

Confucian Traders

By Jun Eto

In looking for something apropos to this issue, I have looked back over the newspapers at the sudden onslaught of criticism from abroad regarding Japan's industrial policy. Sadly, many of these objections and accusations seem to be based upon false assumptions about Japanese intentions in trade.

A country's industrial policy is inevitably rooted in its cultural and social heritage. This much is axiomatic, and it might be well before looking at industrial policy to look at some of the historic roots of the Japanese trade philosophy.

Although it is only since the late 19th century that Japan has been a trading nation in the modern sense, Japan was a regional trader long before that. In the late 16th and early 17th centuries, for example, Japanese merchant ships plied the waters between Japan and China, Korea, and Southeast Asia in active trade.

One of the major commercial figures of that era was Soan Yoshida, who was active in trade with Indochina. The son of another famous sailor and trader, Ryo Suminokura, Yoshida was a man of business acumen and cultural refinement.

One of Yoshida's acquaintances was the Confucian scholar Seika Fujiwara, and it happened one day that Yoshida prevailed upon Fujiwara to write up a set of precepts to be observed aboard ship and in trade. This set of precepts is very revealing for what it says about Japanese attitudes toward trade.

All told, the "Fujiwara Doctrine" has five articles.

In his first article, Fujiwara stresses that trade must be a mutually profitable encounter, and that profit which inflicts loss upon the other side is not trade. Trade is when both sides benefit, each selling what it has in excess and obtaining what it wants. This is a belief in shared profits, and a belief in the long term. It is the principle of co-prosperity. In this profit-sharing philosophy, trade which is one-sided is short-lived, and it is better to have long-

lived trade in which small profits accumulate than to make a one-time killing. Profit should be seen not in terms of immediate gratification but rather in long-range terms as the result of mutual trust. In the long run, he argues, the greedy merchant loses while the honest trader prospers.

Although Confucianism does not have much to say about trade, Fujiwara was an exceptional scholar in being able to extrapolate the Confucian concept of justice to the world of commerce. Through Confucian eyes, he saw that we must not let the glitter of short-term profit blind us to the need for reciprocity and trust for long-term mutual gain. Centuries old, Fujiwara's teachings are by no means outdated or old-fashioned.

In the second article, Fujiwara looks at the major cultural, linguistic, and other differences which exist between Japan and its trading partners and concludes that the similarities are greater. He saw that both Japanese and Indochinese are people with the same basic drives and ambitions, that their different traditions are equally valid and worthy of respect, and that no nation should scorn or criticize another just because it is different.

This is important for all peoples to remember, for it is only in such an atmosphere of mutual respect that mutual trust can be born and nourished. By contrast, superficial expressions of trust will soon be betrayed and true feelings come out if either partner feels at heart that the other is somehow inferior, inscrutable, or untrustworthy.

Moreover, when in another country, it is important to observe the customs of that country. Japanese overseas, Fujiwara says, should not expect everyone to behave as Japanese. Rather, it should be recognized that different peoples will behave in different ways.

Observance of this second article is a major reason why Japanese products have been so successful in the global marketplace. They have been adapted to the spe-

cific market needs of each country. By the same token, this second article has much to recommend it to traders who are trying to enter the Japanese market.

Article 3 exhorts the people who are aboard the ship for the common purpose of trade to avoid fighting among themselves and to cooperate for their common good. This is the "all in the same boat" theory of human relations in which a shared destiny transcends differences among people. No one must try to take advantage of anyone else, for that is to no one's advantage.

Article 4 deals with human greed. Fujiwara says that greed is to be more feared than civil upheaval, for upheaval can be avoided more easily than the pitfall of greed. This is especially important in foreign trade, and we must constantly be on our guard against the temptation of greed.

Finally, Article 5 includes a host of homilies that should be remembered on any voyage.

Written in 1604, this "Fujiwara Doctrine" is an excellent summation of how Japanese viewed trade at the time. Indeed, it is a major source of current Japanese thinking on trade, and the Japanese outlook has not undergone any essential change in the centuries since Fujiwara outlined its Confucian elements. Today as yesterday, Japanese trade is sustained by a philosophy of stable co-prosperity and profit sharing with all nations.

(This is the fourth of six-parts.) ●

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