, Paris 1941–68; at Univ. Louvain, Belgium 1953–54; mem. Management Board, Centre N[…] de la Recherche Scientifique (CNRS), Dir. Atomic Clock Laborat[…] 1958, Dir. of Research, CNRS 1968–72; mem. Inst. de France, Ac[…] Royale Flamande; Foreign mem. Polish Acad. of Sciences, Deutsc[…] Akademie der Wissenschaften, Indian Acad. of Science, Deutsc[…] Akademie der Naturforscher Leopoldina; Dr. h.c. (Univs. of L[…]vain, Pisa, Oxford, Edinburgh, Laval (Quebec), Hebrew Un[…] Jerusalem, Belgrade, Bucharest, Pavia, Sherbrook, Nottinghar[…] Commdr. Légion d'honneur, Grand Officier, Ordre national Mérite; Holweck Medal and Prize, Physical Soc., U.K. 1954, Nol[…] Prize for Physics 1966. *Leisure interest:* German poetry. *Addre[…]* 1 rue du Val-de-Grâce, 75005 Paris, France. *Telephone:* 326-17-[…]

KASUGA, Ikko; Japanese politician; b. 25 March 1910, Aic[…] ed. Nagoya Telecommunications Technical High School; work[…] for Nagoya Cen. Telecommunications Bureau; Pres. Kasuga Mu[…] cal Instrument Mfg. Co.; elected to Aichi Prefectural Gov. 19[…]

MORITA

MORITA, AKIO, electronics co. exec.; b. Nagoya, Japan, Jan. 26, 1921; s. Kyuzaemon and Shuko (Toda) M.; ed. Osaka Imperial U., 1944; m. Yoshiko Kamei, May 1950; children--Hideo, Masao, Naoko. Co-founder Sony Corp., Tokyo, Japan, 1946, exec. v. p., 1959-71, pres. 1971-76, chmn., chief exec. officer, 1976- ; pres. Sony Corp. Am., 1960-66, chmn. bd., 1966-72, chmn. finance com., 1972-74, chmn. exec. com., 1974-77, chmn. fin. com., 1977- ; mem. internat. council Morgan Guaranty Trust Co. Home: 5-6 Aobadai 2-chome Meguroku, Tokyo 153, Japan. Office: Sony Corp., AP Box 10, Tokyo, Japan; also Sony Corp. of America, 9 West 57 Street, New York, NY 10019.

from WHO'S WHO IN AMERICA, 1980-81

Mr Morita has been on the active list of candidates, and his name has been suggested again by Mr Taplin.

June 1981

New York Times Magazine

January 4, 1981

OVERHAULING AMERICA'S BUSINESS MANAGEMENT

By Steve Lohr

The French journalist Jean-Jacques Servan-Schreiber warned his readers in the late 1960's that Europe was in grave danger of economic invasion by the United States. The Old World, he said, might soon become a subsidiary of the American multinational companies and vanish as an autonomous civilization. These American invaders were superior, in Servan-Schreiber's view, not because of their money, resources or technology but because of their corporate organizational ability — and the genius behind it all was the American corporate manager. He was the real key to American power.

Not only in Europe were American managers and American management held in awe. The Japanese, too, regularly came to the United States to attend its business schools and tour its factories, and they used to joke that a B.A. degree meant Been in America. To Asians, this supremacy was often explained in terms of the West's Faustian spirit of aggressive individuality in rationalizing and conquering the forces of nature. The reasons suggested for the American success varied from country to country, but the general drift did not: The American manager was the nonpareil — revered, even feared, throughout the world.

How quickly and dramatically, it seems, things have changed. Today, when foreign executives speak of their American counterparts, they are apt to be more scornful than awe-struck, and, indeed, the United States appears to be strewn with evidence of managerial failure. Whole industries — autos, steel, consumer electronics and others — have fallen victim to more aggressive, more efficient overseas competitors. The American economy is afflicted with stagnating productivity, high unemployment and the debilitating combination of surging inflation and high interest rates. The average age of the nation's plant and equipment is about 20 years, twice as old as Japan's. The rate of investment in research and development, the rate of new capital investment and the value of the dollar are all sliding with tangible consequences: a declining standard of living, more inflation and too few jobs.

No one seriously blames the country's corporate managers entirely. Government regulation, tax laws, pollution-control expenses, misguided economic policies, labor costs and the lofty price of imported oil have all played a part. Still, there is now a growing consensus, both at home and abroad, that the performance of American management of late has been sorely lacking; that, to some extent, the management policies, which served America so well and were admired the world over, are now being ignored in the country that created them; and that, worse, American corporate leaders have been slow to adapt to the rapidly and profoundly changing world of high energy costs and resource scarcity.

This indictment is heard not only from the traditional critics of business — the Ralph Naders and the like — but from top corporate executives as well. Reginald H. Jones, chairman of the General Electric Company and head of the Business Council — a collection of the chief executives of most of the nation's largest corporations — was asked, during a recent interview, about the perceived shortcomings of American management. "The indictment, in many cases, is justified," he replied. "It should be taken very seriously." From the ivy halls of the Harvard Business School to the executive spires of Manhattan to the low-slung plants of California's Silicon Valley, the criticisms are being taken very seriously. There seems, too, to be a growing willingness, even eagerness in some instances, to get going on important innovations that must be made to return American management to its position of preeminence.

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At his desk in New York at 8 A.M., Akio Morita, the small, elegant, slender 59-year-old chairman and co-founder of the Sony Corporation, is engaged in an overseas telephone call. He is discussing business with a colleague, speaking in rapid, clipped cadence. Upon finishing the call, he rises to greet a visitor and quickly launches into a highly informed discussion of American politics. Akio Morita has become a man of two cultures — Japanese and American — and he also happens at the moment to be the very symbol of the kind of change in business-management techniques that has successfully occurred in one culture and, many people believe, must take place in the other.

Indeed, the prevalence in the United States of all manner of Sony merchandise — televisions, radios, tape recorders, video-cassette recorders and the like — is testimony to the triumph of his approach, and indirect confirmation that American business is in need of repair.

For years, Morita says, he was one of those who regarded America as "a teacher," a nation whose management methods were to be emulated as much as possible. Now, however, he believes that, "for much of the trouble of the American economy, American management has to take the responsibility."

Not that Akio Morita's highly admired achievements — in marketing, product development and quality control, for example — were arrived at with perfect ease. He was long regarded as something of an outsider in his country, apart from the traditional Japanese establishment, one of a handful of aggressive entrepreneurs who emerged after World War II and whose brazen style was considered un-Japanese. Morita, along with his partner, Masaru Ibuka, started a small electronics business in Tokyo back in 1946.

In the 1950's, when American consumers saw the tag "Made in Japan," it was a stigma — a code phrase for shoddy merchandise. Sony, more than any other company, was responsible for reversing that image. The turnabout was so substantial that, by 1972, when Sony opened its first American manufacturing plant in San Diego, Calif., to construct color televisions, its dealers were concerned that its American-made television sets wouldn't match the quality of those made in Japan. The company now has a second factory in the United States, located in Dothan, Ala., which in 1977 began producing magnetic tape, cassettes for the Betamax recorder and audio tape. Today, Sony's American arm is nearly a $1 billion-a-year operation employing 4,500 workers, and the quality seems to have held up fine.

In Morita's view, the trouble with a large segment of American management is attributable to two misguided attitudes: American managers are too worried about short-term profits and too little concerned about their workers. These two mistakes, Morita says, are connected and go a long way toward explaining productivity problems.

"A lot of American companies know they have old machines," he says. "But the manager figures he'll keep the old machines as long as they still run, make a big profit one year, and take that record as an advertisement to get a job elsewhere. So productivity here declines."

Most American managers, according to Morita, take a shortsighted view of their workers. Indeed, it is the antagonism between management and labor in America that Morita thinks is most counterproductive. Here lies one of the the greatest contrasts between the United States and Japan, with its tradition of corporate paternalism and lifetime employment. Morita argues that the Japanese approach to labor management is not a cultural eccentricity, applicable only in Japan. He says it can be transplanted, in a slightly watered-down form, intó America. As evidence, he points to Sony's plants at San Diego and Dothan, where, he says, productivity has risen steadily so that it now is very close to that of the company's factories in Japan. "The workers in San Diego and Dothan are terrific," says Morita.

It is difficult for an outsider to gauge the success Sony and other Japanese companies have had in bringing their type of management into the United States. But those who have studied the Sony experience here agree for the most part that it has gone fairly well and that American managers should be taking notes.

Sony has tried, as much as transient Americans are willing, to import its system of lifetime employment. "We never lay off workers in a recession," Morita notes. "When we select someone, the person becomes part of the Sony family."

Bonuses are a democratic affair for Sony in Japan. They are paid to everyone, production workers and top management alike. Everyone shares the prosperity in the good years, and shares the grief in bad ones. In the United States, some adjustments have been made for the local culture. For instance, Morita admits that top executives in Sony of America are in a profit-sharing program.

Critics contend that one reason Sony has been able to install much of its system here is that it has fought so strenuously, and successfully, to keep unions out. Wages aren't the issue, says Morita, though Sony wages are generally competitive. "We want to keep the union out to maintain our philosophy," says Morita. "We want to keep our family whole and not have a third party interfering."

In all the current American discourse about economic "re-industrialization" — that unfortunate locution at once evocative and vague — there is agreement that something must be done to close the chasm between management and labor in this country, an often needlessly adversarial and counterproductive atmosphere that management has in good part brought upon itself. As one auto executive noted: "We're all in this together, plant workers and management alike. And, frankly, for too long we didn't recognize that or try to create a working environment that makes everybody want to pull in the same direction."

Certainly, there are significant differences between Japan and the United States in Government policy, culture, capital markets and taxes. The cultural homogeneity in Japan and the extremely strong citizen association with national purpose are examples. Yet it seems that American management could certainly take a page back from the modern Japanese workbook. "Teamwork historically is, I think, the American way," Morita says. "But your managers too often forgot that. They got greedy; they viewed the worker as a tool. That has not been good for American products or American companies, and it has hurt your competitive stature in the world."

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There is fairly broad agreement, in retrospect, among executives, academics and others on what went wrong in American management in the 1970's. After the oil embargo in 1973 and the Arab-led cartel increased petroleum prices fourfold, American corporations were slow to recognize the full significance of the new energy economics and respond. With a single stroke, the old order was sundered. True, both Japan and Western Europe had never had such cheap or plentiful energy, and, thus, had the advantage of not having to adjust to the shock. Nor did they have the physical space of America to encourage a greater use of energy, in heavier automobile usage, for example. Nevertheless, American business leaders seem to have delayed too long in making difficult, costly adjustments. Even Thomas A. Murphy, the just-retired chairman of General Motors and the perennial optimist of the auto industry, concedes that the 70's were "all but a disaster. We seem to have spent most of our time not making decisions."

This managerial inertia cost American industry dearly in terms of its competitive standing. Yet the related and deeper problem, observers agree, is the set of managerial approaches and attitudes that is widespread but serves business poorly in the current setting. For management, as the author-consultant Peter F. Drucker has written, is not just a discipline but also a "culture," with its own values, beliefs, tools and language. To assess the past failures of management and, by inference, to suggest the direction of needed change, one must identify some of the distinguishing characteristics of the current American management culture.

First, as Morita points out, most corporate managers in the United States are now oriented to short-term profit, which tends to discourage them from making important investment in new plants, equipment and research and development. It is often noted that much of the highly efficient steel-making technology employed with such effect today by foreign competitors was actually developed in the United States. But the American steel companies did not undertake to refashion their plants years ago, when it was a good deal less expensive to do so. Yet, the failure to do so, even now at higher cost, is stealing from the future.

Second, the freewheeling entrepreneur, the Henry Ford or the Andrew Carnegie, seems to have fallen in short supply, at least among the denizens of big corporations. It was Ford, of course, who had such an unshakable faith in himself and in the notion of inexpensive mass-produced automobiles that he told his customers they could have cars in whatever color they wanted, as long as it was black. Again, the current emphasis is more on safeness, certain profitability, than on boldness, ingenuity, innovation — old American trademarks. Observes Robert H. Hayes, a Harvard Business School professor: "You don't have much of the spirit anymore of the top manager who simply looks at something and says: 'Dammit, this is a good product. Let's make it even though the payoff isn't apparent yet.' "

Third, too many top corporate positions are filled by people who are financial wizards, but who know too little about the fundamentals of the very businesses they run — the markets, technologies, production processes and workers. These people, usually with financial or legal backgrounds, are the breed of self-styled "professional managers" that so often occupies the executive suites in large corporations. Critics contend that these managers run businesses by the numbers, period. What is needed today, they argue, is less of the Olympian detachment of the 50th floor and more nuts-and-bolts understanding of the factory floor.

Fourth, some of the financial yardsticks that managers rely upon so much in deciding whether to make investments may yield results that are badly distorted in the current period of high inflation. The validity of some of these yardsticks, like "discounted cash flow" or virtually indecipherable formulas for figuring "return on investment," is being called into question to some extent. "It may be that some of the basic tools we've been teaching in business schools for 20 years are inordinately biased toward the short term, the sure payoff," said Lee J. Seidler, a Wall Street securities analyst and professor at the New York University Business School. That suspicion, in turn, raises doubts about the almost theological commitment of corporate managers to financial analysis.

And finally, American managers have often been chauvinistic, not seeing the growing internationalization of business, not learning the tricky art of selling abroad. "We had this huge homogeneous market in the U.S. for so long that American industry was spoiled," says Reginald Jones of General Electric. Too few companies did what G.E., in fact, has done: more than doubled its international business over the past decade to 37 percent of the corporate total, so that G.E. by itself generates a trade surplus (exports minus imports) of more than $2 billion.

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Though the American horizon has been gloomy, it has also had its bright spots in the past decade — particularly in the computer and semiconducter industry. The rapid pace of technological change in this area is truly difficult to comprehend. Modest folk in the industry are fond of citing the following by way of helpful illustration: If the aircraft industry had progressed as rapidly as the semiconductor or computer business in recent years, the Concorde would now hold 10,000 passengers, travel at 60,000 miles an hour and a ticket would cost 1 cent. Others maintain that what is happening is virtually tantamount to a second industrial revolution.

How did these businessmen triumph when so many others around them were not doing well?

"Unlike steel, autos and some others, this industry has never been an oligopoly," Robert N. Noyce says of the field of semiconductors. "It has always been intensely competitive. And it has always been a brain-intensive industry, rather than a capital-intensive one. It has been an industry where, if your key people don't agree with you, they take off, start their own businesses and become your competitors."

Robert Noyce knows whereof he speaks. In 1968, he and Gordon E. Moore, two scientists working for Fairchild Semiconductor in northern California, split off and, with a grubstake of $2 million in venture capital, founded a fledgling outfit called Intel (for Integrated Electronics). Soon afterward, they were joined by Andrew S. Grove, another former Fairchild scientist. By 1970, Intel, of Santa Clara, Calif., reported sales of $4 million. By 1980, the sales were increased to $900 million, and the work force had reached 15,000. Ironically, though short-term profit has not been its chief goal, Intel has managed to keep its pretax profit margins safely above 20 percent — twice the average of its major competitors — during booms and recessions alike. Accordingly, Intel is probably now the company held in highest esteem in a highly esteemed field.

There's more to Intel's story then a willingness on the part of intelligent employees to disagree with their boss — though that's an important part of it. The whole story tells a good deal about where alert American corporations may be headed in the future, and, by way of contrast, about what many firms have failed to do in the recent past.

First, Noyce, Moore and Grove were not shy about charging ahead with controversial new technologies — initially with the computer memory chip and then with the microprocessor, or computer on a chip. By introducing slight impurities onto a wafer of silicon, used in the manufacture of semiconductors for computers, and etching microscopic patterns on its surface, the Intel manufacturers were able to place many thousands of electronic circuits onto a "chip" smaller than a dime.

The managers have been willing, too, to pour an unusually large share of the proceeds back into the business. They invest roughly 10 percent of yearly revenues in research and development. The company's capital-spending program for new facilities and equipment totaled about $150 million last year.

Intel is not the largest supplier in the industry; it is No. 4 — smaller in size than Texas Instruments, National Semiconductor and Motorola. However, the company has not tried to be the biggest, concentrating instead on staying at Intel has been there first with the most, technologically speaking, and it has done so more consistently than its competitors. Typically, the company will experiment and test-market a new product, then later will have experience in producing it more efficiently and more cheaply than the competition.

All the while, Intel is striving to ferret out the next technological leap needed to renew the cycle. Indeed, the company is now in the midst of another long-range jump in technology, developing devices that will eventually be complex enough to put the computing power of an entire mainframe computer (the nation's largest and most powerful computer) on a handful of silicon chips. Should it slip in this effort, the company would suffer greatly. But based on Intel's track record so far, competitors aren't betting that it will fail.

In combining technological mastery with extraordinary business success, Intel has been a management innovator, both in style and structure. The central management problem for a fast-growing high-technology company is to solve one riddle: how to stay flexible and nimble, in tune with emerging technologies and markets, even as its very growth tends to make the concern sluggish and bureaucratic. The answer may lie both in structure and philosophy.

Intel has a three-man executive office, made up of Noyce, Moore and Grove. Simply put, Noyce is the "outside man," who spends nearly half his time on things not directly connected with Intel, such as speaking to the financial community, Government policy makers and serving as a member of the National Academy of Science. Moore is the company's long-range thinker, charting its product strategy. Grove, a scientist-turned-manager, is the person who runs Intel day-to-day.

Intel is organized to avoid the bureaucratic hierarchy that is characteristic of most corporations. Workers may have several bosses, depending on the problem at hand. Instead of staff specialists for purchasing, quality control and so on, Intel has several dozen committees, or "councils," that make decisions and enforce standards in specialized fields. These groups are overlaid on a grid of about 25 so-called strategic business segments that do product planning

"What we've tried to do is to put people together in ways so that they make contributions to a wider range of decisions and do things that would be thwarted by a structured, line-type organization," Noyce explains.

But more than structure, it is Intel's "culture," as Drucker puts it, that sets it apart from most American companies. There are no "offices" at Intel, only shoulder-high partitions separating the work space of individual white-collar employees. White collars, for that matter, are scarce as well; there is no dress code and very few of the men wear ties. There are no reserved parking spaces for executives, no limousines, no separate dining rooms. Top managers eat in one of the company cafeterias, along with everyone else, or in lunch-hour meetings with one of the ad hoc problem-solving groups. Everyone is expected to report to the job at 8 A.M. sharp. "I can justify my salary, just as I can justify the salary of a production operator, a technician or an engineer — it's a function of the market," says Grove, the company's 44-year-old president, who wears an open-necked beige shirt with a gold chain underneath. "But I can't justify why I should get a reserved parking space. There's no justification for that at all."

At the council sessions, it is expected that all will participate as equals, with new employees challenging senior executives. Ultimately, the top managers must pass judgment on the projects that will consume the many millions of dollars needed not merely to keep up but, more important, to set the pace of technological development. "But we go through the discussion as equals," says Grove.

Many of the elements of Intel's management approach strike skeptics, especially those familiar with traditional corporate practices, as empty symbolism and affectation. Neither is the case, Grove argues. "It isn't symbolism at all," he says. "It's a necessity, I think, for this company in this industry with the technology shifting so fast, and that rapid change will continue."

He explains: "I can't pretend to know the shape of the next generation of silicon or computer technology anymore. That's why people like me need the knowledge from the people closest to the technology. That's why we can't have the hierarchical barriers to an exchange of ideas and information that you have at so many corporations."

Grove has an example of what is wrong with many companies. He presents a newspaper clipping that described an incident leading to the dismissal of William A. Niskanen Jr., chief economist at Ford. In late 1979, Niskanen had advised his bosses that Government-imposed quotas on Japanese cars would not solve Ford's problems, and this view was not popular among the company higher-ups. "In the meeting in which I was informed that I was released," Niskanen told a reporter, "I was told, 'Bill, in general, people who do well in this company wait until they hear their superiors express their view, and then contribute something in support of that view.' "

"That," says Grove, "is precisely the kind of attitude that we cannot afford here."

To perpetuate the philosophy and culture of the company, Intel conducts a series of training courses for many of the employees, who then, it is hoped, carry it out and pass it on to others.

By now, outsiders have studied Intel's management and, generally, they agree that it has worked. Some have said that the company's egalitarian, flexible structure approximates the futurist Alvin Toffler's notion of an "adhocracy." Others say it is a kind of American version of the Japanese management style. "What a lot of it boils down to is creating an environment in which people want to cooperate with each other and it is in their interest to do so," says William G. Ouchi, a management professor at the University of California, Los Angeles.

Ouchi has written a book, to be published in April, entitled "Theory Z Corporations: How American Business Can Respond to the Japanese Challenge" (see Page 42). In it, he says that the answer lies in converting American companies into what he calls "type Z" concerns — ones whose management approach and corporate culture are something akin to Intel. Many other corporations, particularly General Motors, are making a major effort to try out or perfect Theory Z, which essentially projects a broader base of interlocking corporate authority and encourages more widespread participation in company decisions at the plant level than the more traditional Type A, with the boss at the top.

Ouchi says that one trouble with Type A is that its "managers are often heard to complain that they feel powerless to exercise their judgment in the face of quantitative analysis, computer models and numbers, numbers, numbers. Western management seems to be characterized for the most part by an ethos which roughly runs as follows: Rational is better than nonrational, objective is more nearly rational than subjective, quantitative is more objective than nonquantitative, and thus quantitative analysis is preferred over judgments based on wisdom, experience and subtlety. Some observers, such as Prof. Harold Leavitt of Stanford University, have written that the penchant for the explicit and the measurable has gone well beyond reasonable limits, and that a return to the subtle and the subjective is in order.

"In a Type Z company," Ouchi says, "the explicit and the implicit seem to exist in a state of balance. While decisions are informed by the complete analysis of facts, they are also shaped by serious attention to questions of whether or not this decision is 'suitable,' whether it 'fits' the company. A company that consists of isolated subspecialities which do not effectively communicate with one another is hardly capable of achieving such fine-grained forms of understanding. Perhaps the underlying cause is the loss of the ability for disparate departments within a single organization to communicate effectively with one another. They are forced to communicate in the sparse, inadequate language of numbers, because numbers are the only language all can understand in a reasonably symmetrical fashion."

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To itemize the missed opportunities is not to explain them. To do that, one must look at the larger arena that helps shape the actions of corporate managers.

To raise money, public companies in the United States are heavily dependent on the stock market. This is not the case in West Germany or Japan, where banks (often backed by the Government) supply most of the capital for companies. Consequently, while foreign corporate managers have to answer to a relative handful of investors who have a long-term stake in companies, their American counterparts play to Wall Street and the often fickle tastes of institutional stock players.

Rare is the American chief executive who, in a philosophical moment, away from the daily fray, will not say that corporations should focus more on the future. However, in the next breath, many of these same executives will say that the verdict of Wall Street — and, hence, their survival in office — depends on producing the steady quarter-to-quarter increases in profits that so please the financial community. This is known as the tyranny of Wall Street. "Our top corporate managers are in the same boat as baseball managers," explained Norman E. Auerbach, chairman of Coopers & Lybrand, one of the so-called Big Eight accounting firms, which has mostly big corporations as clients. "You'd better win, produce those higher earnings quickly, or you're out."

Consider, too, the social side of these pressures. The typical chief executive of a major corporation is about 60 years old. The top job is the pinnacle of his career, something that he has worked a large share of his life to achieve, often requiring considerable personal and family sacrifice along the way. His salary is probably $200,000 or more. His community and social position are tied to his job. Assuming retirement at 65, he has five years in the top office, that is, if all goes well. How likely is such a person to reduce this year's profits to invest in some costly new project, the payoff for which is several years down the road, and uncertain even then?

But this shortsightedness of management and Wall Street seems to be changing. Increasingly, investment analysts are using measurements other than reported earnings to gauge corporate performance. When General Motors reported a loss of $567 million in the third quarter of 1980, the comments from Wall Street were generally upbeat. One reason was that, despite the slump in auto sales, General Motors had not pulled back from its five-year $40 billion capital-spending program, designed to give the company a full array of smaller fuel-efficient cars by 1985. If it had cut down on spending, General Motors could have at least reduced its third-quarter loss. Rather, it took the long view and invested in the future. The company is seen as an awakened giant.

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For an ever-growing number of corporate managers, the two-year stint at a graduate school of business has become an initiation rite into the managerial culture. Today, the degree granted by these schools, a masters in business administration, or M.B.A., is seen as a sine qua non of upward mobility in many large corporations. Probably none is more influential or has more highly placed alumni than the Harvard Business School. And indeed the schools have in the past taught and helped formulate some of the important theories of management, such as statistically based quality control or the early ideas of Alfred P. Sloan (G.M.'s head for many years) on promotion from within or openness among top management. But M.B.A. might be part of the current problem. The charge is that even the leading business schools such as Harvard or Stanford have been teaching how not to manage a modern American company; that they have simply taught business as business has been practiced, and not helped lead the way to necessary change.

John H. McArthur, the 46-year-old dean of Harvard Business School, a large, robust man with an informal manner, talks openly about this criticism. Seated in an overstuffed chair beside a fireplace in his office along Boston's Charles River, he concedes that it has some merit. He agrees, for instance, that "too often analysis has meant being able to shove a problem quantitatively through the computer nine different ways and come out with a printout the size of the Manhattan phone book." Also, he generally agrees that in the past too little attention has been paid at the business schools to the handling of workers, production management and international business.

"I don't think these are things that we in business schools are passing along very well yet," says McArthur. "But bear in mind that the economic world changed drastically and irrevocably in the 1970's. American management and business schools are now in transition, struggling to respond to the changes. We do have a serious problem in this period of transition, but this nation also has enormous resources. I think the shift is under way, both out there in the corporate world and at business schools like this one."

In a nearby office, there is an example of this shift. He is Prof. Robert Hayes: "Look, I'll admit it. I was one of the guys teaching all the quantitative methods with such vigor. I was part of the problem." Hayes has recently been quite critical of some aspects of American management, and his views have been widely circulated in management and academic circles. In particular, he has questioned the wisdom of having managerial ranks filled with financial practitioners cast in the "professional manager" mold — that itinerant band of job-hopping executives applying their skills at one company for a few years before moving on to the next, rarely learning the fundamentals of the specific business they run. Instead, Hayes suggests that managers with more firsthand experience would be more likely to make the decisions necessary to insure the long-run health and survival of the business, focusing on production management — the side of the "art of organization" that attends directly to business operations.

Generally, John McArthur contends, that, not only in the notions of Robert Hayes, but also in the attitude of the business schools in general, a changed response is beginning to take shape.

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If, despite the acknowledgment of serious problems, there seems to be a new optimism in the business community, it may be in part because of the improved political and social milieu in the United States. It is impossible to say with much certainty just what the long-range effect will be of having Ronald Reagan in the Oval Office and more Republicans in Congress. But with the economy a key issue in the election, the results do reflect increasing popular support for the traditional economic goal of conservatives — the creation of wealth — and away from the liberal objective — the distribution of wealth.

The Reagan Administration, by all accounts, is expected to curb Government regulation while providing investment incentives for the private sector. The new President and his advisers are well aware that the healthiest foreign economies, such as those in Japan and West Germany, are ones strongly encourage saving and investment with Government tax allowances. Reagan has promised to free the economy from the inhibiting influence of Government, which he says will unleash the nation's productive capacity. In Reagan's scenario, corporate management will then be largely reponsible for bringing about the hoped-for surge of productivity and, with it, lower inflation, increased employment and a rising standard of living.

The new Administration itself has a managerial caste, with several top corporate executives in the Cabinet. Reagan, it is said, will run the executive branch of Government like a corporation, with himself as chairman. Where corporate management is concerned, Reagan is a believer.

The basic optimism comes, however, from the new attitude of management itself. There is a lengthening of corporate sights, now that, as one Japanese executive said privately, "your managers are beginning to recognize many of their industries are engaged in a global fight for survival." He offered the following elaboration: When Japan attacked Pearl Harbor, he said, the United States had the seventh largest navy in the world. By the end of World War II, the American fleet was the biggest. "When forced to," he said, "Americans can respond vigorously. Ultimately, that is what your nation will probably do about its current economic problems, and your corporate managers must lead the response."

Based on talks in recent months with a broad spectrum of representatives and observers of American management, it appears that the response is coming. The past failures and current weaknesses are recognized and accepted, and there is a readiness to try corrective techniques. At present, it is impossible to discern the precise contours of the expected transformation — just how American corporations will be structured and run differently a decade or two from now. Nonetheless, certain harbingers are clear.

Given the ever-quickening pace of change, companies can only benefit from a broader participation in decision making by their increasingly educated workers. To stay attuned to fast-changing markets, technologies and production techniques, it helps to have the information and cooperation of those closest to the operation — the workers. Companies that do this effectively are what Ouchi of U.C.L.A. would call "type Z" concerns. However, the label attached to such companies is relatively unimportant; what is significant is that more and more corporations are trying it. And it is not just the Intels or Hewlett-Packards, relatively young companies dwelling in the rarefied realm of futuristic technology. General Motors has completed a project in an assembly plant in Brookhaven, Miss., to increase worker participation in the corporate decision-making process. The company is so pleased with the results — "with trust, anything is possible," the project directors concluded — that it is now undertaking 160 organizational changes at plants throughout the country, with the full support of the United Automobile Workers. And at plants throughout the auto industry, workers have been given the authority to shut down the assembly line if they think that, for whatever reason, quality control standards are not being met — a revolutionary change. The particular corporate milieu, or culture, within which the worker is given greater authority and responsibility will vary from company to company. This changing character in boss-worker relations, becoming more a two-way street, seems one representative example of the shift in traditional management perceptions and practices that is now apparently under way. The changes are, in a sense, a return to elemental American values, to more democratic organizations and away from the hierarchical class structure found in so many large corporations today.

Similarly, the task of corporate management is to fashion solutions to the problems of business that are firmly in the American mold, to borrow perhaps from other cultures but not mimic them. American society is individualistic, pluralistic and entrepreneurial. These are the historic sources of generative energy that largely explain the economic rise in the United States and, most agree, constitute this nation's greatest potential advantage in the unfolding competition for global markets. To renew, encourage and channel these energies is a challenge facing American management today. ■

THE WORLD OF Z

Most corporations in America have traditionally been organized according to what is called Type A, with the boss at the top. Theory Z, as labeled by William Ouchi, a management professor at the University of California, Los Angeles, projects a broader base of decision-making authority, with more supervisors and employees brought into the process. The following case study of the effect of implementing such a theory is excerpted from Ouchi's "Theory Z Corporations: How American Business Can Meet the Japanese Challenge," to be published in April by Addison-Wesley.

Theory Z was put into effect at one of the worst-run plants of a large American corporation. It was plagued with a history of labor conflict, chronically high absenteeism and turnover, and poor quality and productivity. A new plant manager had been brought in to implement Theory Z in hopes of improving conditions. The outgoing manager had just announced that the plant would be changed to a two-shift operation, so that some of the employees would have to work nights. This announcement had produced an outcry, and there were threats of a strike.

The new plant manager began by explaining the situation clearly and completely to the first meeting ever held at the plant for all employees, a meeting on company time. He brought them to reality, explaining the likelihood that competitors would erode their business. He reviewed a study showing the demands of customers, and then emphasized the necessity that the plant produce a profit to justify continued jobs and new investments. The employees had been, as is not unusual, held in a state of ignorance. They did not understand the corporate hierarchy, the accounting system that measured their performance or the information system that regulated their stream of work. They could not possibly have participated in evaluating and improving their efficiency, because they were simply carrying out tasks. They had no sense of being an integrated part of a larger system, no sense of the why's of their work lives.

The new manager next retreated with his team of plant managers, conducting training in the elements of the Theory Z philosophy, explaining the relationship of the plant to the rest of the company, and practicing interpersonal skills. He encouraged the expression of skepticism; he practiced openness, and trust began to develop. The foremen asked whether participation meant that they could no longer discipline workers who smoked marijuana on the job or who reported for work in a state of alcoholic inebriation. They wanted to know who would bear the criticism if the plant got out of control, if they failed to meet their quotas. They told him that they thought he'd never last.

As they discussed each issue, they began to see that the new way did not mean throwing out all of the controls and measurements, leaving nothing in their place. Instead, it meant leaving the present systems in place, and building around them a new attitude, a new approach to management. In time, the old ways would become obviously unnecessary, and then they could be phased out. Workers who needed to be reprimanded could still be reprimanded. Those who failed to exert effort were to be released. The point of employee participation is that everyone, each worker and manager, must bear his or her full share of the burden. All share an equal responsibility to satisfy the customer, to produce quality.

As for the production targets assigned daily to each supervisor, they would from now on meet as a group with their manager to set weekly targets. Each supervisor would circulate among different jobs in the plant, getting to learn all of the functions and the people. As for the conversion to shift work, a series of meetings was held over the ensuing weeks; the workers came to understand the problem to be solved, and they arrived at a creative solution. Instead of going to two separate shifts of eight hours each, they recommended running one shift from 5 A.M. until 1 P.M., with the second shift running from 10 in the morning until 6 in the evening. The two shifts would overlap from 10 A.M. until 1 P.M., but the doubling of manpower during that period would work fine. The order in which various jobs were scheduled would be arranged so that all the work necessary on both shifts could be accomplished, without anyone standing idle. The employees much preferred this plan, and they implemented it with enthusiasm.

The result was that within one year after the arrival of the new manager, the plant was running far more efficiently than it ever had. Absenteeism and turnover were down; quality was up, and the shift system was in place and running. Not all of the managers, foremen or workers liked this new style, and not all of them supported it. But an organization does not have to be perfect to bring about significant improvements.

Hideki Yukawa 1907-1981

Toshiyuki Toyoda and Hideki Yukawa

Hideki Yukawa was born in 1907. In October 1934, when he was 27, Yukawa read his first and most celebrated paper, "On the Interaction of Elementary Particles I," before the Physico-Mathematical Society meeting in Osaka. On that occasion, the paper was generally not well received by Japanese physicists, but Yukawa's wife encouraged him to publish it, and it appeared in the Society's *Proceedings* the following year.

Yukawa was appointed professor of physics at Kyoto University in 1939, just about the time nuclear fission was discovered and World War II began. In 1948, three years after the atomic bombings of Hiroshima and Nagasaki, he was invited to the Institute for Advanced Study, at Princeton, New Jersey, and remained there for one year. During his stay he established a close acquaintance with Albert Einstein, a friendship that continued until Einstein's death in 1955.

In 1949 Yukawa, who had just moved from Princeton to Columbia University in New York City, received the Nobel Prize for Physics. Naturally, the Japanese people were excited and eager to have him back in Japan. Yukawa donated most of the prize money to several Japanese institutions, including Osaka University and Kyoto University, to thank them for their encouragement and also to motivate younger scientists. He left the United States in 1953, to become the first director of Japan's Research Institute of Fundamental Physics.

In his theoretical physics research, Yukawa always pursued fundamental problems and struggled to solve them by his farreaching ideas. He did not seek immediate appreciation of his work by others, because it was his conviction that what is true must sooner or later be understood and appreciated by the majority of people in the course of time. This was also his view concerning the acceptance by scientists of their social responsibility. Yukawa pondered the role of present-day scientists from a perspective of integrity and independence. A quotation from his opening address at the First Kyoto Conference of Scientists, in 1962, makes this clear:

"Ten years ago, there were certainly some occasions when social responsibility and world peace were discussed among scientists and intellectuals, but they were received by the public as minority opinions or [the views of] assemblies of biased people. Never in the world there has been such a conference of scientists as the Kyoto Conference of Scientists. One of the fundamental reasons for the remarkable change, I think, is a change in thinking about science or, in a broad sense, learning.

The change is that physics cannot be separated from humanity. The results of physics are inevitably connected with the problems of humanity through their application to human society. One cannot be blind to the connection, because it really exists."

Yukawa elaborated on this idea in his keynote speech at the 25th Pugwash International Symposium, held at Kyoto in 1975:

"Usually it has been thought that, particularly in pure science, it is desirable for its progress not to include any value criterion other than true-or-false, especially good-or-evil judgments. In this connection . . . it has been commonly held that for certain objectives scientists and engineers should be concerned only with the technical feasibility, but not with value judgments of the objectives themselves. In a word, this has been a general tendency since modern science was developed. . . . We physicists, by experience, have realized that the advent of nuclear weapons dealt a great blow to the above-mentioned way of thinking."

Finally I would like to quote from Yukawa's expression of grief at the time of Einstein's death:

"Not only was Professor Einstein by far the greatest scientist, but also by far the greatest human being. . . . It is indeed a great tragedy that Professor Einstein has passed away. I feel very strongly that we have to take up his search and striving for world peace, and support Mr. Russell's efforts to realize it."

Replacing the name Einstein with Yukawa, we Japanese physicists grieve at Yukawa's death but are firmly determined to attain his objective of world peace. □

Toshiyuki Toyoda is professor of physics at Nagoya University, and secretary-general of the Japanese Pugwash Group.

YOSHIZO IKEDA

CV unavailable

Mr. Yoshizo Ikeda
President
Mitsui and Company, Ltd.
1-2-1 Ohtemachi
Chiyoda-ku
Tokyo 100, Japan

Kashiwagi

September 28, 1982

Ms. Sarah Weddington
James D. Wolfensohn, Inc.
425 Park Avenue
New York, New York 10022

Dear Sarah:

Thank you very much for yours of 21 September 1982, with its enclosures about Kashiwagi and Zeidenstein. It was a pleasure to meet you and to share with you the burdens and pleasures of the Institute. I look forward to our working together in the days to come.

If you have any additional information other than what appears in the International Who's Who on Jean Riboud, whom Jim and I talked about, I would be pleased to have it.

With all best wishes, I am,

Sincerely yours,

Harry Woolf

JAMES D. WOLFENSOHN
INCORPORATED

425 PARK AVENUE
NEW YORK, NEW YORK 10022
PHONE: (212) 909-8100
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September 21, 1982

Mr. Harry Woolf
Director
The Institute for Advanced Study
Princeton, NJ 08540

Dear Harry:

It was certainly a delight to visit with you today.

I am enclosing a letter which I am mailing to George Zeidenstein today.

I have, since the meeting, shared with Jim the Forbes article.

I am enclosing the information on Mr. Kashiwagi, as we discussed.

I certainly look forward to future opportunities of working closely with you.

Sincerely,

Sarah

Sarah Weddington

SW:fs

Enclosures

KÄSER, Helmut Alfred; Swiss lawyer and sports administrator; b. 14 Nov. 1912; m. Silvia Löpfe 1946; ed. Commercial High School, Neuchâtel, and Univs. of Berne and Zürich; Lawyer, Zürich court; fmr. lawyer, Ministry of Economics; Gen. Sec. Swiss Football Asscn. 1942–60; Sec.-Gen. Fédération Internationale de Football Asscn. (FIFA) 1961–. *Publications:* Untersuchungen über den Begriff des Ersatzwertes in der Versicherung 1937. *Leisure interests:* colour photography, shooting, skiing, mountaineering. *Address:* Hitzigweg 11, 8032 Zürich, Switzerland.

KASER, Michael Charles, M.A.; British economist; b. 2 May 1926, London; s. of Joseph Kaser and Mabel Blunden; m. Elizabeth Anne Mary Piggford 1954; four s. one d.; ed. King's Coll., Cambridge; with Econs. Section Ministry of Works, London 1946–47; H.M. Foreign Service 1947–51, Second Sec., Moscow 1949; UN Econ. Comm. for Europe, Geneva 1951–63; Lecturer in Soviet Econs., Univ. of Oxford 1963–72, Chair. Faculty Bd. 1974–76, mem. Gen. Bd. of Faculties 1972–78, Chair. Advisory Council of Adult Educ. 1972–78; Gov. Plater Coll., Oxford 1968–; Visiting Prof. of Econs., Univ. of Mich., U.S.A. 1966; Visiting Lecturer, European Inst. of Business Admin., Fontainebleau 1959–79, Univ. of Cambridge 1967–68, 1977–78, 1978–79; Reader in Econs. and Professorial Fellow, St. Antony's Coll., Oxford 1972–; Vice-Chair. Social Science Research Council Area Studies Panel; Sec. Co-ordinating Council, Area Studies Assocs.; mem. Int. Social Science Council (UNESCO), Council Royal Inst. of Int. Affairs, Cttee. Nat. Asscn. for Soviet and East European Studies, Steering Cttee. Königswinter Anglo-German Confs., also various editorial bds. and Anglo-Soviet and British-Romanian Round Tables. *Publications:* Comecon: Integration Problems of the Planned Economies 1965, Planning in East Europe (with J. Zielinski) 1970, Soviet Economics 1970, Health Care in the Soviet Union and Eastern Europe 1976, ed. Economic Development for Eastern Europe 1968, Planning and Market Relations 1971, The New Economic Systems of Eastern Europe 1975, The Soviet Union since the Fall of Khruschev 1975; articles in econ. and Slavic journals. *Address:* St. Antony's College, Oxford, OX2 6JF (Office); 7 Chadlington Road, Oxford, OX2 6SY, England (Home). *Telephone:* (0865) 59651 (Office); (0865) 55581 (Home).

KASHIWAGI, Yusuke, LL.B.; Japanese banker; b. 17 Oct. 1917, Dairen; s. of Hideshige and Kiyo Kashiwagi; m. Kazuko Soma 1946; two s. two d.; ed. Tokyo Imperial Univ.; entered Ministry of Finance 1941; Foreign Exchange Bureau 1941, Minister's Secr. 1945, Budget Bureau 1948, Senior Budget Examiner 1951, Dir. Research Section of Foreign Exchange Bureau 1954, Dir. Planning Section 1956; Financial Sec. Embassy in Washington, D.C. 1958; Financial Counsellor, Ministry of Finance 1961; Financial Commr. 1965; Dir.-Gen. Int. Finance Bureau 1966; Vice-Minister of Finance for Int. Affairs 1968; resgnd. from Ministry of Finance 1971; Special Adviser to Minister of Finance 1971–72; Deputy Pres. Bank of Tokyo Ltd. 1973–77, Pres. 1977–; Chair. Bd. of Dirs. Bank of Tokyo Int. Ltd., London 1978–, Bank of Tokyo (Luxembourg) SA 1977–, Bank of Tokyo (Holland) NV, Amsterdam 1977–; Perm. Rep. of Bank of Tokyo on Bd. of Dirs. Banque Européenne de Tokyo SA, Paris 1977–; Dir. Sony Corpn. 1976–; mem. Exec. Cttee. Trilateral Comm. 1973–; Adviser, Int. Finance Corpn., Washington, D.C. 1979–; mem Int. Monetary Conf. 1977–, mem. Bd. of Dirs. 1979–. *Leisure interests:* golf, travelling. *Address:* Bank of Tokyo Ltd., 6-3 Nihombashi, Hongoku-cho 1-chome, Chuo-ku, Tokyo 103 (Office); 11-16 Nishi-Azabu 1-chome, Minato-ku, Tokyo 106, Japan (Home). *Telephone:* 03-245-1111 (Office); 03-408-1323 (Home).

KAŠLÍK, Václav; Czechoslovak composer and conductor; b. 28 Sept. 1917, Polička; s. of Hynek and Paula Kašlíková; m. Růžena Stučesová 1942; three s.; ed. Faculty of Philosophy, Charles Univ., Prague, Prague Conservatoire and Conductors' Master School, Prague; Conductor, E. F. Burian Theatre, Prague 1940–41; Asst. Dir. Nat. Theatre, Prague 1941–43; Chief of Opera Ensemble, Opera of May 5th 1945–48; Conductor, Smetana Theatre, Prague 1952–62; Chief Opera Dir., Nat. Theatre, Prague 1961–65, Opera Dir. 1966–; tours include New York, Leningrad, Moscow, Vienna, Munich; Klement Gottwald State Prize 1956; Honoured Artist 1958. *Works:* Operas: Robbers' Ballad 1944, Calvary 1950, Krakatit 1960; ballets: Don Juan 1939, Jánošík 1951, Prague Carnival 1952; Dir. of operas: The Water Nymph (Dvořák), Vienna 1965, Julietta (Martinů), Hanover 1966, Albergo dei Poveri (Testi), Milan 1966, Die Soldaten (Zimmermann), Munich 1969, Pelléas (Debussy), Covent Garden 1969, Don Giovanni (Mozart), Prague 1969, Cardillac (Hindemith), La Scala 1969, Idomeneo (Mozart), Vienna 1971, The Greek Passions (Martinů), Spain 1972, The Queen of Spades (Tchaikowsky), Stockholm 1973, Katya Kabanová (Janáček), Geneva 1975; work for TV, Magic Lantern Theatre: Hoffman's Tales 1962; Katya Kabanová (Janáček), TV production, Copenhagen 1970, Boris Godunov (Mussorgsky), Verona 1976, Rusalka (Dvořák), Haag 1976, Karlsruhe 1977, Ariadne auf Naxos (Stra
Prague 1977, Carmen (Bizet), Geneva 1977. *Address:* Škrétov
Prague II, Czechoslovakia. *Telephone:* 230083.

KASSIMATIS, Grigorios, D. en D., DR.RER.POL.; Greek prof
and politician; b. 16 March 1906, Athens; s. of Panagiotis and A
Kassimatis; m. Efi Kassimatis 1945; ed. Univ. of Athens and U
de Paris à la Sorbonne; practised law 1927–37; Under-Sec
Labour (resigned) 1936; in concentration camp during Se
World War; Assoc. Prof. Salonica Law School, then Prof. Pan
School 1937–46; Assoc. Prof. of Civil Law, Law School of Uni
Athens 1939, Prof. of Civil and Labour Law and Social Po
1941; Prof. of Social Studies and Labour Law, Higher Indus
School, Athens 1959; Assoc. Prof. Univ. of Paris; Deputy of At
1946, and as an Independent 1950, for Liberal Party 1951, for
Radical Union 1956, 1958, 1961, 1963, 1964–67 (party suspe
in April 1967); Minister of Finance and Public Welfare and Ac
Minister for Labour and Justice in Govts. of P. Voulgaris
Archbishop Damaskinos, then Minister of Finance and Ac
Minister of Agriculture in P. Kanellopoulos Govt. 1945; Mini
without Portfolio as Under-Sec. of Press and Information
Acting Minister of Justice and Finance, then minister of La
and Acting Minister for Public Works 1950, Minister of Indu
1951, of Labour 1951–52; Minister without Portfolio and Ac
Minister for Co-ordination 1956–58; Minister of Educ. and Reli
1961–63, of Educ. 1967; Head of Greek Cttee. to UN 1956–67;
of Greece to Int. Bank of Reconstruction and Devt.—World B
(IBRD) 1957, 1958; Amb. and Perm. Del. to UNESCO 1979–; E
Prof. Univ. of Athens; mem. Acad. of Athens; Dr. h.c. (Univs
Aix and Bari). *Publications:* several books and articles. *Addr*
The Greek Delegation to UNESCO, 7 place de Fontenoy, 75
Paris, France; 2022 Ypsilautou Street, Athens 140, Greece. *T*
phone: 718271, 748221 (Greece).

KASTEN, Robert W., Jr., B.A.; American politician; b. 19 J
1942, Milwaukee, Wis.; s. of Robert W. and Mary (Ogden) Kas
ed. Univ. of Arizona and Columbia Univ., New York; with Gene
Nashville, Tenn. 1966–68; Dir. and Vice-Pres. Gilbert Shoe
Thiensville, Wis. 1968–75; mem. Wis. Senate 1972–75; Joint Fina
Cttee. 1973–75, Chair. Joint Survey Cttee. on Tax Exempti
1973–80; Designee Eagleton Inst. of Politics 1973; mem. Hous
Reps. 1975–79 from 9th Dist., Wis., mem. Govt. Operations Ctt
Small Businesses Cttee.; alt. del. Republican Nat. Convention 1
del. 1976; Senator from Wisconsin 1981–. *Address:* U.S. Sen
Washington, D.C. 20610, U.S.A.

KASTL, Jörg; German international official; b. 21 June 1
Berlin; s. of Dr. Ludwig Kastl and Gertrud Otto; m. Eva M. L.
Essen; two d.; ed. Neubeuern, Bavaria, and law studies in Lausa
and Munich; served in armed forces 1941–45; German Fore
Service School 1950–51; Vice-Consul, Paris 1951–52; Second
Buenos Aires 1953–55, Asunción, Paraguay 1955–57; First
Foreign Office, Bonn 1957–59, Moscow 1959–61; Fellow, Center
Int. Studies, Harvard Univ. 1961–62; First Sec., Washing
1962–63; Counsellor, Spokesman of German Foreign Office 1963–
Head of East European Desk, Foreign Office, Bonn 1967–69; A
Sec.-Gen. for Political Affairs, NATO 1969–75; Amb. to Argent
1975–77, to Brazil 1977–; Head German Del. to CSCE Co
Madrid. *Address:* c/o Ministry of Foreign Affairs, Bonn, Fede
Republic of Germany.

KASTLER, Alfred; French physicist; b. 3 May 1902 Guebwi
(Alsace); s. of Frédéric Kastler and Anne Frey; m. Elise Co
1924; two s. one d.; ed. Ecole Normale Supérieure; taught in ly
at Mulhouse, Colmar, Bordeaux 1926–31; Asst. at the Facult
Sciences, Univ. of Bordeaux 1931–36, Prof. 1938–41; Lect
Faculty of Science, Univ. of Clermont-Ferrand 1936–38; Prof.
Physics, Ecole Normale Supérieure, Paris 1941–68; at Univ.
Louvain, Belgium 1953–54; mem. Management Board, Centre N
de la Recherche Scientifique (CNRS), Dir. Atomic Clock Laborat
1958, Dir. of Research, CNRS 1968–72; mem. Inst. de France, Ac
Royale Flamande; Foreign mem. Polish Acad. of Sciences, Deuts
Akademie der Wissenschaften, Indian Acad. of Science, Deuts
Akademie der Naturforscher Leopoldina; Dr. h.c. (Univs. of L
vain, Pisa, Oxford, Edinburgh, Laval (Quebec), Hebrew U
Jerusalem, Belgrade, Bucharest, Pavia, Sherbrook, Nottingha
Commdr. Légion d'honneur, Grand Officier, Ordre national
Mérite; Holweck Medal and Prize, Physical Soc., U.K. 1954, No
Prize for Physics 1966. *Leisure interest:* German poetry. *Addr*
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KASUGA, Ikko; Japanese politician; b. 25 March 1910, Ai
ed. Nagoya Telecommunications Technical High School; wor
for Nagoya Cen. Telecommunications Bureau; Pres. Kasuga M
cal Instrument Mfg. Co.; elected to Aichi Prefectural Gov. 19

MORITA, AKIO, electronics co. exec.; b. Nagoya, Japan, Jan. 26, 1921; s. Kyuzaemon and Shuko (Toda) M.; ed. Osaka Imperial U., 1944; m. Yoshiko Kamei, May 1950; children--Hideo, Masao, Naoko. Co-founder Sony Corp., Tokyo, Japan, 1946, exec. v. p., 1959-71, pres. 1971-76, chmn., chief exec. officer, 1976- ; pres. Sony Corp. Am., 1960-66, chmn. bd., 1966-72, chmn. finance com., 1972-74, chmn. exec. com., 1974-77, chmn. fin. com., 1977- ; mem. internat. council Morgan Guaranty Trust Co. Home: 5-6 Aobadai 2-chome Meguroku, Tokyo 153, Japan. Office: Sony Corp., AP Box 10, Tokyo, Japan; also Sony Corp. of America, 9 West 57 Street, New York, NY 10019.

from WHO'S WHO IN AMERICA, 1980-81

Mr Morita has been on the active list of candidates, and his name has been suggested again by Mr Taplin.

June 1981

New York Times Magazine
January 4, 1981

OVERHAULING AMERICA'S BUSINESS MANAGEMENT

By Steve Lohr

The French journalist Jean-Jacques Servan-Schreiber warned his readers in the late 1960's that Europe was in grave danger of economic invasion by the United States. The Old World, he said, might soon become a subsidiary of the American multinational companies and vanish as an autonomous civilization. These American invaders were superior, in Servan-Schreiber's view, not because of their money, resources or technology but because of their corporate organizational ability — and the genius behind it all was the American corporate manager. He was the real key to American power.

Not only in Europe were American managers and American management held in awe. The Japanese, too, regularly came to the United States to attend its business schools and tour its factories, and they used to joke that a B.A. degree meant Been in America. To Asians, this supremacy was often explained in terms of the West's Faustian spirit of aggressive individuality in rationalizing and conquering the forces of nature. The reasons suggested for the American success varied from country to country, but the general drift did not: The American manager was the nonpareil — revered, even feared, throughout the world.

How quickly and dramatically, it seems, things have changed. Today, when foreign executives speak of their American counterparts, they are apt to be more scornful than awe-struck, and, indeed, the United States appears to be strewn with evidence of managerial failure. Whole industries — autos, steel, consumer electronics and others — have fallen victim to more aggressive, more efficient overseas competitors. The American economy is afflicted with stagnating productivity, high unemployment and the debilitating combination of surging inflation and high interest rates. The average age of the nation's plant and equipment is about 20 years, twice as old as Japan's. The rate of investment in research and development, the rate of new capital investment and the value of the dollar are all sliding with tangible consequences: a declining standard of living, more inflation and too few jobs.

No one seriously blames the country's corporate managers entirely. Government regulation, tax laws, pollution-control expenses, misguided economic policies, labor costs and the lofty price of imported oil have all played a part. Still, there is now a growing consensus, both at home and abroad, that the performance of American management of late has been sorely lacking; that, to some extent, the management policies, which served America so well and were admired the world over, are now being ignored in the country that created them; and that, worse, American corporate leaders have been slow to adapt to the rapidly and profoundly changing world of high energy costs and resource scarcity.

This indictment is heard not only from the traditional critics of business — the Ralph Naders and the like — but from top corporate executives as well. Reginald H. Jones, chairman of the General Electric Company and head of the Business Council — a collection of the chief executives of most of the nation's largest corporations — was asked, during a recent interview, about the perceived shortcomings of American management. "The indictment, in many cases, is justified," he replied. "It should be taken very seriously." From the ivy halls of the Harvard Business School to the executive spires of Manhattan to the low-slung plants of California's Silicon Valley, the criticisms are being taken very seriously. There seems, too, to be a growing willingness, even eagerness in some instances, to get going on important innovations that must be made to return American management to its position of preeminence.

□

At his desk in New York at 8 A.M., Akio Morita, the small, elegant, slender 59-year-old chairman and co-founder of the Sony Corporation, is engaged in an overseas telephone call. He is discussing business with a colleague, speaking in rapid, clipped cadence. Upon finishing the call, he rises to greet a visitor and quickly launches into a highly informed discussion of American politics. Akio Morita has become a man of two cultures — Japanese and American — and he also happens at the moment to be the very symbol of the kind of change in business-management techniques that has successfully occurred in one culture and, many people be-

Indeed, the prevalence in the United States of all manner of Sony merchandise — televisions, radios, tape recorders, video-cassette recorders and the like — is testimony to the triumph of his approach, and indirect confirmation that American business is in need of repair.

For years, Morita says, he was one of those who regarded America as "a teacher," a nation whose management methods were to be emulated as much as possible. Now, however, he believes that, "for much of the trouble of the American economy, American management has to take the responsibility."

Not that Akio Morita's highly admired achievements — in marketing, product development and quality control, for example — were arrived at with perfect ease. He was long regarded as something of an outsider in his country, apart from the traditional Japanese establishment, one of a handful of aggressive entrepreneurs who emerged after World War II and whose brazen style was considered un-Japanese. Morita, along with his partner, Masaru Ibuka, started a small electronics business in Tokyo back in 1946.

In the 1950's, when American consumers saw the tag "Made in Japan," it was a stigma — a code phrase for shoddy merchandise. Sony, more than any other company, was responsible for reversing that image. The turnabout was so substantial that, by 1972, when Sony opened its first American manufacturing plant in San Diego, Calif., to construct color televisions, its dealers were concerned that its American-made television sets wouldn't match the quality of those made in Japan. The company now has a second factory in the United States, located in Dothan, Ala., which in 1977 began producing magnetic tape, cassettes for the Betamax recorder and audio tape. Today, Sony's American arm is nearly a $1 billion-a-year operation employing 4,500 workers, and the quality seems to have held up fine.

In Morita's view, the trouble with a large segment of American management is attributable to two misguided attitudes: American managers are too worried about short-term profits and too little concerned about their workers. These two mistakes, Morita says, are connected and go a long way toward explaining productivity problems.

"A lot of American companies know they have old machines," he says. "But the manager figures he'll keep the old machines as long as they still run, make a big profit one year, and take that record as an advertisement to get a job elsewhere. So productivity here declines."

Most American managers, according to Morita, take a shortsighted view of their workers. Indeed, it is the antagonism between management and labor in America that Morita thinks is most counterproductive. Here lies one of the the greatest contrasts between the United States and Japan, with its tradition of corporate paternalism and lifetime employment. Morita argues that the Japanese approach to labor management is not a cultural eccentricity, applicable only in Japan. He says it can be transplanted, in a slightly watered-down form, into America. As evidence, he points to Sony's plants at San Diego and Dothan, where, he says, productivity has risen steadily so that it now is very close to that of the company's factories in Japan. "The workers in San Diego and Dothan are terrific," says Morita.

It is difficult for an outsider to gauge the success Sony and other Japanese companies have had in bringing their type of management into the United States. But those who have studied the Sony experience here agree for the most part that it has gone fairly well and that American managers should be taking notes.

Sony has tried, as much as transient Americans are willing, to import its system of lifetime employment. "We never lay off workers in a recession," Morita notes. "When we select someone, the person becomes part of the Sony family."

Bonuses are a democratic affair for Sony in Japan. They are paid to everyone, production workers and top management alike. Everyone shares the prosperity in the good years, and shares the grief in bad ones. In the United States, some adjustments have been made for the local culture. For instance, Morita admits that top executives in Sony of America are in a profit-sharing program.

Critics contend that one reason Sony has been able to install much of its system here is that it has fought so strenuously, and successfully, to keep unions out. Wages aren't the issue, says Morita, though Sony wages are generally competitive. "We want to keep the union out to maintain our philosophy," says Morita. "We want to keep our family whole and not have a third party interfering."

In all the current American discourse about economic "re-industrialization" — that unfortunate locution at once evocative and vague — there is agreement that something must be done to close the chasm between management and labor in this country, an often needlessly adversarial and counterproductive atmosphere that management has in good part brought upon itself. As one auto executive noted: "We're all in this together, plant workers and management alike. And, frankly, for too long we didn't recognize that or try to create a working environment that makes everybody want to pull in the same direction."

Certainly, there are significant differences between Japan and the United States in Government policy, culture, capital markets and taxes. The cultural homogeneity in Japan and the extremely strong citizen association with national purpose are examples. Yet it seems that American management could certainly take a page back from the modern Japanese workbook. "Teamwork historically is, I think, the American way," Morita says. "But your managers too often forgot that. They got greedy; they viewed the worker as a tool. That has not been good for American products or American companies, and it has hurt your competitive stature in the world."

□

There is fairly broad agreement, in retrospect, among executives, academics and others on what went wrong in American management in the 1970's. After the oil embargo in 1973 and the Arab-led cartel increased petroleum prices fourfold, American corporations were slow to recognize the full significance of the new energy economics and respond. With a single stroke, the old order was sundered. True, both Japan and Western Europe had never had such cheap or plentiful energy, and, thus, had the advantage of not having to adjust to the shock. Nor did they have the physical space of America to encourage a greater use of energy, in heavier automobile usage, for example. Nevertheless, American business leaders seem to have delayed too long in making difficult, costly adjustments. Even Thomas A. Murphy, the just-retired chairman of General Motors and the perennial optimist of the auto industry, concedes that the 70's were "all but a disaster. We seem to have spent most of our time not making decisions."

This managerial inertia cost American industry dearly in terms of its competitive standing. Yet the related and deeper problem, observers agree, is the set of managerial approaches and attitudes that is widespread but serves business poorly in the current setting. For management, as the author-consultant Peter F. Drucker has written, is not just a discipline but also a "culture," with its own values, beliefs, tools and language. To assess the past failures of management and, by inference, to suggest the direction of needed change, one must identify some of the distinguishing characteristics of the current American management culture.

First, as Morita points out, most corporate managers in the United States are now oriented to short-term profit, which tends to discourage them from making important investment in new plants, equipment and research and development. It is often noted that much of the highly efficient steel-making technology employed with such effect today by foreign competitors was actually developed in the United States. But the American steel companies did not undertake to refashion their plants years ago, when it was a good deal less expensive to do so. Yet, the failure to do so, even now at higher cost, is stealing from the future.

Second, the freewheeling entrepreneur, the Henry Ford or the Andrew Carnegie, seems to have fallen in short supply, at least among the denizens of big corporations. It was Ford, of course, who had such an unshakable faith in himself and in the notion of inexpensive mass-produced automobiles that he told his customers they could have cars in whatever color they wanted, as long as it was black. Again, the current emphasis is more on safeness, certain profitability, than on boldness, ingenuity, innovation — old American trademarks. Observes Robert H. Hayes, a Harvard Business School professor: "You don't have much of the spirit anymore of the top manager who simply looks at something and says: 'Dammit, this is a good product. Let's make it even though the payoff isn't apparent yet.' "

Third, too many top corporate positions are filled by people who are financial wizards, but who know too little about the fundamentals of the very businesses they run — the markets, technologies, production processes and workers. These people, usually with financial or legal backgrounds, are the breed of self-styled "professional managers" that so often occupies the executive suites in large corporations. Critics contend that these managers run businesses by the numbers, period. What is needed today, they argue, is less of the Olympian detachment of the 50th floor and more nuts-and-bolts understanding of the factory floor.

Fourth, some of the financial yardsticks that managers rely upon so much in deciding whether to make investments may yield results that are badly distorted in the current period of high inflation. The validity of some of these yardsticks, like "discounted cash flow" or virtually indecipherable formulas for figuring "return on investment," is being called into question to some extent. "It may be that some of the basic tools we've been teaching in business schools for 20 years are inordinately biased toward the short term, the sure payoff," said Lee J. Seidler, a Wall Street securities analyst and professor at the New York University Business School. That suspicion, in turn, raises doubts about the almost theological commitment of corporate managers to financial analysis.

And finally, American managers have often been chauvinistic, not seeing the growing internationalization of business, not learning the tricky art of selling abroad. "We had this huge homogeneous market in the U.S. for so long that American industry was spoiled," says Reginald Jones of General Electric. Too few companies did what G.E., in fact, has done: more than doubled its international business over the past decade to 37 percent of the corporate total, so that G.E. by itself generates a trade surplus (exports minus imports) of more than $2 billion.

□

Though the American horizon has been gloomy, it has also had its bright spots in the past decade — particularly in the computer and semiconducter industry. The rapid pace of technological change in this area is truly difficult to comprehend. Modest folk in the industry are fond of citing the following by way of helpful illustration: If the aircraft industry had progressed as rapidly as the semiconductor or computer business in recent years, the Concorde would now hold 10,000 passengers, travel at 60,000 miles an hour and a ticket would cost 1 cent. Others maintain that what is happening is virtually tantamount to a second industrial revolution.

How did these businessmen triumph when so many others around them were not doing well?

"Unlike steel, autos and some others, this industry has never been an oligopoly," Robert N. Noyce says of the field of semiconductors. "It has always been intensely competitive. And it has always been a brain-intensive industry, rather than a capital-intensive one. It has been an industry where, if your key people don't agree with you, they take off, start their own businesses and become your competitors."

Robert Noyce knows whereof he speaks. In 1968, he and Gordon E. Moore, two scientists working for Fairchild Semiconductor in northern California, split off and, with a grubstake of $2 million in venture capital, founded a fledgling outfit called Intel (for Integrated Electronics). Soon afterward, they were joined by Andrew S. Grove, another former Fairchild scientist. By 1970, Intel, of Santa Clara, Calif., reported sales of $4 million. By 1980, the sales were increased to $900 million, and the work force had reached 15,000. Ironically, though short-term profit has not been its chief goal, Intel has managed to keep its pretax profit margins safely above 20 percent — twice the average of its major competitors — during booms and recessions alike. Accordingly, Intel is probably now the company held in highest esteem in a highly esteemed field.

There's more to Intel's story then a willingness on the part of intelligent employees to disagree with their boss — though that's an important part of it. The whole story tells a good deal about where alert American corporations may be headed in the future, and, by way of contrast, about what many firms have failed to do in the recent past.

First, Noyce, Moore and Grove were not shy about charging ahead with controversial new technologies — initially with the computer memory chip and then with the microprocessor, or computer on a chip. By introducing slight impurities onto a wafer of silicon, used in the manufacture of semiconductors for computers, and etching microscopic patterns on its surface, the Intel manufacturers were able to place many thousands of electronic circuits onto a "chip" smaller than a dime.

The managers have been willing, too, to pour an unusually large share of the proceeds back into the business. They invest roughly 10 percent of yearly revenues in research and development. The company's capital-spending program for new facilities and equipment totaled about $150 million last year.

Intel is not the largest supplier in the industry; it is No. 4 — smaller in size than Texas Instruments, National Semiconductor and Motorola. However, the company has not tried to be the biggest, concentrating instead on staying at the technological frontier. Intel has been there first with the most, technologically speaking, and it has done so more consistently than its competitors. Typically, the company will experiment and test-market a new product, then later will have experience in producing it more efficiently and more cheaply than the competition.

All the while, Intel is striving to ferret out the next technological leap needed to renew the cycle. Indeed, the company is now in the midst of another long-range jump in technology, developing devices that will eventually be complex enough to put the computing power of an entire mainframe computer (the nation's largest and most powerful computer) on a handful of silicon chips. Should it slip in this effort, the company would suffer greatly. But based on Intel's track record so far, competitors aren't betting that it will fail.

In combining technological mastery with extraordinary business success, Intel has been a management innovator, both in style and structure. The central management problem for a fast-growing high-technology company is to solve one riddle: how to stay flexible and nimble, in tune with emerging technologies and markets, even as its very growth tends to make the concern sluggish and bureaucratic. The answer may lie both in structure and philosophy.

Intel has a three-man executive office, made up of Noyce, Moore and Grove. Simply put, Noyce is the "outside man," who spends nearly half his time on things not directly connected with Intel, such as speaking to the financial community, Government policy makers and serving as a member of the National Academy of Science. Moore is the company's long-range thinker, charting its product strategy. Grove, a scientist-turned-manager, is the person who runs Intel day-to-day.

Intel is organized to avoid the bureaucratic hierarchy that is characteristic of most corporations. Workers may have several bosses, depending on the problem at hand. Instead of staff specialists for purchasing, quality control and so on, Intel has several dozen committees, or "councils," that make decisions and enforce standards in specialized fields. These groups are overlaid on a grid of about 25 so-called strategic business segments that do product planning.

"What we've tried to do is to put people together in ways so that they make contributions to a wider range of decisions and do things that would be thwarted by a structured, line-type organization," Noyce explains.

But more than structure, it is Intel's "culture," as Drucker puts it, that sets it apart from most American companies. There are no "offices" at Intel, only shoulder-high partitions separating the work space of individual white-collar employees. White collars, for that matter, are scarce as well; there is no dress code and very few of the men wear ties. There are no reserved parking spaces for executives, no limousines, no separate dining rooms. Top managers eat in one of the company cafeterias, along with everyone else, or in lunch-hour meetings with one of the ad hoc problem-solving groups. Everyone is expected to report to the job at 8 A.M. sharp. "I can justify my salary, just as I can justify the salary of a production operator, a technician or an engineer — it's a function of the market," says Grove, the company's 44-year-old president, who wears an open-necked beige shirt with a gold chain underneath. "But I can't justify why I should get a reserved parking space. There's no justification for that at all."

At the council sessions, it is expected that all will participate as equals, with new employees challenging senior executives. Ultimately, the top managers must pass judgment on the projects that will consume the many millions of dollars needed not merely to keep up but, more important, to set the pace of technological development. "But we go through the discussion as equals," says Grove.

Many of the elements of Intel's management approach strike skeptics, especially those familiar with traditional corporate practices, as empty symbolism and affectation. Neither is the case, Grove argues. "It isn't symbolism at all," he says. "It's a necessity, I think, for this company in this industry with the technology shifting so fast, and that rapid change will continue."

He explains: "I can't pretend to know the shape of the next generation of silicon or computer technology anymore. That's why people like me need the knowledge from the people closest to the technology. That's why we can't have the hierarchical barriers to an exchange of ideas and information that you have at so many corporations."

Grove has an example of what is wrong with many companies. He presents a newspaper clipping that described an incident leading to the dismissal of William A. Niskanen Jr., chief economist at Ford. In late 1979, Niskanen had advised his bosses that Government-imposed quotas on Japanese cars would not solve Ford's problems, and this view was not popular among the company higher-ups. "In the meeting in which I was informed that I was released," Niskanen told a reporter, "I was told, 'Bill, in general, people who do well in this company wait until they hear their superiors express their view, and then contribute something in support of that view.' "

"That," says Grove, "is precisely the kind of attitude that we cannot afford here."

To perpetuate the philosophy and culture of the company, Intel conducts a series of training courses for many of the employees, who then, it is hoped, carry it out and pass it on to others.

By now, outsiders have studied Intel's management and, generally, they agree that it has worked. Some have said that the company's egalitarian, flexible structure approximates the futurist Alvin Toffler's notion of an "adhocracy." Others say it is a kind of American version of the Japanese management style. "What a lot of it boils down to is creating an environment in which people want to cooperate with each other and it is in their interest to do so," says William G. Ouchi, a management professor at the University of California, Los Angeles.

Ouchi has written a book, to be published in April, entitled "Theory Z Corporations: How American Business Can Respond to the Japanese Challenge" (see Page 42). In it, he says that the answer lies in converting American companies into what he calls "type Z" concerns — ones whose management approach and corporate culture are something akin to Intel. Many other corporations, particularly General Motors, are making a major effort to try out or perfect Theory Z, which essentially projects a broader base of interlocking corporate authority and encourages more widespread participation in company decisions at the plant level than the more traditional Type A, with the boss at the top.

Ouchi says that one trouble with Type A is that its "managers are often heard to complain that they feel powerless to exercise their judgment in the face of quantitative analysis, computer models and numbers, numbers, numbers. Western management seems to be characterized for the most part by an ethos which roughly runs as follows: Rational is better than nonrational, objective is more nearly rational than subjective, quantitative is more objective than nonquantitative, and thus quantitative analysis is preferred over judgments based on wisdom, experience and subtlety. Some observers, such as Prof. Harold Leavitt of Stanford University, have written that the penchant for the explicit and the measurable has gone well beyond reasonable limits, and that a return to the subtle and the subjective is in order.

"In a Type Z company," Ouchi says, "the explicit and the implicit seem to exist in a state of balance. While decisions are informed by the complete analysis of facts, they are also shaped by serious attention to questions of whether or not this decision is 'suitable,' whether it 'fits' the company. A company that consists of isolated subspecialities which do not effectively communicate with one another is hardly capable of achieving such fine-grained forms of understanding. Perhaps the underlying cause is the loss of the ability for disparate departments within a single organization to communicate effectively with one another. They are forced to communicate in the sparse, inadequate language of numbers, because numbers are the only language all can understand in a reasonably symmetrical fashion."

□

To itemize the missed opportunities is not to explain them. To do that, one must look at the larger arena that helps shape the actions of corporate managers.

To raise money, public companies in the United States are heavily dependent on the stock market. This is not the case in West Germany or Japan, where banks (often backed by the Government) supply most of the capital for companies. Consequently, while foreign corporate managers have to answer to a relative handful of investors who have a long-term stake in companies, their American counterparts play to Wall Street and the often fickle tastes of institutional stock players.

Rare is the American chief executive who, in a philosophical moment, away from the daily fray, will not say that corporations should focus more on the future. However, in the next breath, many of these same executives will say that the verdict of Wall Street — and, hence, their survival in office — depends on producing the steady quarter-to-quarter increases in profits that so please the financial community. This is known as the tyranny of Wall Street. "Our top corporate managers are in the same boat as baseball managers," explained Norman E. Auerbach, chairman of Coopers & Lybrand, one of the so-called Big Eight accounting firms, which has mostly big corporations as clients. "You'd better win, produce those higher earnings quickly, or you're out."

Consider, too, the social side of these pressures. The typical chief executive of a major corporation is about 60 years old. The top job is the pinnacle of his career, something that he has worked a large share of his life to achieve, often requiring considerable personal and family sacrifice along the way. His salary is probably $200,000 or more. His community and social position are tied to his job. Assuming retirement at 65, he has five years in the top office, that is, if all goes well. How likely is such a person to reduce this year's profits to invest in some costly new project, the payoff for which is several years down the road, and uncertain even then?

But this shortsightedness of management and Wall Street seems to be changing. Increasingly, investment analysts are using measurements other than reported earnings to gauge corporate performance. When General Motors reported a loss of $567 million in the third quarter of 1980, the comments from Wall Street were generally upbeat. One reason was that, despite the slump in auto sales, General Motors had not pulled back from its five-year $40 billion capital-spending program, designed to give the company a full array of smaller fuel-efficient cars by 1985. If it had cut down on spending, General Motors could have at least reduced its third-quarter loss. Rather, it took the long view and invested in the future. The company is seen as an awakened giant.

□

For an ever-growing number of corporate managers, the two-year stint at a graduate school of business has become an initiation rite into the managerial culture. Today, the degree granted by these schools, a masters in business administration, or M.B.A., is seen as a sine qua non of upward mobility in many large corporations. Probably none is more influential or has more highly placed alumni than the Harvard Business School. And indeed the schools have in the past taught and helped formulate some of the important theories of management, such as statistically based quality control or the early ideas of Alfred P. Sloan (G.M.'s head for many years) on promotion from within or openness among top management. But it is a widely held view that the M.B.A. might be part of the current problem. The charge is that even the leading business schools such as Harvard or Stanford have been teaching how not to manage a modern American company; that they have simply taught business as business has been practiced, and not helped lead the way to necessary change.

John H. McArthur, the 46-year-old dean of Harvard Business School, a large, robust man with an informal manner, talks openly about this criticism. Seated in an overstuffed chair beside a fireplace in his office along Boston's Charles River, he concedes that it has some merit. He agrees, for instance, that "too often analysis has meant being able to shove a problem quantitatively through the computer nine different ways and come out with a printout the size of the Manhattan phone book." Also, he generally agrees that in the past too little attention has been paid at the business schools to the handling of workers, production management and international business.

"I don't think these are things that we in business schools are passing along very well yet," says McArthur. "But bear in mind that the economic world changed drastically and irrevocably in the 1970's. American management and business schools are now in transition, struggling to respond to the changes. We do have a serious problem in this period of transition, but this nation also has enormous resources. I think the shift is under way, both out there in the corporate world and at business schools like this one."

In a nearby office, there is an example of this shift. He is Prof. Robert Hayes: "Look, I'll admit it. I was one of the guys teaching all the quantitative methods with such vigor. I was part of the problem." Hayes has recently been quite critical of some aspects of American management, and his views have been widely circulated in management and academic circles. In particular, he has questioned the wisdom of having managerial ranks filled with financial practitioners cast in the "professional manager" mold — that itinerant band of job-hopping executives applying their skills at one company for a few years before moving on to the next, rarely learning the fundamentals of the specific business they run. Instead, Hayes suggests that managers with more firsthand experience would be more likely to make the decisions necessary to insure the long-run health and survival of the business, focusing on production management — the side of the "art of organization" that attends directly to business operations.

Generally, John McArthur contends, that, not only in the notions of Robert Hayes, but also in the attitude of the business schools in general, a changed response is beginning to take shape.

□

If, despite the acknowledgment of serious problems, there seems to be a new optimism in the business community, it may be in part because of the improved political and social milieu in the United States. It is impossible to say with much certainty just what the long-range effect will be of having Ronald Reagan in the Oval Office and more Republicans in Congress. But with the economy a key issue in the election, the results do reflect increasing popular support for the traditional economic goal of conservatives — the creation of wealth — and away from the liberal objective — the distribution of wealth.

The Reagan Administration, by all accounts, is expected to curb Government regulation while providing investment incentives for the private sector. The new President and his advisers are well aware that the healthiest foreign economies, such as those in Japan and West Germany, are ones strongly encourage saving and investment with Government tax allowances. Reagan has promised to free the economy from the inhibiting influence of Government, which he says will unleash the nation's productive capacity. In Reagan's scenario, corporate management will then be largely reponsible for bringing about the hoped-for surge of productivity and, with it, lower inflation, increased employment and a rising standard of living.

The new Administration itself has a managerial caste, with several top corporate executives in the Cabinet. Reagan, it is said, will run the executive branch of Government like a corporation, with himself as chairman. Where corporate management is concerned, Reagan is a believer.

The basic optimism comes, however, from the new attitude of management itself. There is a lengthening of corporate sights, now that, as one Japanese executive said privately, "your managers are beginning to recognize many of their industries are engaged in a global fight for survival." He offered the following elaboration: When Japan attacked Pearl Harbor, he said, the United States had the seventh largest navy in the world. By the end of World War II, the American fleet was the biggest. "When forced to," he said, "Americans can respond vigorously. Ultimately, that is what your nation will probably do about its current economic problems, and your corporate managers must lead the response."

Based on talks in recent months with a broad spectrum of representatives and observers of American management, it appears that the response is coming. The past failures and current weaknesses are recognized and accepted, and there is a readiness to try corrective techniques. At present, it is impossible to discern the precise contours of the expected transformation — just how American corporations will be structured and run differently a decade or two from now. Nonetheless, certain harbingers are clear.

Given the ever-quickening pace of change, companies can only benefit from a broader participation in decision making by their increasingly educated workers. To stay attuned to fast-changing markets, technologies and production techniques, it helps to have the information and cooperation of those closest to the operation — the workers. Companies that do this effectively are what Ouchi of U.C.L.A. would call "type Z" concerns. However, the label attached to such companies is relatively unimportant; what is significant is that more and more corporations are trying it. And it is not just the Intels or Hewlett-Packards, relatively young companies dwelling in the rarefied realm of futuristic technology. General Motors has completed a project in an assembly plant in Brookhaven, Miss., to increase worker participation in the corporate decision-making process. The company is so pleased with the results — "with trust, anything is possible," the project directors concluded — that it is now undertaking 160 organizational changes at plants throughout the country, with the full support of the United Automobile Workers. And at plants throughout the auto industry, workers have been given the authority to shut down the assembly line if they think that, for whatever reason, quality control standards are not being met — a revolutionary change. The particular corporate milieu, or culture, within which the worker is given greater authority and responsibility will vary from company to company. This changing character in boss-worker relations, becoming more a two-way street, seems one representative example of the shift in traditional management perceptions and practices that is now apparently under way. The changes are, in a sense, a return to elemental American values, to more democratic organizations and away from the hierarchical class structure found in so many large corporations today.

Similarly, the task of corporate management is to fashion solutions to the problems of business that are firmly in the American mold, to borrow perhaps from other cultures but not mimic them. American society is individualistic, pluralistic and entrepreneurial. These are the historic sources of generative energy that largely explain the economic rise in the United States and, most agree, constitute this nation's greatest potential advantage in the unfolding competition for global markets. To renew, encourage and channel these energies is a challenge facing American management today. ■

THE WORLD OF Z

Most corporations in America have traditionally been organized according to what is called Type A, with the boss at the top. Theory Z, as labeled by William Ouchi, a management professor at the University of California, Los Angeles, projects a broader base of decision-making authority, with more supervisors and employees brought into the process. The following case study of the effect of implementing such a theory is excerpted from Ouchi's "Theory Z Corporations: How American Business Can Meet the Japanese Challenge," to be published in April by Addison-Wesley.

Theory Z was put into effect at one of the worst-run plants of a large American corporation. It was plagued with a history of labor conflict, chronically high absenteeism and turnover, and poor quality and productivity. A new plant manager had been brought in to implement Theory Z in hopes of improving conditions. The outgoing manager had just announced that the plant would be changed to a two-shift operation, so that some of the employees would have to work nights. This announcement had produced an outcry, and there were threats of a strike.

The new plant manager began by explaining the situation clearly and completely to the first meeting ever held at the plant for all employees, a meeting on company time. He brought them to reality, explaining the likelihood that competitors would erode their business. He reviewed a study showing the demands of customers, and then emphasized the necessity that the plant produce a profit to justify continued jobs and new investments. The employees had been, as is not unusual, held in a state of ignorance. They did not understand the corporate hierarchy, the accounting system that measured their performance or the information system that regulated their stream of work. They could not possibly have participated in evaluating and improving their efficiency, because they were simply carrying out tasks. They had no sense of being an integrated part of a larger system, no sense of the why's of their work lives.

The new manager next retreated with his team of plant managers, conducting training in the elements of the Theory Z philosophy, explaining the relationship of the plant to the rest of the company, and practicing interpersonal skills. He encouraged the expression of skepticism; he practiced openness, and trust began to develop. The foremen asked whether participation meant that they could no longer discipline workers who smoked marijuana on the job or who reported for work in a state of alcoholic inebriation. They wanted to know who would bear the criticism if the plant got out of control, if they failed to meet their quotas. They told him that they thought he'd never last.

As they discussed each issue, they began to see that the new way did not mean throwing out all of the controls and measurements, leaving nothing in their place. Instead, it meant leaving the present systems in place, and building around them a new attitude, a new approach to management. In time, the old ways would become obviously unnecessary, and then they could be phased out. Workers who needed to be reprimanded could still be reprimanded. Those who failed to exert effort were to be released. The point of employee participation is that everyone, each worker and manager, must bear his or her full share of the burden. All share an equal responsibility to satisfy the customer, to produce quality.

As for the production targets assigned daily to each supervisor, they would from now on meet as a group with their manager to set weekly targets. Each supervisor would circulate among different jobs in the plant, getting to learn all of the functions and the people. As for the conversion to shift work, a series of meetings was held over the ensuing weeks; the workers came to understand the problem to be solved, and they arrived at a creative solution. Instead of going to two separate shifts of eight hours each, they recommended running one shift from 5 A.M. until 1 P.M., with the second shift running from 10 in the morning until 6 in the evening. The two shifts would overlap from 10 A.M. until 1 P.M., but the doubling of manpower during that period would work fine. The order in which various jobs were scheduled would be arranged so that all the work necessary on both shifts could be accomplished, without anyone standing idle. The employees much preferred this plan, and they implemented it with enthusiasm.

The result was that within one year after the arrival of the new manager, the plant was running far more efficiently than it ever had. Absenteeism and turnover were down; quality was up, and the shift system was in place and running. Not all of the managers, foremen or workers liked this new style, and not all of them supported it. But an organization does not have to be perfect to bring about significant improvements.

YUKAWA

Hideki Yukawa 1907-1981

Toshiyuki Toyoda and Hideki Yukawa

Hideki Yukawa was born in 1907. In October 1934, when he was 27, Yukawa read his first and most celebrated paper, "On the Interaction of Elementary Particles I," before the Physico-Mathematical Society meeting in Osaka. On that occasion, the paper was generally not well received by Japanese physicists, but Yukawa's wife encouraged him to publish it, and it appeared in the Society's *Proceedings* the following year.

Yukawa was appointed professor of physics at Kyoto University in 1939, just about the time nuclear fission was discovered and World War II began. In 1948, three years after the atomic bombings of Hiroshima and Nagasaki, he was invited to the Institute for Advanced Study, at Princeton, New Jersey, and remained there for one year. During his stay he established a close acquaintance with Albert Einstein, a friendship that continued until Einstein's death in 1955.

In 1949 Yukawa, who had just moved from Princeton to Columbia University in New York City, received the Nobel Prize for Physics. Naturally, the Japanese people were excited and eager to have him back in Japan. Yukawa donated most of the prize money to several Japanese institutions, including Osaka University and Kyoto University, to thank them for their encouragement and also to motivate younger scientists. He left the United States in 1953, to become the first director of Japan's Research Institute of Fundamental Physics.

In his theoretical physics research, Yukawa always pursued fundamental problems and struggled to solve them by his farreaching ideas. He did not seek immediate appreciation of his work by others, because it was his conviction that what is true must sooner or later be understood and appreciated by the majority of people in the course of time. This was also his view concerning the acceptance by scientists of their social responsibility. Yukawa pondered the role of present-day scientists from a perspective of integrity and independence. A quotation from his opening address at the First Kyoto Conference of Scientists, in 1962, makes this clear:

"Ten years ago, there were certainly some occasions when social responsibility and world peace were discussed among scientists and intellectuals, but they were received by the public as minority opinions or [the views of] assemblies of biased people. Never in the world there has been such a conference of scientists as the Kyoto Conference of Scientists. One of the fundamental reasons for the remarkable change, I think, is a change in thinking about science or, in a broad sense, learning.

The change is that physics cannot be separated from humanity. The results of physics are inevitably connected with the problems of humanity through their application to human society. One cannot be blind to the connection, because it really exists."

Yukawa elaborated on this idea in his keynote speech at the 25th Pugwash International Symposium, held at Kyoto in 1975:

"Usually it has been thought that, particularly in pure science, it is desirable for its progress not to include any value criterion other than true-or-false, especially good-or-evil judgments. In this connection . . . it has been commonly held that for certain objectives scientists and engineers should be concerned only with the technical feasibility, but not with value judgments of the objectives themselves. In a word, this has been a general tendency since modern science was developed. . . . We physicists, by experience, have realized that the advent of nuclear weapons dealt a great blow to the above-mentioned way of thinking."

Finally I would like to quote from Yukawa's expression of grief at the time of Einstein's death:

"Not only was Professor Einstein by far the greatest scientist, but also by far the greatest human being. . . . It is indeed a great tragedy that Professor Einstein has passed away. I feel very strongly that we have to take up his search and striving for world peace, and support Mr. Russell's efforts to realize it."

Replacing the name Einstein with Yukawa, we Japanese physicists grieve at Yukawa's death but are firmly determined to attain his objective of world peace. □

Toshiyuki Toyoda is professor of physics at Nagoya University, and secretary-general of the Japanese Pugwash Group.

February 12, 1982

Mr. James R. Houghton
Corning Glass Works
Corning, New York 14831

Dear Jamie:

The copies of your correspondence with Dr. Ezra F. Vogel and Zeph Stewart arrived this morning. Thank you very much not only for the effort you are making but the skill with which your network seems to be developing the right names and the right procedures.

I think that a visit to Mr. Matsumoto, with a list of names for him to comment on, is an admirable way to advance our cause. If there is anything I can do to help you do let me know.

Cordially yours,

Harry Woolf

BCC: J. Richardson Dilworth
James D. Wolfensohn

CORNING
Corning Glass Works
Corning, New York 14831
Tel: 607-974-8332
James R. Houghton
Vice Chairman of the Board

February 8, 1982

Dr. Ezra F. Vogel
HARVARD UNIVERSITY
Committee on the A.B. Degree in East Asian Studies
Archibald Cary Coolidge Hall
1737 Cambridge Street
Cambridge, Massachusetts 02138

Dear Professor Vogel:

I thank you very much for your thoughtful note of January 19th concerning The Institute for Advanced Study. I think your suggestions are excellent ones and what I would hope to do is to talk personally with Mr. Matsumoto when I am in Japan during the month of May. I think at that point I could get a better feel for the type of person that he would recommend. I hope that this is acceptable to you.

Again, thank you for taking the trouble to give our situation so much thought. I appreciate it more than I can say.

All the best.

Sincerely yours,

Copy to Mr. Zeph Stewart

Blind Copies to Mr. J. Richardson Dilworth
Mr. James D. Wolfensohn
Dr. Harry Woolf
Mr. Kogo Yamaguchi

HARVARD UNIVERSITY

DEPARTMENT OF THE CLASSICS

319 Boylston Hall
Cambridge, Massachusetts 02138

January 22, 1982

Mr. James R. Houghton
Vice Chairman of the Board
Corning Glass Works
Corning, NY 14830

Dear Jamie:

I am enclosing an extremely useful letter which Ezra Vogel sent to me for forwarding to you. I have thanked him effusively and told him that his final suggestion seemed like a sensible one to me. I am not sure, however, if you will want to follow it up, since you may not want the person to be so explicitly "representative" as this may make him appear.

I am sure you will find this an extremely useful letter, as I told Ezra it was, and you are at least well supplied with information.

Thanks for your recent note. I think perhaps you once described me to your secretary as "the Harvard Stewart" and she misunderstood it. I look forward to seeing you later this spring unless by chance our paths cross at St. Paul's in the interim..

All best wishes to you.

Sincerely,

Zeph

Zeph Stewart

ZS/kld
Enc.

P.S. I am also returning one item you sent me which looks like the <u>original</u> rather than a copy. Zeph

Yes - it is! [illegible]

February 12, 1982

Mr. James R. Houghton
Corning Glass Works
Corning, New York 14831

Dear Jamie:

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Cordially yours,

Harry Woolf

BCC: J. Richardson Dilworth
James D. Wolfensohn

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Corning, New York 14831
Tel: 607-974-8332

James R. Houghton
Vice Chairman of the Board

February 8, 1982

Dr. Ezra F. Vogel
HARVARD UNIVERSITY
Committee on the A.B. Degree in East Asian Studies
Archibald Cary Coolidge Hall
1737 Cambridge Street
Cambridge, Massachusetts 02138

Dear Professor Vogel:

I thank you very much for your thoughtful note of January 19th concerning The Institute for Advanced Study. I think your suggestions are excellent ones and what I would hope to do is to talk personally with Mr. Matsumoto when I am in Japan during the month of May. I think at that point I could get a better feel for the type of person that he would recommend. I hope that this is acceptable to you.

Again, thank you for taking the trouble to give our situation so much thought. I appreciate it more than I can say.

All the best.

Sincerely yours,

Copy to Mr. Zeph Stewart

Blind Copies to Mr. J. Richardson Dilworth
Mr. James D. Wolfensohn
Dr. Harry Woolf
Mr. Kogo Yamaguchi

HARVARD UNIVERSITY

DEPARTMENT OF THE CLASSICS

319 Boylston Hall
Cambridge, Massachusetts 02138

January 22, 1982

Mr. James R. Houghton
Vice Chairman of the Board
Corning Glass Works
Corning, NY 14830

Dear Jamie:

I am enclosing an extremely useful letter which Ezra Vogel sent to me for forwarding to you. I have thanked him effusively and told him that his final suggestion seemed like a sensible one to me. I am not sure, however, if you will want to follow it up, since you may not want the person to be so explicitly "representative" as this may make him appear.

I am sure you will find this an extremely useful letter, as I told Ezra it was, and you are at least well supplied with information.

Thanks for your recent note. I think perhaps you once described me to your secretary as "the Harvard Stewart" and she misunderstood it. I look forward to seeing you later this spring unless by chance our paths cross at St. Paul's in the interim..

All best wishes to you.

Sincerely,

Zeph

Zeph Stewart

ZS/kld
Enc.

P.S. I am also returning one item you sent me which looks like the original rather than a copy. Zeph

Yes - it is! / b.

HARVARD UNIVERSITY
COMMITTEE ON THE A.B. DEGREE IN EAST ASIAN STUDIES
ARCHIBALD CARY COOLIDGE HALL
1737 CAMBRIDGE STREET
CAMBRIDGE, MASSACHUSETTS 02138

January 19, 1982

Mr. James R. Houghton
Vice Chairman of the Board
Corning Glass Works
Corning, New York 14830

Dear Mr. Houghton,

I am responding to your letter to Professor St~~u~~ewart requesting an evaluation of the Japanese candidates for trusteeship for the Center for Advanced Study at Princeton.

It happens that I know all the candidates personally. In my view all of the candidates listed here are worthy of serious consideration except for Mr. Ushio. Mr. Ushio is a charming articulate young man who is a favorite among newspaper writers, and he will have the major responsibility for the Japanese science exhibit some five years away. However, like Mr. Morita of Sony, he is sufficiently controversial and out of the mainstream of Japanese business life to be inappropriate for your purposes.

Mr. Watanabe is older, but he is still in extremely good health, he has a very lively high quality mind and had an excellent reputation as head of the Asian Development bank. He is still vigorous and would be able to carry on the duties of trusteeship.

Mr. Hosomi, a member of the advisory committee of the U.S.-Japan Program which I direct at Harvard, is, like Mr. Watanabe, a graduate of the Japanese Finance Ministry. He has generally become involved in international finance issues. His new position is as President of the "Overseas Economic Cooperation Fund". He is thoroughly steeped in international financial issues.

Mr. Saburo Okita is an imaginative economist who has been very creative in thinking through issues of international development. Having recently completed his term as special trade advisor, he is quite likely free for other activities.

Mr. Hattori, of the family which owned the Seiko Watch establishment, spent several years at Yale and is one of the high quality independent intellects of the Japanese business community.

Mr. Yuzaburo Mogi had his name incorrectly spelled in your listing Motegi. He travels to the United States bi-monthly to look after his plant in Wisconsin and is very gregarious and gets along easily with Americans.

There are two other people I would add to this excellent list: Michio Nagai, suggested also by Reischauer, and Yotaro Kobayashi.

Nagai has a PhD from Ohio State, is professionally concerned with higher education, served a term as Minister of Education in Japan, and is in fact the senior Japanese advisor to the U.N. University in Tokyo. Of all the people on the list he is the one the most concerned in the role of higher education and research.

Kobayashi has many of the same qualities as Hattori. A graduate of Wharton, he is about the same age of Hattori, president of Fuji Xerox, and already identified as one of the future business leaders of Japan.

If you are looking for someone who already has access to the Japanese financial community, I doubt if you could find anyone better than Watanabe. His seniority, his range of contacts and his experience in major financial projects would make him a natural. I do not know whether Mr. Hosomi could command equal access to funds. Mr. Okita has been involved more as a technician and as a trade negotiator of very great stature and I do not believe that he would be the ideal person to assist in fund raising as he is much more of an idea person. I believe that Mr. Hatorri and Mr. Kobayashi would not easily be able to raise appreciable funds at the present time, but if you are thinking of people who will serve five to ten years, by the latter part of the 1980's they should be in a position to command very considerable influence within the Japanese business community. Nagai has been very helpful in raising Japanese funds for the U.N. University and would make an excellent candidate. In short, if you prefer a senior person who can now raise funds and your main interest is in international development, Watanabe would be my first choice. If you want somebody who is primarily interested in development in education and research and who also has access to Japanese funding sources, Nagai would be my first choice. If you want a young man of about 50 who is interested in ideas and research who will be a mainstream business leader and can operate easily in English, I would recommend either Hattori or Kobayashi.

Since in selecting a Japanese person you want someone who is selected in a representative role, you might consider approaching some senior Japanese person either in the business or in economic or cultural community who could consult with others and then make a final recommendation. My personal suggestion would be to take a list of three or four names such as that of Watanabe, Nagai, Hattori, and Kobayashi and have someone approach Shige haru Matsumoto, head of the Japanese International House, ask him to consult with some of his friends and see whom he would recommend. He is dean of Japanese participation in international cultural and educational affairs, a person who has spent some time in Princeton who would naturally take some interest in selecting an appropriate candidate and he himself is too old to serve. Then it would be understood that the candidate that he selected would come partly in a representative role to your trustees and not just in an individual capacity.

Sincerely,

Ezra F. Vogel

Ezra F. Vogel

kak

cc: Zeph Stewart

YELLOW

THE INSTITUTE FOR ADVANCED STUDY

HARRY WOOLF
Director

November 19, 1981

Mr. James R. Houghton
Vice Chairman of the Board
Corning Glass Works
Corning, New York 14831

Dear Jamie:

This is another letter of thanks; first, for your thoughtful letter to Professor Reischauer which is very much to the point. I hope that he will respond with the good counsel of which we know is is capable.

Secondly, let me thank you also for serving on the Nominating Committee of the Board and continuing to assist us with the maintenance of the Board's quality as well as the broadening of its base.

Cordially yours,

Harry Woolf

xc: JH

CORNING GLASS WORKS
CORNING
CORNING, NEW YORK 14830

JAMES R. HOUGHTON
Vice Chairman of the Board

AREA CODE 607
974-8332

November 12, 1981

PRIVATE

Prof. Edwin O. Reischauer
Japan Energy Conversions Devices, K.K.
10-3 Nampeidai-Cho
Shibuya-Ku
TOKYO 150
JAPAN

Dear Professor Reischauer:

I hope I am not bothering you unnecessarily on your trip to Japan, but your colleague Zeph Stewart suggested that I might write you there as the purpose of this letter concerns Japan.

You may remember that we met when you visited Corning with Bob Ingersoll, Henry Rosovsky, et al in 1979. My current request may seem strange to you - and you may choose not to become involved - but let me state my reason for writing.

I am, as is Zeph Stewart, on the Board of the Institute for Advanced Study in Princeton. (I've enclosed a brochure, although I realize you know the place well). We have been trying to broaden the base of the Board. The Institute is a world-wide center, and yet its Board is uniquely American. As a start towards geographical diversification, we think we have identified a very senior person from Germany as a member - and would like to find an equally distinguished representative from Japan.

The qualifications we are seeking may not be readily apparent in a single individual, but let me state them from my point of view:

1. A workable knowlege of spoken and written English.

2. Good "connections" with the heads of major Japanese institutions - both business and, if possible, government. The reason for this is obvious.

The Institute, like all academic institutions, is in need of continued funding and, so far, very little has come from outside the U. S. It would be our hope that a suitable Board member would be willing to help "open doors" for fund raising purposes.

3. A basic philosophical or intellectual interest in the work, and the goals of the Institute. While the proposed person might not have these feelings to begin with (lack of knowledge of the institution) we would hope that the individuals' own personal interests would be such, that he or she could become, over time, stimulated by the Institute, and a real advocate for its support.

4. A willingness to come to most meetings. This should not be too onerous a task as the Board basically only meets twice a year in Princeton - in April and October.

The foregoing perhaps describes a person who does not exist, but I decided to search for some names a few months ago. I asked Mr. Kogo Yamaguchi who is the President of Corning KK in Tokyo (and very well connected in Japan) to give me his thoughts. He visited Corning last week, and gave me basically two list of possible candidates.

APPENDIX A: is, as he calls it, his "established and senior list". Normally, the Institute would frown on taking on a new Trustee over, say 55 years of age, but recognizing the distinct differences in the perceptions of age, achievement, and status that exist between the U. S. and Japan, I personally feel that the issue of age should not be an initial barrier. Kogo's first choice on this list would be Mr. Okita. According to him, Mr. Okita has great influence, has academic interests, and perhaps is somewhat less busy at this juncture in his life.

APPENDIX B: is the "younger" list. From this group, Kogo's preference would be Mr. Hattori. He apparently has more intellectual interests than say, Mr. Ushio (whom I know, and reminds me a bit of Akio Morita). But Kogo points out that Mr. Hattori is fundamentally shy, and might not like the assignment of helping to promote the Institute

I apologize for being so long winded, but I wanted you to have the background. Given your distinguished career, and your knowledge of Japan, I would like to be presumptuous and ask you three sets of questions. Obviously, this is an imposition on my part, and if my request is too time consuming, or something you'd prefer not to pursue, I will fully understand. Any any rate, my questions would be:

1. Does it make any sense, in principle, to consider a Japanese for the Institute's Board? Are we unrealistic in our assumption that we could find an enthusiastic, qualified candidate who could participate as a Board member <u>and</u> as a help in fund raising in Japan?

2. Do the names in Appendixes A and B make any sense to you? Our preference would be to identify a younger person, but that may not be a good idea in view of the structure of Japanese society.

3. Do you have any other ideas? Are there people you can think of that we might be overlooking? Or, are we putting our emphasis on the wrong characteristics in our search?

Again I apologize for my verbosity. I would very much like to have the benefit of your wisdom on this subject should you careto respond. As I said, should you decide that this is a problem you do not wish to get involved with, I will fully understand. I'll look forward to hearing from you.

Very sincerely yours,

Jamie

JRH/nMcK

P.S. My writing you in Japan should not convey a real sense of urgency on our part. We want to find the right person, and a near term decision is not necessary. Zeph merely suggested that because you were in Tokyo, my letter might be somewhat timely.

cc - Professor Howard (Zeph) Stewart
Mr. Kogo Yamaguchi

bcc - Mr. Harry Woolf
Mr. R. Dilworth
Mr. James Wolfensohn

APPENDIX A

Mr. Takeshi Watanabe

Charirman of Japan-Ameriaca-Europe Committee, Japan
Chairman of Revlon K.K.
Ex-vice count

Date & Place of birth: February 15, 1906, Tokyo

Education:	1930	Graduated from the Faculty of Polictics of Tokyo University
	1931	Graduated from London University
Experience:	1949	Appointed a financial commissioner at Ministry of Finance
	1954	Appointed Japanese minister to the United States
	1956	Appointed the director of IMF and the International Bank for Reconstruction and Development
	1960	(Returned home) Engaged in floating a foreign loan as financial consultant
	1966	Appointed the president of the Asian Development Bank
	1972	Retired from the above post
	1973	Appointed the chairman of Trident International Finance Ltd.
	1977	Appointed the chairman of Revlon K.K. and Japan Silver Volunteers Appointed the chief director of AFS Japan association Appointed the director of Tokyo-Jikei Committee of Asia Productivity Organization
Praize:	1976	Given the First Order of the Second Treasure

Writings:
"Kiridayori"
"Sengakushu"
"The memorundum of Japanese Finance under occupation"
"Diary of the president of the Asian Development Bank"

Hobby:
Photography
Horticulture

Family:

Mrs. Eiko Watanabe (Wife)
Born on November 29, 1914
Graduated from an advanced course of Gakushuin

Mrs. Neiko Kubo (Oldest daughter)
Born on January 8, 1935
Graduated from George Washington University

Mr. Takashi Watanabe (Oldest son)
Born on November 17, 1938
Took a MS at MIT

Working for High Speed Furnace Engineering

Mrs. Yuko Fujisawa (Third daughter)
Born on August 11, 1940
Graduated from Smith University

Mr. Hiroshi Watanabe (Second son)
Born on February 11, 1944
Graduated from the postgraduate school of the College Yell

Mr. Atsushi Watanabe (Third son)
Born on March 30, 1947
Graduated from Gakushuin University
Working for The Bank of Tokyo

Mr. Megumu Watanabe (Younger brother)
Doctor of Science
Professor emeritus of Hawaii University

Present address: 35-19, Ooyamamachi, Shibuya-ku, Tokyo 151

Telephone: 03 - 466 - 0610

Mr. Takashi Hosomi

Advisor to Japan Development Bank
Superintendent of Nichicon Capacitor Ltd.

Date & Place of birth: April 24, 1920, Kyoto

Education: 1942 Graduated from the Faculty of Economics of Tokyo University

Experience: After serving as chief of Inspection Section of Tax Bureau, chief of the General Affairs Department of Osaka Regional Tax Admimistration Bureau and director of Tokai Regional Finance Bureau in Ministry of Finance,
1968 Appointed a deliberative commissioner of Minister's Secretariat
1969 Appointed the director of Tax Bureau
1972 Appointed a financial commissioner
1973 Appointed an advisor to Ministry of Finance
1975 Appointed an advisor to Japan Development Bank

Hobby: Golf

Family: Mrs. Namie Hosomi (Wife)
Born on January 5, 1930

Mr. Ken Hosomi (Oldest son)
Born on March 24, 1949
Working for The Tokyo Electric Power Co., Ltd.

Mr. Shin Hosomi (Second son)
Born on January 12, 1952
Serving at Ministry of Finance

Present Address: 5-19-11, Yoyogi, Shibuya-ku, Tokyo 151

Telephone: 03 - 466 - 8701

Mr. Saburo Okita

Doctor of Economics
Representative of the government for Foreign Economics
Advisor to Japan Economic Study Center
Advisor to Japan Regional Development Center
Director of Japan General Study Institute
Chief Secretary of Forum '80

Date & Place of birth: November 3, 1914, Dairen

Education: 1937 Graduated from the Faculty of Electrical Engineering of Tokyo University

Experience: After serving at Ministry of Posts & Telecommunications and at Ministry of Greater East Asia,
1947 Appointed the chief of Investigation Section of Yasumoto Secretariat
1952 Appointed to ECAFE office
1957 Appointed the chief of Planning Bureau of Economic Planning Agency
1962 Appointed the chief of Development Bureau
1963 Appointed the chief director of Economic Study Center
1965 Appointed a committeeman of United Nations Development Planning
1968 Appointed a committeeman of Piason World Bank
1969 Appointed a committeeman of OECD Scientific Policy committee
1973 Appointed the president of the Overseas Economic Cooperation Fund
Appointed a NHK management commissioner
Appointed the chairman of Japan Economic Study Center
1979 Appointed Minister of Foreign Policy of the Second Ohira Cabinet
1980 Appointed representative of the government for Foreign Economics

Writings: "Vision for Japanese Economy"
"Japanese Economy in Asia"
"Conditions as an advanced nation"
"Japan without competence and the world"
"A loosely-knit economic strategy"
"The developing Economics and Japan"

Hobby: Reading
Golf

Family: Mrs. Hisako Okita (Wife)
Born on August 5, 1921
Graduated from the specialty course of
Tokyo girl's teacher school

Mr. Yoichi Okita (Oldest son)
Born on July 2, 1943
Graduated from the Faculty of Economics of
Tokyo University
Serving at Economic Planning Agency

Mr. Yuji Okita (Second son)
Born on February 11, 1945
Graduated from the Faculty of Technology
of Tokyo University
Working for Toshiba Corporation

Mr. Ryozo Okita (Third son)
Born on September 2, 1947
Graduated from the Faculty of Technology
of Keio University

Mr. Haruko Senda (Oldest daughter)
Born on November 29, 1950
Graduated from Art University

Present Address: 5-13-12, Koishikawa, Bunkyo-ku, Tokyo 112

Telephone: 03 - 811 - 0742

APPENDIX B

- More intellect.
- Shy, conservative
- Don't [illegible] English

Mr. Ichiro Hattori

President of Dai-ni Seikosha
President of Suwa Seikosha
Director of Hattori Tokei Co., Ltd.

Date & Place of birth: February 27, 1932, Tokyo

Education: 1954 Graduated from the Faculty of Law of Tokyo University

Experience:
- 1960 Appointed the chief of the planning office of Dai-ni Seikosha
- 1961 Appointed the director of Dai-ni Seikosha
- 1965 Appointed the managing director of the aobve company
- 1967 Appointed the executive director of the above company
- 1972 Appointed the director of Hattori Tokei
- 1979 Appointed the president of Dai-ni Seikosha
- 1980 Appointed the president of Suwa Seikosha

Hobby: Sports

Family: Mrs. Takako Hattori (Wife)
Born on December 16, 1936

Present address: 4-5-31, Minami Azabu, Minoto-ku, Tokyo 106

Telephone: 03 - 441 - 3748

Mr. Jiro Ushio

Chairman of Ushio Electric Inc.
President of Social Engineering Research Institute
Permanent director of International Science and Technology Exhibition Institute
Director of Matsushita school of Government and Management
Secretary of Japan Committee for Economic Development
Committeeman of Economic Council of Economic Planning Agency
Councilor to Science and Technology Agency

Date & Place of birth: February 12, 1931, Hyogo

Education:
- 1953 Graduated from the Faculty of Politics of Tokyo University
- 1956 Graduated from the postgraduatd course at California University

Experience:	1953	Entered The Bank of Tokyo
	1957	Moved to Foreign Department of Kobe Bank
	1959	Appointed the director of Ushio Kogyo
	1963	Appointed the vice president of the above company
	1964	Appointed the president of Ushio Electric Inc.
	1979	Appointed the chairman of the above company

Hobby: Golf

Family:

Mrs. Haruko Ushio (Wife)
Born on February 23, 1933
Graduated from Nippon Girls University

Mr. Shio Ushio (Oldest son)
Born on April 14, 1958

Miss Sachiko Ushio (Oldest daughter)
Born on May 31, 1959

Mr. Yoshiro Ushio (Older brother)
President of Ushio Kogyo

Present address: 1-50-3, Denenchofu, Ota-ku, Tokyo 145

Telephone: 03 - 721 - 1525

<u>Mr. Yuzaburo Motegi</u>

Director, Manager of Overseas Enterprise Department and Accounting Department of Kikkoman Shoyu Co., Ltd.

Date & Place of birth: February 13, 1935, Chiba

Education: 1958 Graduated from the Faculty of Law of Keio University and the postgraduate course at Columbia University

Experience:	1958	Entered Kikkoman Shoyu Co., Ltd.
	1979	Appointed the director of the above company

Present address: Mita Tsunamachi Park Mansion #501
2-3-24, Mita, Minato-ku, Tokyo 108

Telephone: 03 - 455 - 2259

Mr. Hunt

CORNING

Corning Glass Works
Corning, New York 14831
Tel: 607-974-8332

James R. Houghton
Vice Chairman of the Board

July 30, 1981

Mr. J. Richardson Dilworth
Room 5600
30 Rockefeller Plaza
New York, New York 10112

Dear Dick:

I am in the process of exploring, through some of my Japanese contacts, a suitable member for the Board from Japan. This effort may or may not bear fruit and I will have a better reading on it in a few months. One thought occurred to me, however, in the meantime. Would it be advisable to consider either Bob Ingersoll or Mike Mansfield as potential members for the Institute Board? Bob Ingersoll, as you know, was Ambassador to Japan and knows the country extremely well. He also is a trustee of the University of Chicago and the Aspen Institute so that I assume he has some interest in intellectual affairs. Mike Mansfield is currently the Ambassador in Japan, but I would suspect might be retiring in the relatively near future. He, as you know, was a professor prior to going into the U. S. Congress and again might be somebody who could be extremely useful with Japanese contacts, should he be interested.

I'm not sure whether either of these make sense but, in the event that we can't get a key Japanese to be an effective Board member, one of these two gentlemen might fill the bill very nicely. I just pass it along for your consideration and, as you can see, I've sent it to other members of the nominating committee. There's no hurry on this, but perhaps we could discuss it in the fall.

Sincerely yours,

Copies to Ms. Gladys Krieble Delmas
Mr. James D. Wolfensohn
Mr. Harry Woolf

xc: J Hunt

CORNING

Corning Glass Works
Corning, New York 14831
Tel: 607-974-8332

James R. Houghton
Vice Chairman of the Board

December 11, 1981

Mr. Howard (Zeph) Stewart
Chairman
Department of the Classics
HARVARD UNIVERSITY
319 Boylston Hall
Cambridge, Massachusetts 02138

Dear Zeph:

Attached please find a letter I just received from Ed Reischauer. I felt it was a very thoughtful note and he has some good ideas in the letter.

I tried to reach you on the phone today but you were out and, in view of my own travelling, I thought I'd best write this letter. He suggests that a person we might contact in terms of "younger" people in Japan would be Ezra Vogel. My question to you is this -- could you talk to Ezra Vogel about this subject, perhaps giving him the entire file as it's been put together? (I attach another full set for you in case you choose to do it this way.) I could write directly to Vogel, but I would like your advice on that. If you could talk to him, perhaps it would be easier, but I don't want to burden you and, as I say, I could write to him directly. Let me know how you think this should be handled because it would be interesting to get his views on younger Japanese.

Very sincerely yours,

Attachments

Blind Copies to Mr. J. Richardson Dilworth
Mr. James D. Wolfensohn
Dr. Harry Woolf
Mr. Kogo Yamaguchi

HARVARD UNIVERSITY

EDWIN O. REISCHAUER

ROOM 318
1737 CAMBRIDGE STREET
CAMBRIDGE,
MASSACHUSETTS 02138

PHONE (617) 495-3220

November 30, 1981

Mr. James R. Houghton
Vice Chairman of the Board
Corning Glass Works
Corning, New York 14830

Dear Mr. Houghton:

In response to your letter of November 12, 1981, I do indeed think it makes excellent sense to have a Japanese member on the board of the Institute of Advanced Studies. Finding a suitable person, however, will not be an easy task, given the paucity of Japanese leaders who speak adequate English, the rather high average age of persons in Japan felt to be of sufficient distinction for a service of this sort, and the extraordinarily heavy burden of international travel and public service that such people normally carry.

The first name that jumped into my mind on reading your letter was that of Saburo Okita, who, I see, is the preferred candidate of Mr. Yamaguchi under his category A. Watanabe too would be excellent, though he is definitely on the old side, and so also would be Hosomi. Hattori is the only one of his category B suggestions I know personally, but I feel that, though he would be adequate, he would be much less desirable than the category A candidates. Actually Akio Morita himself, I feel, might be as good a business candidate as any in that age group.

If you would consider some names somewhat outside of the business field but with good connections with government and the business world, these would be Shigeto Tsuru, former Harvard Ph.D. in economics and former president of Hitotsubashi University, Japan's leading economics institution, and Michio Nagai, another academician (in sociology) and a former Minister of Education.

These two additional names too are on the old side, and if you would like someone younger I think it would be well to consult with Ezra Vogel of Harvard. He has been more active than I in recent years in keeping up with the rising generation of business executives and scholars and might have some very good ideas on persons in the 40 to 60 years range.

I hope these suggestions are of some help to you. I remember well and with pleasure my trip with Henry Rosovsky and others to Corning in 1979.

Sincerely yours,

Ed. Reischauer

Edwin O. Reischauer

RECEIVED
DEC 7 1981
JAMES R. HOUGHTON

CORNING

Corning Glass Works
Corning, New York 14831
Tel: 607-974-8332

James R. Houghton
Vice Chairman of the Board

July 30, 1981

Mr. J. Richardson Dilworth
Room 5600
30 Rockefeller Plaza
New York, New York 10112

Dear Dick:

I am in the process of exploring, through some of my Japanese contacts, a suitable member for the Board from Japan. This effort may or may not bear fruit and I will have a better reading on it in a few months. One thought occurred to me, however, in the meantime. Would it be advisable to consider either Bob Ingersoll or Mike Mansfield as potential members for the Institute Board? Bob Ingersoll, as you know, was Ambassador to Japan and knows the country extremely well. He also is a trustee of the University of Chicago and the Aspen Institute so that I assume he has some interest in intellectual affairs. Mike Mansfield is currently the Ambassador in Japan, but I would suspect might be retiring in the relatively near future. He, as you know, was a professor prior to going into the U. S. Congress and again might be somebody who could be extremely useful with Japanese contacts, should he be interested.

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Sincerely yours,

Copies to Ms. Gladys Krieble Delmas
Mr. James D. Wolfensohn
Mr. Harry Woolf