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The Early Development of Japan's TV Industry

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The television set has been one of postwar Japan's most important economic success stories. Japanese companies began to manufacture televisions in 1953. Television broadcasting also began that year. It was surprising that the TV manufacturing industry and TV broadcasting developed soon after the war because the Japanese economy was weak until the late 1950s. However, technological transfers and favorable political conditions helped to speed development. Further, many national leaders wanted to develop a domestic television system to strengthen national pride and morale.

Prewar Television Development

Companies in the United Kingdom, the United States, and Russia began to manufacture TV sets in the late 1920s. RCA, a major American electronics firm, demonstrated a color television system in 1939. However, World War II delayed efforts to develop an inexpensive commercial TV set.

Japanese scientists began developing TV technology in the 1930s. The Japanese government's television policy was strongly influenced by Germany. In the 1930s, the Nazi government in Germany encouraged the development of TV in order to use it as a propaganda tool. The Germans broadcast regular programs in Paris from 1943 until the Allies liberated the city in 1944. Like the German leaders, Japanese leaders believed that television could help to mobilize the population.

The government wanted to introduce TV broadcasting by 1940, when Tokyo was scheduled to host the Olympics. Again, Germany was the model. The 1936 Olympics were a public relations triumph for Adolph Hitler. The Germans used closed circuit TV to broadcast Olympics sports events to hotels where VIPs (very important persons) were staying. Afterward, Japanese diplomats and athletes told government officials about how the Germans had used television.

Kenjiro Takayanagi was one of Japan's great electronics pioneers, and is often called the "father of TV" in Japan. He was born to a poor rural family in 1897, but a relative helped him to enter a good school. Around 1924, he traveled to California, where he visited as many radio installations as he could. When he returned to Japan, however, he focused on developing TV technology. Although he did not have access to leading TV technology in Western nations, he was able to develop a basic TV system. In the 1930s, the government put Takayanagi in charge

of the Olympic television project.

However, the project was never completed. Tokyo was selected to be the host for the 1940 Olympics in 1937. But in 1938 Japanese soldiers invaded China, and as the war continued the military began to oppose the use of resources to build Olympic facilities. Europe also began heading toward war. The 1940 Olympics were eventually cancelled.

The Postwar Era

Soon after the war ended, TV became a big hit in America. RCA and Westinghouse began selling television sets in 1948. The two companies also broadcast television programs. By 1951, 12 million TVs had been sold. The beginning of the mass TV consumerism in the US stimulated great interest in television in Japan.

However, it was not clear that developing a TV industry was a good idea since Japan was still a poor country. Many Japanese in the early 1950s did not have electricity. The economy remained rather weak through the late 1950s. Moreover, Japanese officials were pleading poverty in order to avoid paying reparations to Korea, the Philippines, and other countries that Japan had occupied during the war.

Nevertheless, several corporations were anxious to bring TV to Japan. Toshiba, Japan Victor, and other firms had been working with Japan Broadcasting Company (NHK) to develop television equipment. NHK began experimental broadcasting using domestic technology in February 1951. In addition, NHK convinced many Diet members to support a TV industry. Politicians and other people who supported the development of a national TV industry emphasized its educational value instead of its economic benefits.

A changing political climate helped to ease the path to the development of a TV network. First, in 1951, Japan began to change its media broadcast policy. The government licensed the first private commercial radio stations. Until that time, the government had always tried to control broadcast media.

Second, many American officials were interested in developing TV as an informational news source that could assist the campaign against communism. Karl Mundt, a prominent American senator, called for the US government to help Japan develop television to support anti-communist information campaigns. In 1951, he arranged for a team of experts to go to Japan to investigate the possibilities of establishing a TV network. The team helped to stimulate interest in Japan.

Senator Mundt worked with an important businessman, Matsutarō Shōriki. Shōriki graduated from Tokyo University and became a top official in the Tokyo police department. He later was forced to resign but he bought Yomiuri Newspaper in 1924 and built it into a strong company. The Yomiuri's circulation increased greatly from 130,000 in 1924 to almost 2 million in 1944. Shōriki made the Yomiuri successful partly because he had a great talent for publicity. He arranged for the New York Giants to play in Japan in 1934, and then founded his own team, the Yomiuri Giants, in 1935. Shōriki was closely involved in the war effort, and was arrested by the Allies after the war. He spent two years in Sugamo prison. However, he was pardoned in 1951.

Shoriki argued that TV could disseminate news and help in the campaign to contain communism. Mundt and other American officials were pleased by Shoriki's anti-communism. Shoriki also gained support from Minister of Finance Hayato Ikeda. Shoriki eventually received Japan's first TV broadcast license. Thus, NHK was unable to get a monopoly on TV broadcasting. However, NHK opened Japan's first TV station in 1953.

MITI and Technology Transfer

Japan's government had strong influence on what technologies would be developed in early postwar Japan. MITI's role was especially important. Fortunately for companies that wanted to develop TV, MITI listed television on a list of "desired" technologies in mid-1951. This meant that MITI would support the purchase of foreign technology to support the development of a domestic television industry. This was an unusual decision because Japan had little foreign currency, and it had to be used for essential imports such as food, oil, and iron ore. MITI usually encouraged the development of domestic technology in order to preserve precious foreign currency.

In addition, Toshiba, Japan Victor, NHK, and other Japanese companies had been trying to develop TV technology for many years so they were unhappy about MITI's decision. However, MITI decided that the rapid development of a TV industry was more important to Japan than nurturing domestic television technology. Japan's rulers had consistently supported the development of new communications technologies for a century. In accordance with this thinking, MITI officials believed that television broadcasting would bolster national pride and enrich the culture.

Naturally, MITI protected domestic companies. It helped companies to obtain foreign (mainly American) technology cheaply. In addition, MITI restricted imports of television sets. It encouraged domestic companies to increase production of TV sets so that economies of scale would reduce the price.

Japanese companies purchased many licenses for Western technology during the 1950s. RCA and General Electric owned the rights to many important technologies related to television. US companies were anxious to earn money from royalties. New electronics technology quickly became obsolescent, so companies wanted to develop new products and sell licenses quickly. In addition, the market was very competitive. During the early 1950s, many American electronics companies failed. Fifty TV makers failed in 1956 alone.

American companies usually made more money from the military market than from the consumer market. The military paid a lot of money to help companies develop new technology and devices. Therefore, most companies used their best engineers to design products for the military. In contrast, the consumer market was very competitive and profit margins were low. Therefore, American companies did not use their best engineers to design consumer products.

The situation in Japan was much different. Since there was almost no military market most companies used their best engineers to design consumer goods. This situation soon helped

Japanese companies to gain a competitive advantage in consumer electronics.

American companies were usually very willing to license technology to Japanese companies for several reasons. One reason was that investing in Japan (for example, building factories) seemed risky during the 1950s since the economy was weak. In addition, some people worried about the political situation because Japan was very close to two hostile countries, China and the Soviet Union. Further, the Japanese government restricted inward foreign direct investment (investment from non-Japanese companies into Japan). For American companies, therefore, licensing technology to Japanese companies seemed to be a much more reliable way to make money than manufacturing or selling products in Japan.

Matsushita, Hayakawa Denki, Toshiba, Sanyo, and Mitsubishi Denki were some of the most important manufacturers of TV sets during the 1950s. Hayakawa Denki, which makes Sharp brand products, was the early leader. Hayakawa began making TV sets in 1953. Sony was a small, struggling firm in the 1950s, but in the 1960s its color TV became a big hit.

This lecture was assembled primarily from *Assembled in Japan: Electrical Goods and the Making of the Japanese Consumer* (University of California, 1999), by Simon Partner.