

# TOKYO LETTER

New York exchange, for example, he does this by pressing a button that activates a buzzer in the broker's pocket. The broker then comes to pick up the order."

## A Sort of Deaf and Dumb Language

As Raymond began to find his feet on the noisy, chaotic Tokyo trading floor, he started to notice differences in the way Japanese and American brokers handle orders. On the New York exchange, for example, orders of 100 and 200 shares are sent by machine. In Tokyo, about three-quarters of the orders are sent by machine, the rest by telephone or by unique hand signals in a sort of deaf and dumb language. Orders sent by hand signals are usually the larger ones.

According to the young American:

"Orders tend to be executed quicker on the Tokyo exchange because the broker does not have to waste time walking to and from the booth where the orders arrive. For example, if Sony is unusually busy, a member or two from a good part of the 83 securities firms will be, if not directly in front of the post struggling to execute an order, then at least in the general vicinity. As a result, an order can be executed within as little as three to five seconds after it arrives in the exchange. Orders generally take more time to complete in New York."

Apart from fitting in easily into his work at the stock exchange, Raymond has quickly adapted to the Japanese way of life. Everyone comments on how densely packed Japanese communities are because of the lack of land to house such a large population. But the American finds this can be an advantage. "Everything is

so close together that most places and things are always within easy reach. I find Tokyo a very convenient and easy city in which to live."

As a final comment on his short experience of living in Japan, he says: "It has often been said that it is hard for foreigners to assimilate and feel at home in the Japanese culture. Of course, if one does not speak the language, then obviously it is very difficult, if not impossible. But if you have studied the language, culture and customs of the Japanese and approach people on their own terms with respect for the Japanese character, then there is no reason why your stay in Japan should not be a rewarding and enjoyable experience. I can honestly say that I already feel at home among the Japanese, who, after all are just ordinary people like myself."

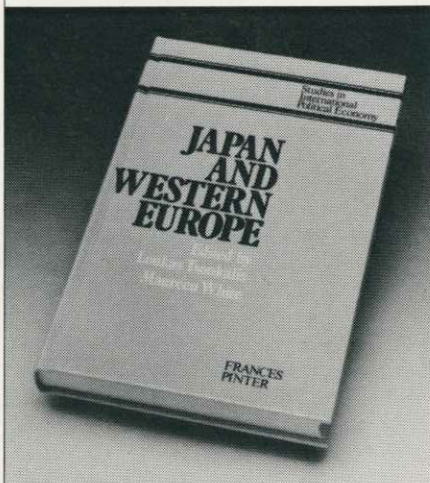
(Geoffrey Murray)

## BOOK REVIEW

By Robert J. Ballon  
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### "Japan and Western Europe"

edited by Loukas Tsoukalis and Maureen White, London: Frances Pinter, 1982, pp. i-xiv, 1-222, index.



The original idea for this volume arose out of an international conference held in Britain in July 1980. Papers there presented were revised and new ones com-

missioned. The result is a remarkably homogeneous analysis of Japan-Western Europe economic relations by 14 authors; seven from Britain, four from Japan, two from France and one American.

In more than mere geographical terms, these two trade partners are to each other on the other side of the globe, suddenly more so with the faltering of a previous common denominator, the U.S. At one antipode are the Western European countries readily assuming that the industrialization process at home and in Japan is fundamentally the same. However, a French historian warns that "there is little doubt that Japan's process of modernization was mainly self-generated—albeit accelerated by the Western threat—and that the society which emerged is not a single replica of the industrialized West." (J.P. Lehmann, p. 23) There is, therefore, even today, too little knowledge and appreciation of Japan's potential in the collective impact of the U.S., Europe and Japan on the world economy. On its part, the European Community is hampered in its dealings with Japan. Bilateral relations between individual members and Japan remain largely the order of the day. (B. Meynell, Chapter 7)

"Until now, relations with Japan have acted as an important divisive factor inside the Community... The common com-

mercial policy of the EC hardly applies to relations with Japan." (L. Tsoukalis, p. 217)

At the other antipode, there is Japan whose inroads on European markets cause alarm. Its much touted industrial policy has to be evaluated for what it is, not for what it is said to be, namely, "it is the context for Japanese industrial policy, rather than the policy itself or its implementation techniques, that is exceptional." (J.C. Abegglen, p. 51) Nonetheless, the result is a highly efficient and dynamic economy where constraints, mostly external, affect the speed of growth rather than growth potential itself. "The major constraint would seem to be largely of an external nature—the vulnerability of the economy to the effects of rising commodity prices (which itself may trigger off) on the import bill, on the exchange rate and on domestic prices." (A. Boltho, p. 40) On the other hand, "by and large, the past history of Japan's foreign economic policy has been a succession of responses to external pressures rather than a premeditated and consistent trade philosophy... a phenomenon rooted in the Japanese political decision process whereby policy makers feel a need to build a consensus among the relevant parties..." Admittedly, "most economic issues in Japan tend to be seen in terms of the relationship with the U.S." However

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trade frictions with Western Europe introduced new dimensions: at the political level, Japan builds up awareness for the maintenance of the Western alliance that rests partly on social conditions in Europe, and at the economic level the fact that concessions to either the U.S. or Europe will promptly be demanded by the other side. (K. Nukazawa, pp. 57-58)

The problem between Western Europe and Japan is that the better organized economic system of the latter increasingly challenges the inferior system of the former. (J. Pinder, Chapter 10) "All our authors agree... that the successful performance of Japan's exports cannot be attributed to dumping, low wages or the popular myth of Japan, Inc. It is not even a question of comparative advantage in specific sectors, in the static sense of the term. Japan's comparative advantage has been shifting rapidly over time as its econ-

omy was climbing up the ladder of the international division of labor." (L. Tsoukalis, p. 213) A solution to the problem between the two trading partners can, therefore, only be in the long term. Protectionism is rejected outright by all contributors to this volume. What must be done in the short term is the steady building up of accommodations, fully realizing that they are double-edged. In essence, moderation of Japanese exports to Europe and easing of entry into the Japanese market are not the solution, but an immediate accommodation. This is, however, constructive only if European firms regain international competitiveness. (Chapters 8 and 9) Similarly with more Japanese investments in Europe (Chapter 11), or with more cooperation between the partners and in third countries (Chapters 6 and 12), or even with broad financial adjustments, such as of ex-

change and interest rates. The key to all this was plainly stated by a French economist: "It is important to clarify an important distinction: the difference between relations among corporations which are essentially competitive and relations among nations which, facing similar problems, are or should be co-operative." (C. Sautter, p. 197)

This volume has the great merit of scrutinizing the various options considered in regard to the trade frictions between Western Europe and Japan. But more importantly, it provides an in-depth analysis of the problem itself. Officials and business executives as well better watch the propensity, conscious or not, to propose solutions to a problem that is not perceived in its totality. Or to repeat a recurring theme in the volume: more than the policy, the context of the policy may make the difference.

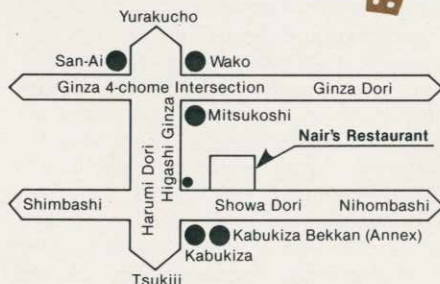
## Nair's Restaurant

Curry and rice has been a standard of the home dinner table in Japan since before World War II. Given the Japanese predilection for rice, curry caught on as soon as it was introduced from India. In Japan, the dish is called either "curry rice" or "rice curry." Surveys have shown that it is eaten once a week on average in Japanese homes.

When the Japanese housewife prepares curry, she modifies it to suit the Japanese palate, which means it is usually much milder than in India, the land of its origin. In this issue, I would like to introduce to the reader Nair's Restaurant in Tokyo, which serves real Indian curry.

Nair's is located near the big intersection before the Kabuki-za Theater, approaching it from the Ginza. Turn left at the *pachinko* shop on the corner, and there you are. The restaurant itself is tiny, and its chairs are not particularly comfortable. It has been in the same spot since 1950, without once remodeling or expanding.

The premises belie the superb dishes served. Nair's offers curry dishes native to the southern part of India. The owner of the restaurant, whose motto for more than 30 years has been to "foster friendship and goodwill between Japan and India through delicious Indian curry," has great confidence in the food he serves.



Main Restaurant: across the street from the Kabuki-za annex on Showa Dori  
Phone: (03) 541-8246

Branch Restaurant: 8th Floor, Seibu Department Store in Ikebukuro  
Phone: (03) 981-5828

This confidence, combined with good taste and reasonable prices, creates a comfortable, dependable atmosphere. It

is this atmosphere, together with the serene, mystical Indian background music, that makes Nair's guests feel at home and lets them go away so satisfied.

The owner is proud of the fact that not only students coming to Tokyo on school excursions from all parts of Japan but also Cabinet ministers seek out his restaurant to eat Indian curry. He revealed that Mr. Toshikuni Yahiro, president of Mitsui & Co., Ltd., comes to his restaurant at least once a week for lunch.

The restaurant was named after its owner, who says Nair is a common name in southern India, like Menon and Pillay. He spends half the year in his native town in the State of Kerala, and the restaurant is now actually run by his son.

When you go, do not forget the excellent Indian malt whisky Peter Scot. You can also enjoy the taste of genuine Indian curry at home if you buy the powdered curry and ghee (edible vegetable oil) sold at the restaurant. (Yoshimichi Hori)

Selections from Nair's Menu:

Mulgee lunch	¥950
Different kinds of curry on rice	¥550-700
Peter Scot (single)	¥300
Indian tea	¥280

Take-home items:

Powdered Indian curry (400g)	¥800
Nair's ghee (700g)	¥800