THE MIRACLE OF JAPAN

How the Post-War Was Won

by Ezra Vogel

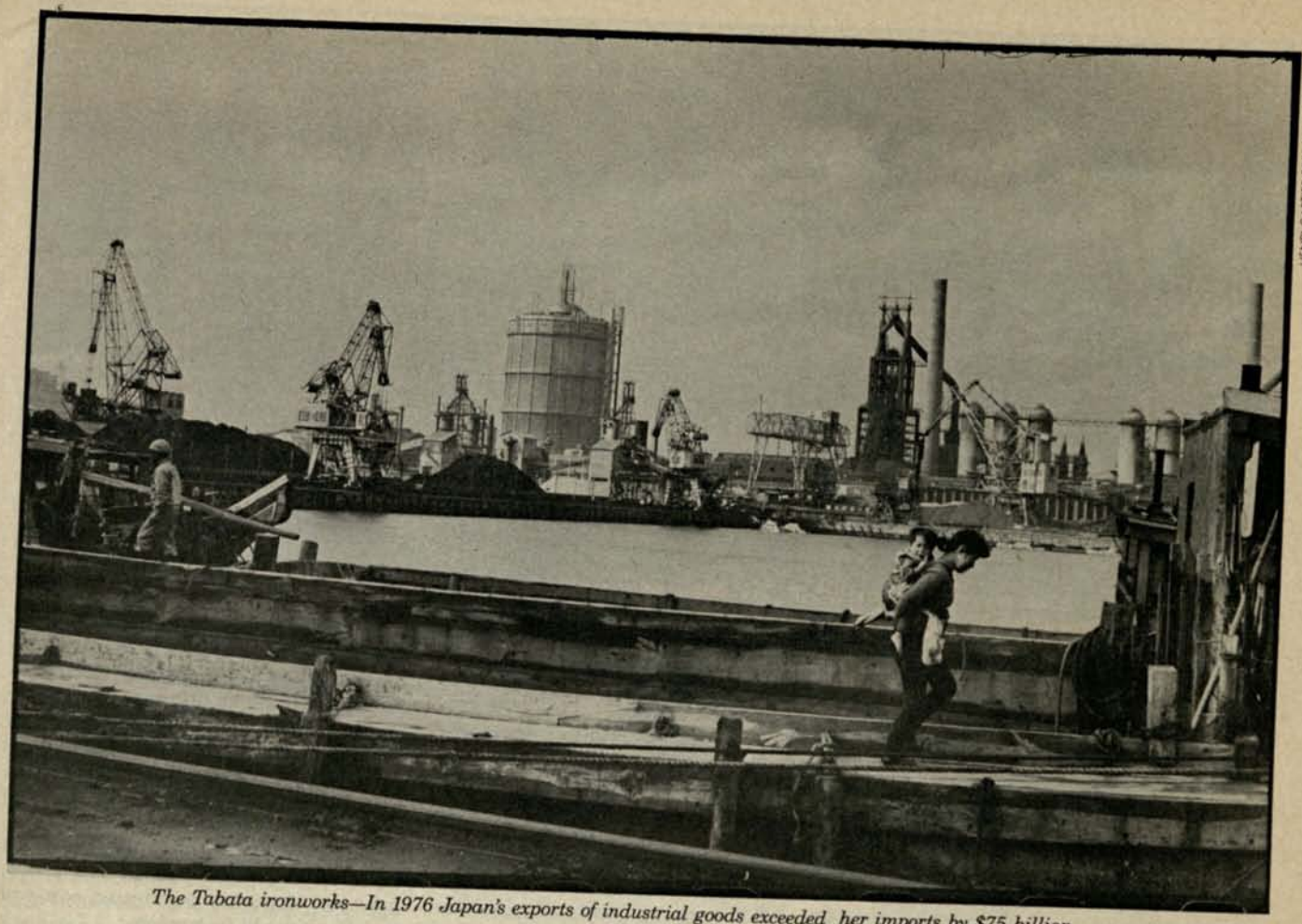
AMERICANS WERE ONCE accustomed to thinking of Japan as an impressive but rather diminutive offspring of Allied reconstruction efforts after World War II. "Made in Japan" meant little more than jerry-built, at low cost with cheap labor. But the days of condescension are over: Today Japan is the world's foremost economic power. Last year the Japanese manufactured one and a half times as much per capita as Americans. While for the first time in decades our exports of industrial goods fell behind our imports, Japan exported $75 billion more of industrial goods than it imported. Japan's investment rate, as well as its GNP growth rate, is more than twice ours and its research and development efforts are growing much more rapidly than our own. Its workers, contrary to our old stereotype, are effectively better paid than our own. And its performance in educating the population, minimizing disparities of income, reducing the crime rate, and increasing the length of human life is substantially ahead of America's. These differences will have far more profound consequences than we have begun to imagine.

Considering the nature and scope of Japan's successes, it is remarkable how little interest Americans have shown in profiting from the Japanese example. As Japanese institutions begin to function more effectively than foreign ones, many Japanese now return from foreign study tours discouraged that they found so little to learn, but they still scour the world for useful lessons or hints of lessons; when American institutions lag behind, America is still unprepared to learn from countries outside Europe.

JAPAN HAS HAD to overcome a number of disadvantages; if it were part of the United States, it would be our fifth largest state in area. A population of 115,000,000, half the size of the U.S., lives in this area, making Japan the most densely populated major country in the world. About one-sixth of its land is arable, and even with high productivity per acre, well over 30 percent of its food supplies must be imported. With virtually no petroleum, iron ore, coal, or other mineral resources, Japan is dependent on imports for almost 85 percent of its energy resources. It imports more timber from North America than it produces. Producing Japanese foodstuffs requires more farmland in America than is available in Japan. From 1945 to 1947, as 6 million soldiers and civilians, some of whom had been overseas for decades, returned to be supported by the home islands, food shortages and malnutrition were widespread. One might properly wonder, as many Japanese did, whether a country the size of Montana with virtually no physical resources could support over 100 million people.

By 1952, when the Allied occupation ended, Japan had almost recovered its prewar levels of production, but its gross national product was little more than one-third that of France or the United Kingdom. By the late 1970s the Japanese GNP was as large as the United Kingdom's and France's combined and more than half the size of America's. The Japanese were producing approximately as much steel as the United States, but in more modern and efficient plants. In 1978, of the world's 22 largest modern blast furnaces, none was in the United States and 14 were in Japan. With more modern plants and higher productivity, Japanese steel was outcompeting American steel in American as well as foreign markets. Making good use of its comparative advantage first in labor costs, then in economics of scale, modern technology, and organization, Japan built up highly competitive industries in field after field.

In the early 1950s Japanese radios, tape recorders, and hi-fi equipment were less competitive than their American counterparts, but before long they dominated the market. The Japanese watch industry eclipsed the justly famous Swiss watch industry. The British motorcycle industry was virtually eliminated by the Japanese, and of the several most successful motorcycle companies in America, only one, Harley-Davidson, is non-Japanese. The German dominance in camera and lens production before World War II has given way to the Japanese. In optical equipment the Japanese are similarly dominant. Even in fields remote from Japanese tradition Japanese companies often outperform their Western counterparts. By the 1970s the sales of Steinway and other American piano manufacturers were no match for Yamaha; Muramatsu's Western flutes were competing



HENRI CARTIER BRESSON/MAGNUM

The Tabata ironworks—In 1976 Japan's exports of industrial goods exceeded her imports by $75 billion.

favorably with American ones. Japanese dominance extended into such diverse fields as bicycles, ski equipment, snowmobiles, cut pottery, and zippers. In the late 1970s, as the cost of new Japanese ships ran 20 to 30 percent lower than European ones, European countries were forced to resort to nonmarket mechanisms to limit the number of ships purchased from Japan. This forced Japanese shipbuilding companies, in the wake of the oil crisis, to operate at much less than capacity, but even then Japan outdid Europe and America combined, for it produced about 50 percent of the world's shipping tonnage.

In 1958 Japan produced fewer than 100,000 passenger cars, and through the early 1970s Volkswagen was the major foreign-car exporter to the United States. Soon thereafter, Toyota's and then Nissan's (Datsun) American sales surpassed the German manufacturer. By 1978 Volkswagen had fallen behind Honda, the third-place Japanese exporter to the United States. During 1977 Japan exported over 4½ million cars, while America exported only a small fraction of that number. Japan sold almost 2 millions cars in America, while about 15,000 American-produced cars were sold in Japan. If market forces alone were operating, Japanese-car exports would have increased substantially in 1978, but Japan chose to restrain its exports artificially to avoid political repercussions in Europe and America.

The effort to explain these Japanese successes as a result of cheap labor is out-of-date, for by 1978, with devaluation of the dollar, Japanese wages were slightly higher than those in the United States. If anything, modernization of facilities and productivity increases are more important in explaining Japanese superiority. Economist Dale Jorgenson surveyed various factors in industrial production and concluded that, on the average, the modernity of technology used in Japanese manufacturing had edged past the United States by 1973. In 1975 one Japanese worker could produce cars worth about 1,000 English pounds every nine days, whereas at Britain's Leyland Motors a worker took 47 days to produce as much. In 1976 none of the major European car producers (Fiat, Renault, or Volkswagen) was able to produce as many as 20 cars per man-year of labor, but Nissan employees produced 42 cars per man-year and Toyota turned out 49. In 1962 the Japanese produced roughly 100 tons of steel per worker, compared to 400 in England; but by 1974 Japanese productivity in steel was estimated to be two to three times that of England. By 1976 a typical Japanese worker in a ball-bearing factory produced about three and one-half times as much as a worker in RHP, the leading English manufacturer.

One measure of Japanese and American competitiveness is in the trade balance. America's trade imbalance with Japan is approaching $10 billion a year, with few signs of abatement, despite dollar devaluation and political pressure. But if anything, the imbalance understates Japanese industrial competitiveness, for much of America's exports are in agricultural products and raw materials. Japan's trade policy until the late 1960s was among the most protectionist in the world, and that once greatly impeded American attempts to penetrate Japanese markets. But the primary reason for the trade imbalance, as the Boston Consulting Group's 1978 study for the United States Treasury Department has shown, lies not in Japan's protectionism but in America's inferior competitiveness and lack of interest in cultivating exports to Japan.

The extent of Japanese superiority over the United States in industrial competitiveness is underpublicized in America. But the true state of affairs was reflected by a high official of a leading Japanese research center who privately acknowledged that the United States, with its highly competitive agricultural sector, has by now taken the place of Japan's

The hourly relaxation break—Far more than Americans, the Japanese are able to find satisfaction within large groups.

prewar colonies, supplying agricultural products and raw materials to a superior modern industrial machine.

In international trade, the Japanese have had to learn to communicate in English and to adopt patterns of trade developed and originally dominated by Western countries. Despite these obvious disadvantages, the Japanese have begun to dominate international commerce as they dominate industrial production. Mitsubishi Trading Company, Mitsui Bussan, Sumitomo Trading, C. Itoh, Marubeni, and Nissho Iwai are rivaled only by each other, not by any foreign trading company. For example, these six companies, to say nothing of other large Japanese trading companies, conduct over half the two-way trade between the United States and Japan. Because of their superior information and contacts around the world, a sizable portion of international trade not involving Japan is now channeled through these large trading firms.

DURING THE 1950s, economic success was partly at the expense of the Japanese consumer, and the social infrastructure for wage raises lagged behind growth and productivity increases. However, in recent years per capita income and ownership of consumer goods have grown about as fast as the GNP, and therefore far more rapidly than in other countries. So striking has been the growth in consumer purchasing power that foreigners in Japan now have difficulty maintaining the standard of living of their Japanese counterparts without special allowances, and Japanese in America consider luxury goods and restaurants very moderate in price.

When pollution threatened, city-dwellers turned in their cars for bicycles.

Transportation and communications systems within Japan are rapidly pulling ahead of their Western counterparts. With short distances Japanese use fewer airplanes than Americans. In rail transport the Shinkansen bullet-train from Tokyo to Kyoto, opened in 1964, is more rapid and comfortable than anything the United States is currently considering even on the most heavily traveled routes. In 1977, however, America purchased some of this 15-year-old technology.

With the extraordinary movement of Japanese from the countryside to the city after World War II and the unparalleled rapidity of change caused by industrialization and westernization, one might expect social disorganization to be immense, for the strain on many people has been substantial. It is difficult to find meaningful cross-cultural measures of social disruption, but one such indicator is the extent of crime. Observers note that people feel safe walking anywhere in Japan at all hours of the night. To an extent that would shock Americans, the Japanese carry a great deal of cash with them because they pay large bills with cash rather than checks. Taxicab drivers give no indication of worrying about their personal safety. These subjective judgments are supported by the data available. Americans studying Japanese crime records, which are more complete than American records, indicate that around 1960 the rates for major crimes such as homicide, assault, theft, and rape were several times higher in America than in Japan. From 1960 to 1973 American crime rates rose 110 percent and other modern countries' crime rates went up also, except for Japan, where they declined further.

One might suspect that the Japanese neglected culture and education in their

efforts to obtain rapid economic growth, but if anything, cultural imports have proceeded as rapidly as technological imports and have been diffused among the population with equal speed. Japan leads the world in percentage of young people who complete high school, about 90 percent.

Westerners familiar with the Japanese educational system observe that Japanese students, on the average, are more familiar than most Western students with world history and current events. In mathematics and science, the only areas where there is reliable quantitative information on comparative international skills, Japanese youth substantially outperform their counterparts in modern Western nations. The Japanese also rank high in music and artistic capacity and in physical agility. The Japanese young people's knowledge of English far surpasses the American students' knowledge of a foreign language, although their knowledge of spoken English cannot compare with that of most Europeans. But given that virtually no Japanese knew English in 1945, the progress of Japanese in learning a foreign language within a generation has perhaps been unique among large nations, and the progress continues apace.

With an industrial output that rivals the United States and surpasses the Soviet Union in such a small area, the Japanese have confronted a most severe pollution problem. Since the early 1970s, when the problem gained prominent attention, the Japanese have responded with pioneering techniques now being studied by Americans seeking new solutions to their pollution problems. The standards for pollution control for new plants and the amount spent on pollution control by the mid-1970s surpassed that of any other country. By the late 1970s the most serious sources of pollution had been substantially reduced; for example, American and European auto manufacturers had to make special appeals to be allowed to sell new cars in Japan, since they did not meet Japanese standards for emission, which by the late 1970s were the most rigorous in the world.

The Japanese national health insurance program does not offer high benefits by Western European standards. But by the mid-1970s Japan had the lowest infant-mortality rate of any country in the world. Perhaps the best overall measure of a nation's health system is the longevity of the population. In 1955 Japan's average life expectancy was over four years shorter than America's. By 1967 Japan's average life expectancy surpassed America's, and in 1977 it surpassed Sweden's to become the longest of any nation in the world.

The question of satisfaction with life

'We must restrain the use of adversary relations if we are to avoid the divisiveness that makes cooperation for mutual benefit untenable.'

requires more subjective judgments. It is tempting to dismiss the Japanese as automatons who know nothing but work. According to the *1977 International Labor Organization Yearbook of Labor Statistics*, in 1976 the average American work week was 40.0 hours and Japan's average work week was 40.2 hours. If one took full account of unreported overtime, a typical Japanese may work an average of three or four more hours a week, but even then the total work week is not out of the range of Western European countries. Those who have observed Japanese families and other groups in private have concluded that in zest for life, delight in carefree relaxation, and enthusiasm for recreation, the Japanese are no laggards. As they say of themselves, they like to work hard and to play hard. Many thoughtful Americans visiting Japan express amazement at the tidiness of urban facilities, the reliability of public transportation, the courtesy of commercial personnel, the affluence of department stores, the quality of restaurants and the virtual absence of derelicts and alienated slums. They end by wondering, like Japanese visitors to America, why Americans cannot make their cities and their organizations work as well.

BOB DAVIS, FROM FACES OF JAPAN (KODANSHA INTERNATIONAL)

The good life—The Japanese now have more disposable income than Americans.

IT WOULD NOT be easy to transfer to America practices based on a different tradition, as Japan and other developing nations found when they brought Western patterns to their countries. Even if America borrows fewer ideas and institutions from Japan than Japan borrowed from us, it is unlikely that the process can be controlled easily by planning. Given this caveat, if America wanted not only to profit from individual lessons in various spheres but to develop an integrated program for profiting from Japan's experience, what would be its most critical features?

An industrial and trade policy. In the past, America's economic philosophy has been to preserve the free operation of the marketplace, and it may be that market forces could eventually correct imbalances and adjust for the rapid decline of American industries being lost to other countries. However, the world can no longer tolerate the human, social, and political consequences of waiting for these market forces to reach a new equilibrium.

Rather than escape from the marketplace into state socialism, Japan accepts the ultimate value of market forces, but aims to hasten institutional adjustment to long-term trends while easing the human readjustments necessitated by changing economic forces. Japan provides crucial research and financial resources to assist key developments in the national interest when private sources are inadequate. We too should make an effort to distinguish those industries in our country that can be competitive on the world market and to support them through tax policy, monetary policy, antitrust policy, and administrative cooperation. We should make an effort to provide temporary cushions for those industries such as textiles that cannot remain competitive. We should not wait for legal action to show that damage has been done to declining industries, but should guide them in reducing their capacity gradually while personnel are being retrained and relocated. In our trade negotiations, instead of spending our political capital on the defense of small, dying industries, we should defend the large, strong industries that can be effective in the future. We should create enough awareness of these overall problems in business and labor circles and provide them with a steadier, more predictable government policy.

A small core of permanent high-level bureaucrats. The capacity to provide long-range direction to society requires a continuity of leadership at high levels, a leadership that has the power and responsibility to oversee specific areas of activity, whether in foreign policy, finance, energy, environment, transportation, or regional planning. Great issues require long-time horizons and continuity before solutions are found; it is not possible to pursue long-term policies when all key personnel change every two to four years. The issues are sufficiently complex that bright, noncareer outsiders brought in by changing political leaders cannot match a small core of highly able, dedicated professionals who have been given the best possible training, have been exposed to the most progressive thinking of private and governmental groups in America and abroad, and have been seasoned as junior officials working on problems they will face as they acquire greater responsibilities.

A communitarian vision. In bygone days of more genuinely free enterprise, the model of the independent trader or businessman, like that of the cowboy, was not only appealing but appropriate. As George Lodge has noted in *The New American Ideology*, business leaders now recognize that this model is no longer appropriate in an era when large organizations confront complex problems, but they nevertheless lament the loss of our individualistic past. Americans tend to think of the organization as an imposition, as an outside force restraining the free individual. Japanese from an early age are taught the values of group life. They learn to make school life and the life of work organizations more pleasurable. Employees come into their workplace on vacations and weekends, in large part, because they enjoy the camaraderie. In contrast, while Americans acknowledge the need for large organizations, we have yet to tame them; the communitarian values so essential for successful group living, which we once treasured in our villages, have not been revitalized in modern cities and complex organizations.

At the organizational level, we need to give more flexibility to universities, companies, and government offices; responsible people in these organizations are now more often concerned with satisfying scores of special regulations or avoiding lawsuits than with accomplishing the overall purpose of their organization. To achieve the purpose for which regulations were created, Americans would do well to follow the Japanese model and rely on moral suasion, on creating a consensus of concerned people who can exert their positive influence. Without this moral force, regulations cannot fully accomplish their original purpose. At all levels, from the individual to the highest government offices, we must restrain the use of adversary relations if we are to avoid the divisiveness that makes cooperation for mutual benefit untenable.

Aggregation of interests. Complex problems of international trade negotiations, energy policy, pollution control, and readjustment of declining industries now require high levels of cooperation between companies within a given industrial sector and between the companies and the American government. Antitrust legislation should be adjusted to encourage this cooperation, and flexible administrative rather than rigid legal procedures should be found for dealing with the dangers of monopoly and oligopoly not in the public interest. The legal risks of working together now encourage companies to make individual arrangements with the bureaucracy and politicians, thus weighting down the government with special concessions. This makes it impossible for any group to represent common purposes against a single well-organized group not acting in the interests of the majority. Branches of government in various sectors should welcome the cooperation of independent companies under them and should work with these associations on issues of overall public interest.

When the USSR put up Sputnik, it was a great boon to American science and American education because we responded to the challenge positively. As Americans become aware of Japan's superiority, it would be easy to go the path of complacency, protectionism, and nativism. Nothing could be more self-defeating. Let us hope we use the challenge to respond more positively, to work to revive our own country, just as Japan used the challenge of the West to spur its own impressive success. ◉

Ezra Vogel is chairman of the Council on East Asian Studies at Harvard University. He is the author of Japan as Number One *(published by Harvard University Press), from which this article has been adapted.*

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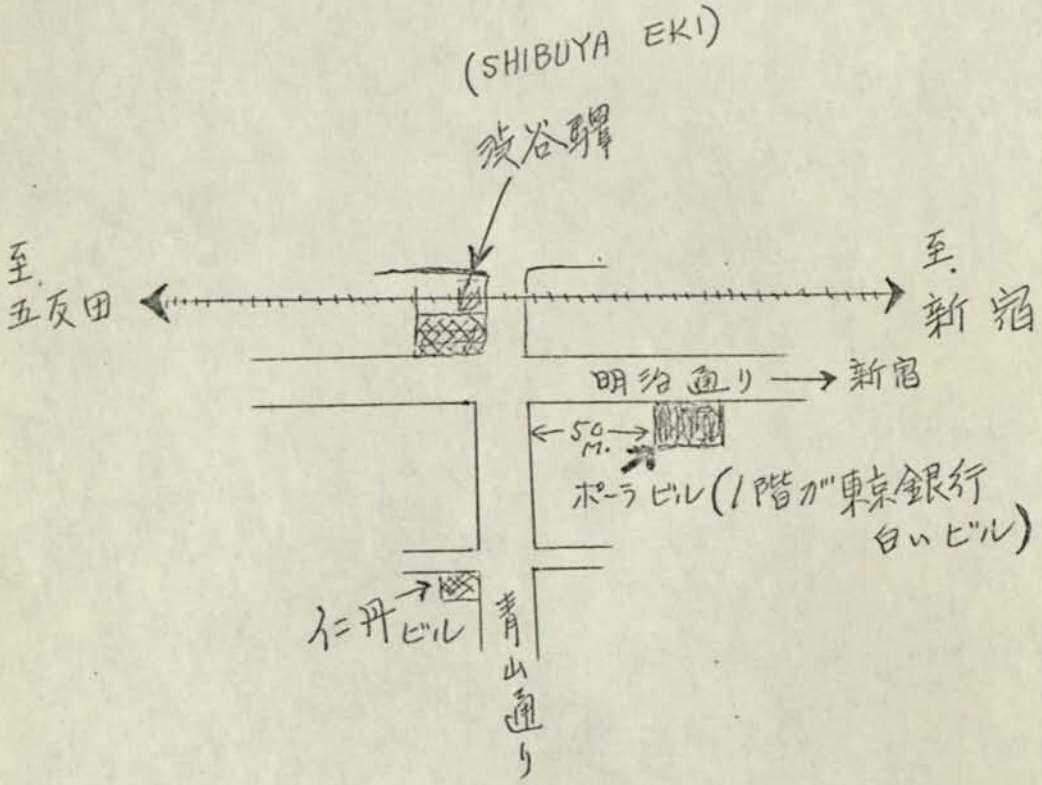

Mike:

Shirley Adamik suggested I contact you.

Lyn Christenson, Editor - Horizons magazine - is going to the Far East next week and we would appreciate some help in giving directions in Japanese.

Can you write down how Lyn would instruct a taxi driver:

1. how to get from the Narita airport in Tokyo to the New Otani Hotel - Kioi-cho, Chiyoda-ku, Tokyo

   成田空港から ホテルニューオータニ（東京都千代田区紀尾井町）へ
   行って下さい。よろしいですか。

2. how to get from the New Otani Hotel to Bob Skurko's office - Pola Shibuya Bldg., 15-21 Shibuya - 1 Chome, Shibuya-ku

   ホテルニューオータニから フェアチャイルドジャパン株式会社（代表者ボブスカーコ、
   住所：渋谷区渋谷一丁目15-21）へは 行って下さい。

3. how to get from Bob Skurko's office back to New Otani Hotel (When you are near FCIJ office).

   ホテルニューオータニへ 行って下さい。

4. how to get from New Otani Hotel to Haneda Airport

   羽田空港へ 行って下さい。

Would appreciate any help you can give us. Call me at x3047 and I'll pick the information up. Thank you.

Gloria

P.S. This translation is for taxi driver to take you to hotel or office, not asking how to get there.

to and ~~d~~ from Narita airport
(signs in English and Japanese)

limo-$50 both pick up in front of terminal bldg.
airport bus-$9

going into Tokyo

board bus outside main terminal building, for Tokyo city air terminal
50 miles into Tokyo-1 1/2 to 2 hours

taxi from city air terminal to hotel
(kindo-si-pleaee)

going to airport allow four hours midday for transit

check in luggage at city terminal, at desk of your airline
several body searches there

by bus ticket, wait about 1 hour for bus (buses leave infrequently, so get there early)
bus 2-2 1/2 hours

A-O-A MAP SHEET

HONG KONG

ORIENTATION MINI-MAP

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HONG KONG TOURIST ASSOCIATION

JUNE
JULY
1978

OFFICIAL MAP

The Hong Kong Tourist Association is the **Official Government Sponsored Authority** representing the whole tourist industry.

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.60 =	.13	11.50 =	2.45	36 =	7.66	110 =	23.40
.70 =	.15	12.00 =	2.55	37 =	7.87	120 =	25.53
.80 =	.17	13.00 =	2.77	38 =	8.08	130 =	27.66
.90 =	.19	14.00 =	2.98	39 =	8.30	140 =	29.79
1.00 =	.21	15.00 =	3.19	40 =	8.51	150 =	31.91
1.50 =	.32	16.00 =	3.40	41 =	8.72	200 =	42.56
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2.50 =	.53	18.00 =	3.83	43 =	9.15	300 =	63.83
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3.50 =	.74	20.00 =	4.26	45 =	9.57	400 =	85.10
4.00 =	.85	21.00 =	4.47	46 =	9.79	450 =	95.74
4.50 =	.96	22.00 =	4.68	47 =	10.00	500 =	106.38
5.00 =	1.06	23.00 =	4.89	48 =	10.21	550 =	117.02
5.50 =	1.17	24.00 =	5.11	49 =	10.43	600 =	127.66
6.00 =	1.28	25.00 =	5.32	50 =	10.64	650 =	138.29
6.50 =	1.38	26.00 =	5.53	55 =	11.70	700 =	148.93
7.00 =	1.49	27.00 =	5.74	60 =	12.77	750 =	159.57
7.50 =	1.60	28.00 =	5.96	65 =	13.83	800 =	170.21
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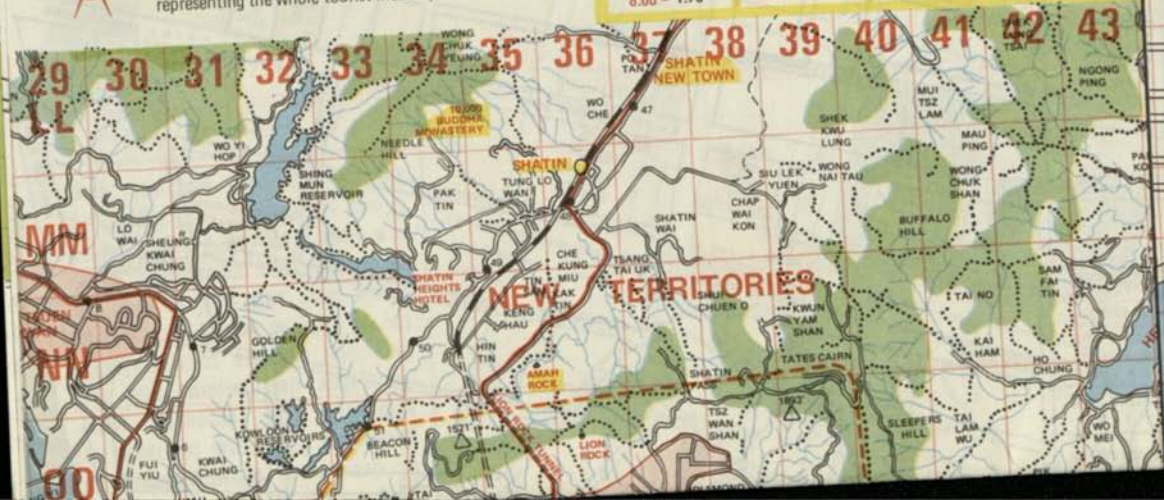

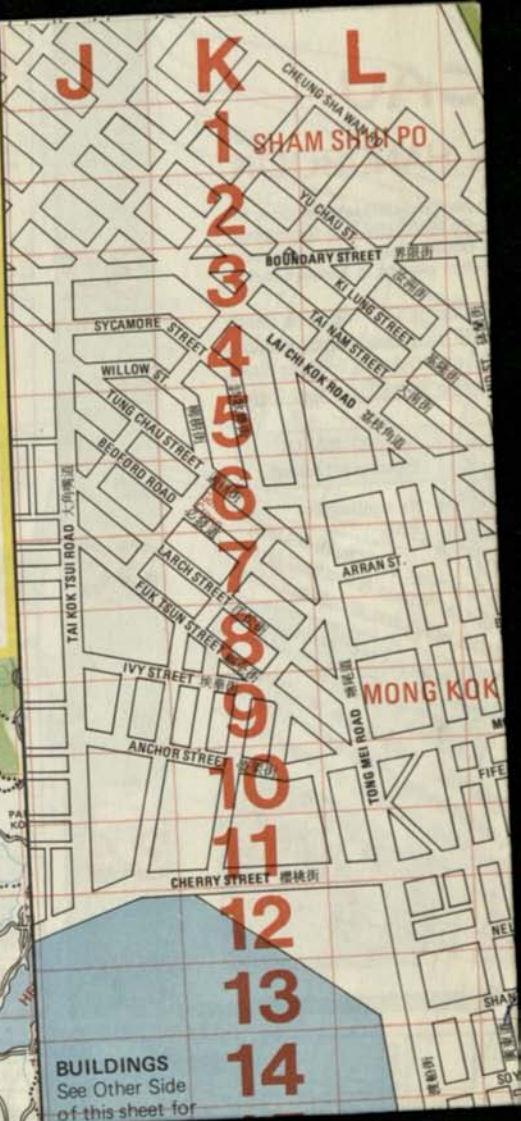

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.50	.11	11.00	2.34	35	7.45	100	21.28
.60	.13	11.50	2.45	36	7.66	110	23.40
.70	.15	12.00	2.55	37	7.87	120	25.53
.80	.17	13.00	2.77	38	8.08	130	27.66
.90	.19	14.00	2.98	39	8.30	140	29.79
1.00	.21	15.00	3.19	40	8.51	150	31.91
1.50	.32	16.00	3.40	41	8.72	200	42.56
2.00	.43	17.00	3.62	42	8.94	250	53.19
2.50	.53	18.00	3.83	43	9.15	300	63.83
3.00	.64	19.00	4.04	44	9.36	350	74.47
3.50	.74	20.00	4.26	45	9.57	400	85.10
4.00	.85	21.00	4.47	46	9.79	450	95.74
4.50	.96	22.00	4.68	47	10.00	500	106.38
5.00	1.06	23.00	4.89	48	10.21	550	117.02
5.50	1.17	24.00	5.11	49	10.43	600	127.66
6.00	1.28	25.00	5.32	50	10.64	650	138.29
6.50	1.38	26.00	5.53	55	11.70	700	148.93
7.00	1.49	27.00	5.74	60	12.77	750	159.57
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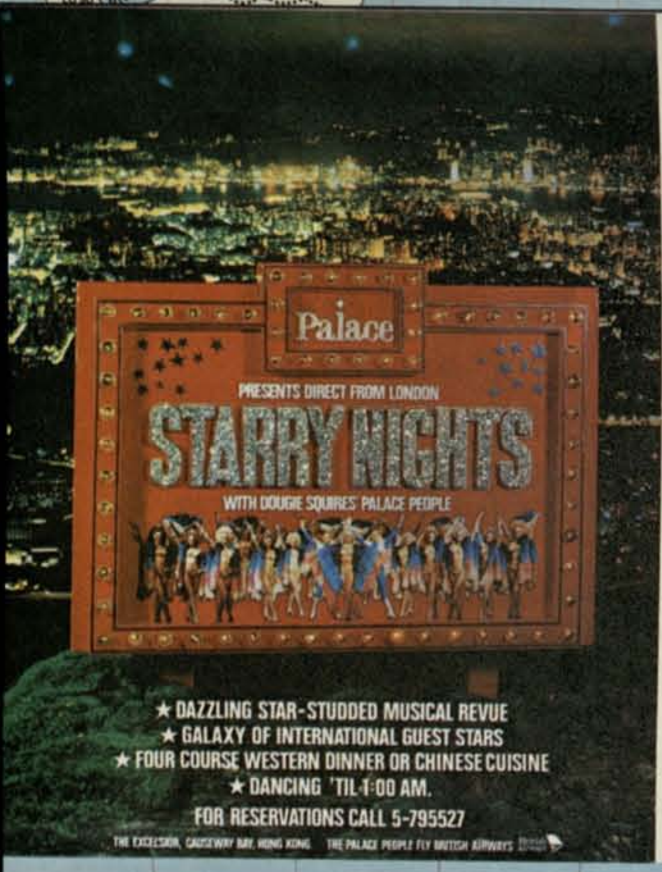

ORIENTATION

Almost all of the million annual visitors to the Colony arrive by air at Kai Tak Airport, Kowloon side; cruise ships dock at Ocean Terminal.

Tsimshatsui District at tip of the Kowloon Peninsula has the majority of the tourist hotels as well as main concentration of tourist shops. **Central District, on the Island,** is the "downtown" commercial area of offices and shops, only a ten minute Star Ferry ride across the harbour; it naturally also has fine hotels. New hotels have recently opened in **Wanchai** (still noted for nightlife which improved with passing of the Suzie Wong era after Vietnam R&R ceased in October-1971) and **Causeway Bay** with its theatres and shops that stay open even later at night than those in Tsimshatsui. **Mongkok** and **Yaumati** on the Kowloon Peninsula are local residents' shopping areas like Causeway Bay.

District Name	Noted For	Offices	Shops
Tsimshatsui	Tourist Shopping	9-am/5-pm	9:30-am/9-pm
Central	Commerce	9-am/5-pm	9-am/6-pm
Wanchai	Night-Life	9-am/5-pm	10-am/9-pm
Causeway Bay	Local shopping and theatres	9-am/5-pm	10-am/10-pm
& Mongkok		9-am/5-pm	10-am/10-pm
& Yaumati		9-am/5-pm	10-am/10-pm

案内

年間百万人を越す香港への旅行者のほとんどが九龍側の啓徳エアポートかオーシャンターミナルの埠頭に到着します。

チムサツイ地区は九龍半島の先端にあり　旅行者向の大多数のホテルや商店がここに集中しています。**セントラル地区**は香港島のダウンタウンでビジネス街と商店街になっておりスターフェリー桟橋より港を横切ってわずか十分のところです。良いホテルも沢山あります。"スージーウォンの世界"で有名なナイトライフを楽しめる**ワンチャイ**にも最近新しいホテルが次々にオープンしています。**コーズウェイベイ**には劇場や商店が集まっていて夜はチムサツイより遅くまでにぎやかです。九龍半島の**モンコック**及び**ヤウマティ**はコーズウェイベイと同じ様にこの土地の人々のショッピング街です。

地域名	特徴	オフィス	商店
チムサツイ	旅行者向商店街	9-am/5-pm	9:30am/9-pm
セントラル	商業街	9-am/5-pm	9-am/6-pm
ワンチャイ	ナイト・ライフ街	9-am/5-pm	10-am/9-pm
コーズウェイベイ	この土地のショッピング街及び劇場街	9-am/5-pm	10-am/10-pm
及モンコック		9-am/5-pm	10-am/10-pm
及ヤウマティ		9-am/5-pm	10-am/10-pm

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Probability	TOTAL of 2 dice	COME-OUT ROLL (initial toss of series)	POINT ROLLS (subsequent tosses)
1/36	2	Craps, Shooter Loses, but retains dice for another come-out roll	No significanc- Toss
1/18	3	Craps, Shooter, L but retain	
1/12			
5/			
1/6			
5/36			

SIK-PO (Chinese for "Dice Treasure") is similar to "Chuck-A-Luck" (formally popular in America) and the British "Crown & Anchor" game. Three dice are enclosed in a glass dome which has an opaque cover.

BET	LOSING RESULTS	WINNING RESULTS	PRIZE	HOUSE ADVANTAGE CALCULATION
Big	4 to 10 & Triplets	11 to 17	1:1	If you bet on both Big & break even
Small	11 to 17 & Triplets	4		

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Caliph Room 嘉樂宮 國賓酒店十七樓 **SUPPER CLUB**
16th fl., Ambassador Hotel Tel: 3-666321 Map: 37-P

イブの園 ナイトクラブ 九龍モーディ通り1A 地階
Garden of Eve 伊甸園 九龍麼地道一號地窖 **NIGHTCLUB**
1A Mody Rd., Basement, Kln. Tel: 3-662480 Map: 36-P

香港ヒスイセンター 宝石 カーナーボンロード20B
H. K. Jade Centre 香港珠寶 加拿芬道20號B **JEWELLERY**
20B Carnarvon Road, Kowloon Tel: 3-669463 Map: 33-P

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Isetan 伊勢丹 喜來商場 **DEPARTMENT STORE**
Sheraton Hotel Shopping Mall Tel: 3-690111 Map: 38-P

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Lane Crawford 連卡佛 彌敦道文遜大廈 **DEPT. STORE**
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Peninsula Hotel Branch, Kln. Tel: 3-666115 Map: 38-N

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横浜おかだや スポーツ用品 ミラマーホテル1階
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Howah 巧華 高士打道80至82號 **LAMPS**
80-82 Gloucester Rd., H. K. Tel: 5-726148 Map: 55-N

レーンクロフォード デパート デ. ボーロード C
Lane Crawford 連卡佛 皇后大道中 **DEPARTMENT STORE**
Queen's Rd., C., H.K. Tel: 5-266121 Map: 51-E

ラオ・ハイ・シンCO. 純毛取扱店 セントラルタクシンハウス201/6
Loa Hai Shing Co. 老合興行 **WOOLLEN MERCHANTS**
201-6 Tak Shing House, Central. Tel: 5-236167 Map: 51-F

ユウポチャイ 中国骨董 香港ハリウッドロード132—134
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A-O-A MAP SHEET

BRITISH CROWN COLONY
OF
HONG KONG

Compiled by Walter K. Hoffman, Managing Director of the Publisher: A-O-A Ltd., 10th floor, 174 Wai Yip Street, Kwun Tong, Hong Kong. Typesetting & Printing by A-O-A Offset Press Ltd. in Hong Kong. Telephone: 3-890352

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CHINA

PO ON PENINSULA

DEEP BAY

NEW TERRITORIES

KOWLOON

HONG KONG ISLAND

LANTAU ISLAND

MIRS BAY

1,000'/2,000' 300m/600m | over 2,000 feet over 600 meters | Urban Area | Routes of watertours

Actually: 1,000 feet = 304.8 meters or 100 meters = 328.084 feet

Railroad Track (Yellow Dot for RR Station)

Mountain Peak with height in feet (1'=.3048 meters)

Roads marked red are most traveled by tourists.

Black Dots are Mile Stone Markers at roadside

Foot Paths (also see A-O-A Urban Map Sheet)

Horizontal Grid Lines One Mile apart. Vertical Grid Lines One Kilometer apart.

ONE MILE

ONE KILO METER

SOUTH CHINA SEA

A-O-A MAP SHEET
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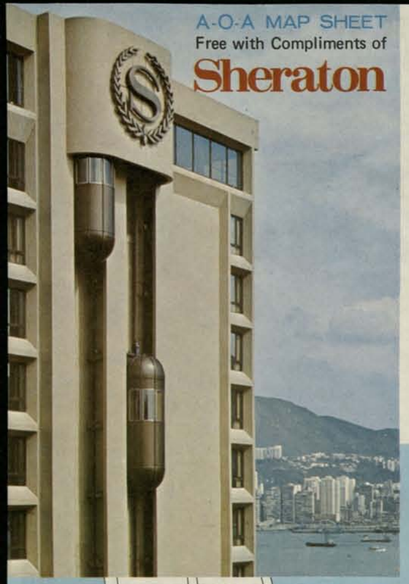

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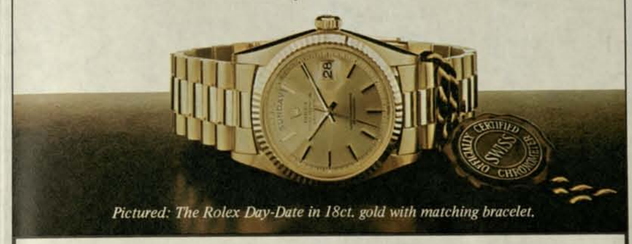
They stock a complete range of watches from the classic Day-Date and Datejust models for men and women to the beautiful Cellini Collection.

Use this map to locate an Authorised Rolex dealer near your hotel. Their names and addresses are listed below for your convenience. A complete list of Authorised dealers is available from Rolex Service Centre, 1407 Connaught Centre, Hong Kong. Telephone: 5-256156.

ROLEX
of Geneva



Pictured: The Rolex Day-Date in 18ct. gold with matching bracelet.

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Geneva Watch Co.
64B Nathan Road. Tel. 3-667536

Lane Crawford Ltd.
74 Nathan Road. Tel. 3-684123
& Peninsula Hotel Arcade Tel. 3-666115

Observatory Watch Co. Ltd.
51 Haiphong Road. Tel. 3-661734

Time Watch Co.
54 Nathan Road. Tel. 3-661714

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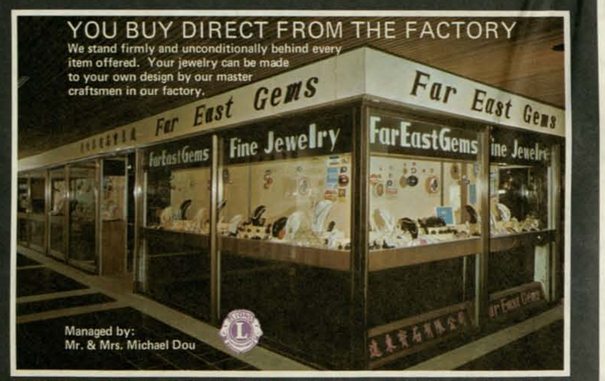

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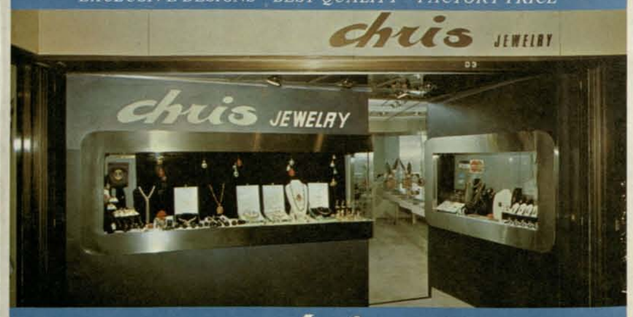

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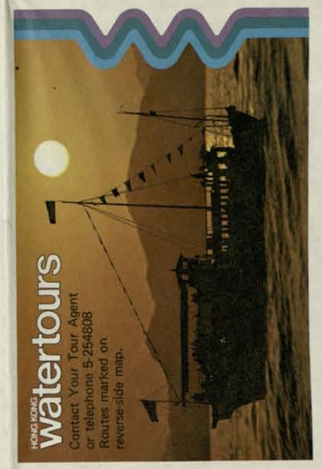

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14, Queen Victoria St., Hong Kong.
Tel: 5-245039 Map: 50-E

Shop 12, Excelsior Hotel Shopping Centre
Causeway Bay, Hong Kong. Map: 52-W
Telephone: 5-798519, 5-798672

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Tel:3-664320, 3-674703 Map:82-T

16-B Cameron Road, **Kowloon**
Tel:3-684849 Map:34-R

HOURS: 9-am/7-pm Monday to Saturday; 9-am/1-pm Sunday. TELEX: 84985-RRTAN

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Main Shop: U-27 Man Yee Building, Queen's Rd., **Central** Map: 50-E
HOURS: 9-am/6:30-pm Mon-Sat; closed Sunday.
Telephone: 5-220887, 5-222578

Branch: J. Hotung House, 9A Hankow Road, **Kowloon** Map: 37-N
HOURS: 9-am/7:45-pm Mon-Sat; 9-am/5-pm Sunday.
Telephone: 3-677209, 3-671955

C. Anderson

SINGAPORE USEFUL INFORMATION

IMMIGRATION

A current vaccination is required for small pox. Cholera is recommended. Prepare your arrival documents as if you are a tourist to Singapore rather than coming here to work. Visas are not required for a stay of less than two weeks and if your trip must be extended, we can apply for the visa in Singapore.

CUSTOMS

Singapore customs is probably the loosest in Asia. You may bring in one carton of cigarettes, one quart of liquor and a reasonable amount of perfume. There is a duty free shop in the airport where these items may be purchased prior to picking up your baggage.

HOTEL TRANSPORTATION

Taxis are readily available at the airport. There is also a shuttle bus service desk immediately behind the customs area. The only time when taxis become a problem is around 8.00 p.m. when there are a large number of planes arriving at the same time. Pay only the fares shown on the taxi's meter and do not agree to pay any fixed rates or additional charges.

WHAT TO WEAR

The climate in Singapore is hot and humid throughout the year. Daily temperatures range between a low of 72° to a high of 88°F. Clothing should be light weight and comfortable. Bring plenty of extra underwear as you may be taking several showers per day. Coats and ties are not a requirement in Singapore.

TIPPING

Most hotels and restaurants add a 10% service charge to the bill in which case tipping is not necessary. In other places, a tip of 10% of the bill is normal. For bell boys and extra service, the tip can range from 50 cts to Singapore $2/-. It is not necessary to tip taxi drivers.

DRINKING WATER

In Singapore the water is clean and safe to drink from the tap.

MONEY EXCHANGE

All banks and hotels provide money exchange service for most foreign currencies. The current exchange rate in Singapore is about S$2.45 equals US$1.

LANGUAGE

Everyone in Singapore understands and speaks English. You will have no problem in communicating in places you go.

IMPORTANT TELEPHONE NUMBERS

Fairchild: 531066

Hyatt Hotel: 375511

Hilton Hotel: 372233

Expatriates' doctors, Dr. Waddell of Drs. Bain and Partners: 375211

Bruce Stromstad (Home): 2358758

Bruce A. Stromstad

Bruce A. Stromstad

September 13, 1977

BAS:bh

FAIRCHILD
CAMERA AND INSTRUMENT
CORPORATION

INTERNAL CORRESPONDENCE

Keep in Far East facilities file

DATE: June 20, 1978

TO: General Distribution

FROM: N. Stone M/S: 20-2254 CC:

RE: Fairchild Coordination Companies -
Tax and Other Benefits

1. General

Fairchild Camera and Instrument Corporation ("FCIC") has established two wholly owned coordination companies incorporated in the United States, viz., Fairchild Europe and Fairchild Asia/Pacific. Fairchild Europe has opened a branch in London, England and Fairchild Asia/Pacific has opened a branch in Hong Kong. It is extremely important from general legal and tax points of view that the purpose of establishing these companies and their proper function in the corporate structure be understood by line and staff management. The purpose of this memorandum is to explore these matters.

Certain individuals in the corporation, for example, Paul Cusick for Europe and Ted Leno for the Asia/Pacific area have been assigned overseas to coordinate certain operations in the operating companies in their respective areas. We anticipate an increase in the number of regional specialists. Several alternatives of companies to assign these individuals to are available. We have recommended branches of U.S. affiliated corporations for several business reasons. This form of company is widely used by U.S. multinational corporations for coordinating functions. It is accepted in the countries in which we contemplate opening branches and receives favorable tax treatment. Further, it facilitates an accumulation and allocation of costs incurred for the coordination activity and billings to the operating companies under service fee agreements. Billings from companies of this nature are generally considered more acceptable in the recipient country than billings from the parent company or another operating company. Significant tax advantages can also result from using this structure and not FCIC or one of the Fairchild operating companies.

In the event that the coordination company to which these individuals are assigned is deemed to have a permanent establishment in other country, the tax consequences will be minimal. These coordination companies will not buy and sell product but will merely allocate their costs for billing with a small uplift to the operating companies they serve. The tax consequences are minor because the coordination companies will have low profits and own no shares in our foreign affiliates. In the event that the companies are deemed to be doing

business in other countries, they will have no assets to attach for purpose of law suits generally. Therefore, FCIC and its operating foreign affiliates are protected from legal and tax exposure outside the countries of their incorporation.

II. Method of Operating

In order to avoid the inference that FCIC is using a coordination company as an agent for the purpose of conducting its business and in order that the coordinating company is not deemed to be using individuals in the operating companies as agents of that company, it is important that the individuals assigned to these companies be "coordinated functionally" by U.S. management and not "managed" or "directed" by U.S. management. U.S. management should recommend, coordinate, advise, assist, and provide guidelines to the persons being coordinated in these companies. In turn, the persons assigned to these companies should recommend, coordinate, advise, assist, and provide guidelines for the persons they are coordinating in the Fairchild overseas operating companies.

The individuals assigned to the coordination companies are employees of those companies and should report to their management. Equally true, the individuals coordinated in the operating companies are employees of those companies for which they work and should report to their management. If these individuals were controlled, directed, supervised, and managed by an individual in another company be it FCIC or the coordination company, they would be deemed to be agents of that other company. This agency through which business is transacted constitutes doing business in the particular countries by the company so managing and under the tax treaties which the U.S. has with many countries in the world constitutes a permanent establishment.

The results of having a permanent establishment in a foreign country can be very serious. First, FCIC would be required to file income tax returns in these countries and pay tax on an allocated portion of their profits. Second, in the event that a Fairchild operating company exists in the country where FCIC has a permanent establishment, dividends paid by that operating company to FCIC would normally be subject to higher local statutory tax rates and not eligible for the reductions or exemptions under the treaties. The same would be true of royalties paid by outside third parties. This becomes increasingly important as FCIC expands its licensing programs world wide.

III. Organization

In order to launch the coordinating companies properly, it is important that the Statements of Functions of the individuals assigned to these companies be carefully drafted to reflect their coordinating roles. Also, it is important that correspondence with the operating companies' employees including letters, cables, and telephonic communications be recommendations rather than directions. Although we can give no absolute assurance that this will protect FCIC and the coordinating companies from having

permanent establishments in other countries, most civilized nations honor this form of organization and correspondence. Important too, with regard to the U.K. branch of Fairchild Europe, is that regular board of directors meetings be held outside of the U.K. to make its major business decisions, in order to establish that it is managed and controlled outside the U.K. Among other things, substantial reductions in U.K. taxes on the individuals and reduction of FCIC tax reimbursement costs are effected thereby.

It is important that organization announcements follow generally the philosophy of this memorandum and that regarding persons assigned to any overseas company, the managing director or plant manager of that company appoint the individual to his job in that company to establish that the individual works for that company and is not an agent of FCIC. There is no problem if FCIC announces the appointment either in advance or simultaneously with the local organization announcement. Organization announcements regarding individuals assigned to coordination companies should reflect the coordination fuctions. We should have an opportunity to review organization announcements, in advance of their release, as well as the Statements of Functions, to ensure compliance with the above.

IV. Conclusion

Following the above guidelines is extremely important to the corporation to avoid substantial legal and tax problems in the future. As the Corporation grows in size and complexity, it becomes more important that the above guidelines be understood and followed by both line and staff management. We believe compliance with the above will not substantially interfere with the smooth operations of the Company and its affiliates.

Nelson Stone

NS/bq-29-31

Lyn Christenson
20 - 2260

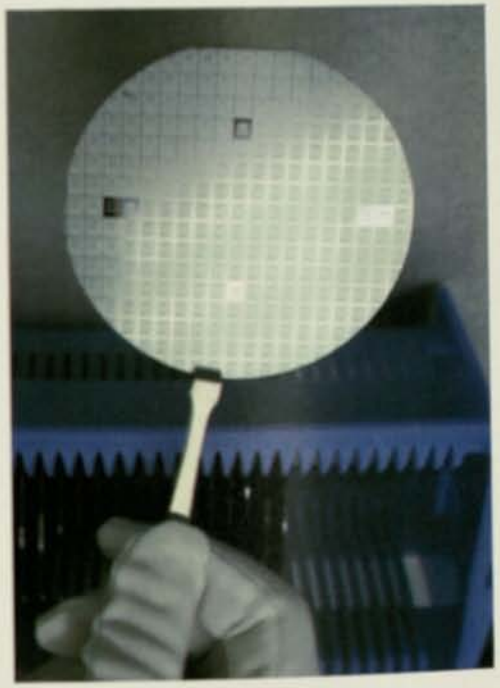
facilities
Jakarta

P.T. FAIRCHILD

JAKARTA

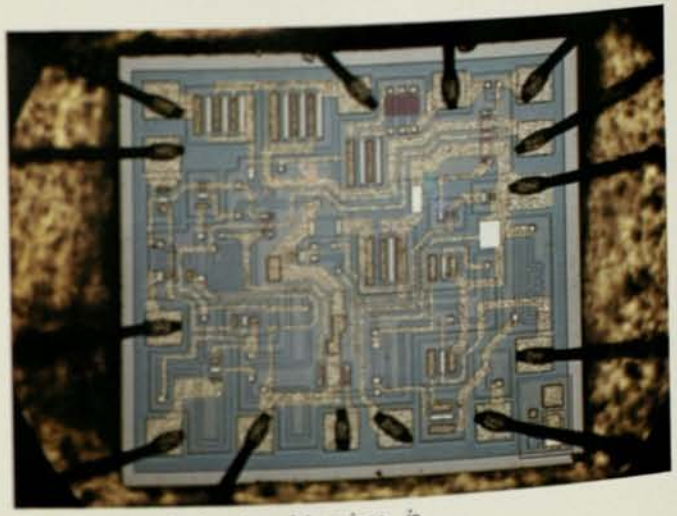
The Cray I computer contains 315,000 Fairchild semiconductors

Mesin computer Cray I berisi 315.000 semiconductor Fairchild



A typical linear wafer contains 230 individual circuits

Jenis linear wafer yang khusus berisi 230 circuit



An individual circuit with wires, is the size of a pin head

Suatu circuit dengan kawat-kawat adalah sebesar kepala jarum

The World of Fairchild

Fairchild Camera and Instrument Corporation is a diversified international company which ranks as the world's third largest supplier of semiconductor devices. The company's products are used extensively in computer, aerospace, communications, automotive and industrial markets, and by makers of consumer electronic products.

Regarded as an innovator and leader in semiconductor technology, Fairchild manufactures a wide variety of state of the art integrated circuits, and memory devices. Also produced are microprocessors (a single chip with minicomputer power), semiconductor test systems and digital watches, clocks and programmable home television games. Aerial reconnaissance and surveillance systems and CCD (charge-coupled device) television cameras are marketed to military and government agencies, and audio visual equipment is sold to industrial and educational institutions.

Fairchild is headquartered in Mountain View, California, U.S.A., and has 30 plants in four states and eight foreign nations. A worldwide sales, service and distribution network completes the picture, selling to such customers as NV Philips, Nippon Electric and International Business Machines.

The company was founded in 1920 by the late Sherman Mills Fairchild and was primarily a supplier of aerial cameras and aviation equipment. The semiconductor division began in the late 1950s and by 1959 Fairchild became a leader in the industry with the introduction of the Planar process of manufacturing components from semiconductor material. Today, Planar technology is still regarded as one of the most significant technological achievements in the history of man.

With this industry growing in importance in today's modern world – as evidenced by the many industrial, technical and consumer products utilizing these devices – Fairchild plans continued solid growth. The industry as a whole has increased from $2.8 billion (U.S. dollars) in 1973 (U.S. based firms) to $3.8 billion (U.S. dollars) in 1977, with stable growth assured.

P.T. Fairchild is a part of this growth, providing jobs, capital, community investment and other resources to Indonesia.

Dunia Fairchild

Fairchild Camera and Instrument Corporation adalah suatu perusahaan internasional, nomor tiga terbesar di dunia dalam produksi-produksi semiconductor. Produksi perusahaan ini digunakan untuk computer, alat-alat antariksa, perhubungan, automotive dan peralatan listrik untuk rumah tangga.

Sebagai penemu dan pemimpin dalam teknik semiconductor, Fairchild membuat bermacam-macam jenis integrated circuit dan komponen memory. Selain itu juga dibuat microprocessor (sebuah komponen integrated circuit yang mempunyai kemampuan dari mini computer), semiconductor test system, jam-jam digital, jam dinding dan permainan-permainan yang dapat dimainkan secara perorangan di layar televisi. Kamera-kamera televisi untuk pengintaian dari udara, sistim pengawasan dan kamera televisi CCD (charge-coupled device) dipasarkan untuk militer dan kantor-kantor pemerintah sedangkan alat-alat audio visual kepada lembaga-lembaga industri dan pendidikan.

Kantor Pusat Fairchild terletak di Mountain View, California, Amerika Serikat, dengan 30 pabrik di empat negara bagian dan delapan negara lain. Fairchild memiliki jaringan penjualan, servis dan distribusi di seluruh dunia, dengan langganan-langganan seperti : N.V. Philips, Nippon Electric dan International Business Machines.

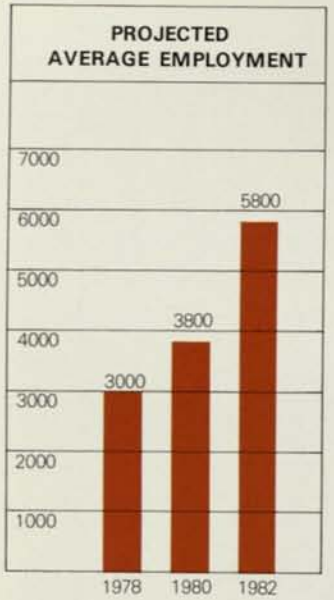
Perusahaan ini didirikan pada tahun 1920 oleh Sherman Mills Fairchild almarhum, dan pada saat itu merupakan supplier utama dari kamera udara dan alat-alat penerbangan (aviation). Divisi semiconductor dimulai pada akhir tahun 1950 dan pada tahun 1959 Fairchild telah menjadi pemimpin dalam industri ini dengan memperkenalkan Planar, suatu metoda untuk membuat komponen-komponen dari bahan semiconductor. Pada saat ini teknologi Planar masih tetap dianggap sebagai salah satu kemajuan yang penting dalam sejarah manusia.

Dengan berkembangnya industri ini dalam dunia modern saat ini, – sebagai mana terbukti oleh bertambah banyaknya produksi industri, teknik dan alat-alat rumah tangga yang menggunakan alat-alat semiconductor – Fairchild merencanakan suatu pertumbuhan yang kuat. Industri ini secara keseluruhan telah berkembang dari 2.8 milyard dollar Amerika pada tahun 1973 (dari perusahaan-perusahaan yang berpusat di Amerika Serikat, menjadi 3.8 milyard dollar pada tahun 1977, dengan jaminan pertumbuhan yang stabil.

P.T. Fairchild adalah bagian dari pertumbuhan ini dengan memberikan pekerjaan, modal dan sumber-sumber lain bagi Indonesia.

Operators at work.

Karyawan-karyawan sedang bekerja



An operator inspects for quality

Seorang karyawan meneliti mutu

Wire bonding procedure.

Prosedur pengkaitan kawat

P.T. Fairchild

Located in Jakarta, P.T. Fairchild is a semiconductor manufacturer which has been a subsidiary of Fairchild in Indonesia since 1974. The company packages plastic and ceramic digital, linear and CMOS (complementary metal-oxide semiconductor) logic devices. These devices are sent to Singapore and Hong Kong for testing, marking and distribution to customers around the world.

The plant currently employs more than 3,000 workers, the majority being women. Highly trained supervisors, managers and engineers are offered very attractive salaries, and daily worker wages are also high – a commitment by P.T. Fairchild to be an industry leader.

All direct supervision is performed by Indonesians with a management staff of 135 and support staff of 233. A relatively small group of expatriates, together with local nationals, direct operations. P.T. Fairchild's training activities will make it possible for local management to replace most expatriates in the future. By that time, pending government approval, Indonesian employment figures would rise to 5,800, with local management staff increasing in direct relation to total employment.

P.T. Fairchild represents an $8 million (U.S. dollars) capital investment in Indonesia's economy and generates more than one half million U.S. dollars for the local economy monthly by purchasing goods and services. The company is currently shipping over 200 million units per year and is continually growing. This sales volume results in more than $25 million (U.S. dollars), or Rp. 10.4 billion, in exports per year.

The semiconductor manufacturing environment provides a clean, well-lit and air-conditioned work place. The 13.330 square meter facility houses three production shifts, 24 hours a day.

Product from Fairchild manufacturing facilities in the U.S. comes to Jakarta in the form of silicon wafers. Each one contains up to 4,000 semiconductor chips, all slightly larger in size than a pinhead. The chips are cut and separated, and attached to metal frames, or headers. Gold wire, finer than a strand of hair, is bonded to each circuit in the chip to connect the electrical lines, and the unit is then packaged in plastic or ceramic material for chip protection.

When P.T. Fairchild opened its doors in 1974, only one product line and package type were produced. Now, the company processes four product lines and nine package types, with plans to expand capacity by 1982.

P.T. Fairchild

Berkedudukan di Jakarta, P.T. Fairchild adalah pembuat komponen semiconductor yang merupakan bagian dari Fairchild di Indonesia sejak tahun 1974. Perusahaan ini merakit komponen digital logic dalam plastik dan keramik, linear dan CMOS (Complementary Metaloxide Semiconductor). Alat-alat ini dikirim ke Singapura dan Hongkong untuk ditest, dicap dan didistribusikan keseluruh dunia.

Perusahaan ini kini mempekerjakan lebih dari 3000 tenaga kerja, kebanyakan adalah wanita. Supervisor, manager-manager dan akhli-akhli teknik yang sudah terlatih dengan baik, mendapat penawaran gaji yang sangat menarik; selain itu pekerja harianpun mendapat gaji yang tinggi – suatu iktikad dari P.T. Fairchild untuk menjadi industri semiconductor yang terkemuka.

Seluruh pengawasan langsung dilakukan oleh orang-orang Indonesia dengan staf management yang terdiri dari 135 orang dan staf penunjang sebanyak 233 orang. Suatu kelompok tenaga akhli asing, yang relatif kecil, bekerjasama dengan tenaga lokal mengatur kegiatan. Kegiatan-kegiatan latihan dari P.T. Fairchild akan memungkinkan tenaga-tenaga lokal untuk menggantikan tenaga-tenaga asing dalam management pada masa mendatang. Pada saat itu, sementara menunggu persetujuan pemerintah, tenaga kerja Indonesia akan bertambah menjadi 5800 orang, dengan staf management bangsa Indonesia yang akan ditambah sesuai dengan perkembangan jumlah total tenaga kerja.

P.T. Fairchild mewakili 8 juta dollar Amerika penanaman modal dalam perekonomian Indonesia dan mengeluarkan lebih dari setengah juta dollar per bulan untuk membeli perlengkapan dan membayar jasa di Indonesia. Pada saat ini perusahaan mengirimkan lebih dari 200 juta unit per tahun dan jumlah ini bertambah terus. Total penjualan ini diperkirakan menghasilkan lebih dari 25 juta dollar atau 10.4 milyard rupiah nilai ekspor per tahun.

Lingkungan kerja pembuatan semiconductor memberikan suatu tempat kerja yang bersih, penerangan yang baik dan juga penggunaan AC untuk menyejukkan ruangan kerja. Pabrik seluas 13,330 meter persegi ini dilayani oleh 3 kelompok pekerja, yang memungkinkan pabrik bekerja selama 24 jam sehari.

Bentuk produk dari pabrik-pabrik Fairchild di Amerika Serikat yang dikirim ke Indonesia adalah wafer silikon. Setiap wafer memiliki sampai 4000 chips semiconductor, semuanya hanya sedikit lebih besar dari kepala jarum. Wafer ini dipotong dan chips dipisahkan, lalu ditempelkan kebingkai-bingkai metal atau headers. Kawat emas, lebih halus dari sehelai rambut, dikaitkan pada setiap circuit dalam chips itu untuk menghubungkan arus listrik, dan kemudian unit itu dicetak dengan bahan plastik atau keramik sebagai pelindung.

Ketika P.T. Fairchild dibuka pada tahun 1974, hanya ada 1 jenis produk dan 1 macam komponen yang dibuat. Sekarang, perusahaan ini memproses 4 jenis produk dan 9 macam komponen, dan ada rencana untuk memperluas kapasitas pada tahun 1982.

Free bus transportation is provided for the night shift.

Pengangkutan cuma-cuma disediakan bagi kelompok pekerja malam

A balanced meal is served everyday to employees.

Setiap hari karyawan mendapat makanan yang bergizi tinggi

Medical services are provided for all employees.

Perawatan kesehatan disediakan bagi semua karyawan

It's More Than Just a Job

Employees at P.T. Fairchild are given more than just a job. The company also provides a wide variety of benefits to protect their health and welfare.

Each worker on every shift is given a balanced meal of soup, meat, rice, fruit and bread, served in a large air-conditioned cafeteria.

A medical staff of two doctors and four nurses is available at all times, providing each employee with free medical care, and supervising preventive medicine and safety programs.

The night shift (from 10 p.m. until 6 a.m.) is provided with free bus transportation to and from the plant, and security guards are on duty 24 hours a day as an added safety measure.

Other benefits include :

Paid vacations
Paid holidays
Lebaran bonus
Sick leave
Marriage leave
Compassionate leave
Maternity leave
Menstrual leave
Tuition aid
Recreational council
Company sponsored classes
Service benefits

Overtime is paid when required, along with attendance rewards and bonuses for a job well done.

Lebih Dari Sekedar Mempunyai Pekerjaan

Pegawai-pegawai pada P.T. Fairchild diberikan lebih dari hanya sekedar pekerjaan. Perusahaan juga memberikan suatu keuntungan besar dalam melindungi kesehatan dan kesejahteraan mereka.

Setiap pekerja pada tiap kelompok mendapat imbalan berupa makanan seperti sup, daging, nasi, buah-buahan dan roti yang disediakan di dalam sebuah cafetaria yang sejuk.

Staf bagian kesehatan yang terdiri dari dua dokter dan empat perawat, selalu siap setiap waktu untuk memberikan perawatan kesehatan dengan cuma-cuma dan melakukan tindakan pencegahan dalam program kesehatan.

Kelompok kerja (shift) malam (yang dimulai pada jam 10.00 malam sampai jam 06.00 pagi) mendapatkan pengangkutan secara cuma-cuma dari dan menuju pabrik, dan petugas-petugas keamanan bekerja selama 24 jam penuh sehari untuk menjaga keselamatan pekerja.

Keuntungan-keuntungan lain adalah :

Cuti yang dibayar
Hari-hari libur yang dibayar
Bonus lebaran
Cuti sakit
Cuti kawin
Cuti kedukaan
Cuti hamil
Cuti bulanan
Beasiswa
Rekreasi
Tugas belajar
Keuntungan servis

Lembur dibayar bila diperlukan, bersamaan dengan bonus-bonus perangsang untuk kehadiran dan hasil kerja yang memuaskan.

An engineer trains an operator.

Seorang akhli teknik sedang melatih seorang pekerja

A machinist utilizes his skills.

Seorang montir mendayagunakan keakhliannya

Trainees learn about production processes in the Training Center.

Pekerja-pekerja yang sedang dilatih diajari proses produksi di Pusat Latihan

Education and Training Benefits

A critical aspect of the smooth performance of any company is the assurance that employees are well trained and educated to handle their job. P.T. Fairchild provides many educational opportunities through on-the-job training and educational assistance.

The engineer plays a vital role in a semiconductor facility, and P.T. Fairchild hires many Indonesian engineers to handle process, assembly and quality assurance functions. Choosing the best from the many talented local college graduates, the company is staffed with top quality male and female engineers. Many are sent to the United States or Singapore for further training at Fairchild facilities, providing an unparalleled educational experience.

A modern training center provides the setting for most of the educational needs of P.T. Fairchild. New employees are oriented to the company and learn needed skills in handling microscopes bonders and scribers. Top management is offered classes taught by the expatriates or knowledgeable Indonesians in a broad range of subjects from electronics to business.

In addition to semiconductor manufacturing skills, P.T. Fairchild provides opportunities for people trained in administration and management skills such as finance, production control, inventory management and personnel and industrial relations. With the added benefit of tuition assistance for the top Indonesian staff, the goal of the company is to train local nationals to replace the expatriates.

Opportunities are made for mechanical workers too. Expert machinists service and build replacement parts for assembly and plant equipment, and mechanics keep in top performance the diesel engines that generate electricity for the facility. The smooth operation of the plant is ensured by facilities personnel who learn to maintain a highly productive factory.

Keuntungan dari Pendidikan dan Latihan

Suatu aspek yang menentukan untuk menjamin kelancaran dari suatu perusahaan adalah pegawai-pegawai yang terdidik dan terlatih baik untuk melakukan pekerjaannya. Dalam hal ini, P.T. Fairchild memberikan berbagai kesempatan pendidikan melalui latihan pekerjaan (job training) dan bantuan pendidikan.

Akhli teknik memegang peranan penting dalam suatu pabrik semiconductor, dan P.T. Fairchild menggaji banyak akhli teknik Indonesia untuk menangani bagian-bagian prosessing, perakitan dan juga pemeriksaan kwalitas. Dengan memilih yang terbaik dari banyak lulusan perguruan tinggi di Indonesia, perusahaan ini kini memiliki staf akhli yang terbaik, terdiri dari laki-laki dan wanita. Banyak sudah yang dikirim ke Amerika Serikat atau Singapura untuk latihan lanjutan di pabrik-pabrik Fairchild, memberikan suatu pengalaman pendidikan yang tak tersaingi.

Suatu pusat latihan modern menghasilkan tenaga-tenaga yang diperlukan, dan memenuhi kebutuhan-kebutuhan pendidikan dari P.T. Fairchild. Pegawai baru diorientasikan dan diajari keakhlian yang dibutuhkan untuk menangani mikroskop, bonders dan scribers. Top management diberikan kesempatan untuk mengikuti kursus-kursus yang dipimpin oleh tenaga asing atau orang Indonesia yang berpengetahuan tinggi, meliputi bidang yang luas, mulai dari elektronik sampai dengan pengetahuan management modern.

Sebagai tambahan, P.T. Fairchild memberikan kesempatan kepada pegawai-pegawai dalam bidang administrasi dan management seperti : keuangan, perencanaan produksi, management logistik, personalia dan hubungan industri. Dengan tambahan keuntungan yang diperoleh dari bantuan beasiswa untuk staf akhli bangsa Indonesia, tujuan dari perusahaan adalah untuk mendidik/melatih tenaga bangsa Indonesia agar dapat mengambil alih jabatan-jabatan yang selama ini dipegang oleh tenaga asing.

Kesempatan ini diberikan juga kepada tenaga-tenaga mekanis. Akhli-akhli yang berpengalaman merawat dan membuat pengganti untuk bagian-bagian yang rusak dari sistim perakitan dan peralatan pabrik sementara mekanik-mekanik menjaga agar diesel yang memberikan tenaga listrik untuk pabrik tetap berjalan dengan baik. Kelancaran-kelancaran dari kegiatan pabrik dijamin oleh bagian perawatan, yang mengawasi agar pabrik tetap mempunyai taraf kegiatan yang tinggi.

The Quality Assurance Senior Manager checks an employee's work

Seorang Senior Manager memeriksa pekerjaan seorang pekerja

Employees spending their money on tea break

Karyawan-karyawan membelanjakan uang mereka pada waktu istirahat

P.T. Fairchild Purchasing Officer discusses business with a local vendor

Petugas Perbelanjaan P.T. Fairchild sedang berbicara dengan seorang pedagang setempat.

The Rewards

Since 1974, P.T. Fairchild has been very pleased with its operations in Indonesia. The past years have been successful and the future holds growth and continued success. The rewards of this business pursuit have been many – for P.T. Fairchild, Indonesia and her people.

The appearance of P.T. Fairchild's large, labor intensive venture adds to the growth of Indonesia. The company provides jobs for all levels of workers – from management to unskilled labor. It also provides local opportunities in electronics for college educated Indonesians.

The input of capital is also important to the Indonesian economy. Millions of U.S. dollars are spent annually in salaries, investments and benefits to employees. Local businesses are patronized for goods and services needed in day to day operations, and even roadside penjuals profit. Workers from the plant often purchase goods from many shops and penjuals with their new-found extra spending money.

P.T. Fairchild's Indonesian employees not only gain jobs, but receive other benefits too. P.T. Fairchild provides high quality medical service, educational opportunities and job security during pregnancies and unavoidable absences from work.

P.T. Fairchild gains by having a good, solid business that shows all signs of growth. With continued success, it is hoped the mutually beneficial relationship between P.T. Fairchild and Indonesia – as partners in progress – will last a long time.

Imbalan

Sejak tahun 1974, P.T. Fairchild sangat gembira dengan kegiatannya di Indonesia. Tahun-tahun lampau merupakan suatu sukses dan tahun-tahun mendatang akan merupakan suatu kelangsungan pertumbuhan sukses. Banyak keuntungan dari usaha pabrik ini, baik untuk P.T. Fairchild maupun untuk Indonesia dan rakyatnya.

Penampilan dari usaha yang besar dan intensif daripada P.T. Fairchild ini menambahkan pertumbuhan dalam perkembangan Indonesia. Perusahaan memberikan pekerjaan kepada segala lapisan pekerja mulai dari management sampai kepada pekerja yang bukan akhli. Perusahaan juga memberikan kesempatan-kesempatan dalam bidang elektronik untuk pemuda-pemuda Indonesia yang berpendidikan akademis.

Hasil pemasukan modal juga merupakan faktor penting bagi perekonomian Indonesia. Setiap tahunnya jutaan dollar Amerika dikeluarkan untuk pembayaran gaji, penanaman modal dan keuntungan-keuntungan lain bagi pekerja. Perdagangan-perdagangan lokal berlangsung untuk barang-barang dan servis yang diperlukan dari kegiatan sehari-hari dan bahkan juga memberikan keuntungan kepada penjual kakilima. Pekerja di pabrik seringkali membeli barang-barang dari toko-toko atau penjual-penjual kakilima tersebut dengan uang belanja ekstra mereka.

Pegawai-pegawai Indonesia pada P.T. Fairchild tidak hanya beruntung dengan mendapat pekerjaan saja, tetapi juga menerima keuntungan-keuntungan lain. P.T. Fairchild memberikan pelayanan kesehatan yang baik, kesempatan belajar, dan rasa kerja yang aman selama masa hamil atau ketidakhadiran yang tidak dapat dihindarkan.

P.T. Fairchild beruntung karena berusaha di bidang yang berkembang terus dengan majunya teknologi. Dengan sukses yang terus berlangsung, diharapkan adanya keuntungan kerjasama yang baik antara P.T. Fairchild dan Indonesia – sebagai partner dalam pembangunan – akan terus berlangsung.

P.T. FAIRCHILD

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香港半導體製造廠

快捷攝影器材公司，快捷半導體組編於一九六六年

SEMICONDUCTOR LTD.

香港半導體有限公司

Its History...

March 9, 1966, marked the official opening of one of the most impressive semiconductor factories in the world: Semiconductor, Ltd. in Hong Kong. The modern eleven-story facility is located on Hoi Bun Road, overlooking the waterfront in Kwun Tong.

Since its inception in 1962 (when the Semiconductor division of Fairchild Camera & Instrument Corporation first decided to expand its international operations), Semiconductor, Ltd. has undergone phenomenal growth, by far exceeding the original expectations of management.

According to John Carter, Chief Executive Officer of Fairchild Camera, it was "the industrial climate and great integrity of the people here" that caused the company to choose Hong Kong as its access to Far Eastern markets and customers.

Fairchild's manufacture of sophisticated products has opened an entirely new field of endeavor for the industrious people of Hong Kong. With Semiconductor, Ltd. have come modern outlooks and exemplary working conditions, characteristic of the Electronics industry in advanced countries throughout the world.

Yet, it has been the inherent abilities of the working force here which have contributed most to the success of the Hong Kong operation. The quality of available labor has enabled the plant to expand its product line from manufacture of a single type epoxy transistor to a wide variety of products within several families of silicon semiconductor devices.

Fairchild Semiconductor, a division of Fairchild Camera & Instrument Corporation, takes great pride in its Hong Kong factory, as represented in these pages. Providing a vital link to worldwide operations of the company, Semiconductor, Ltd. is a tremendous asset to Fairchild . . . and its personnel, a credit to Hong Kong.

其發展史

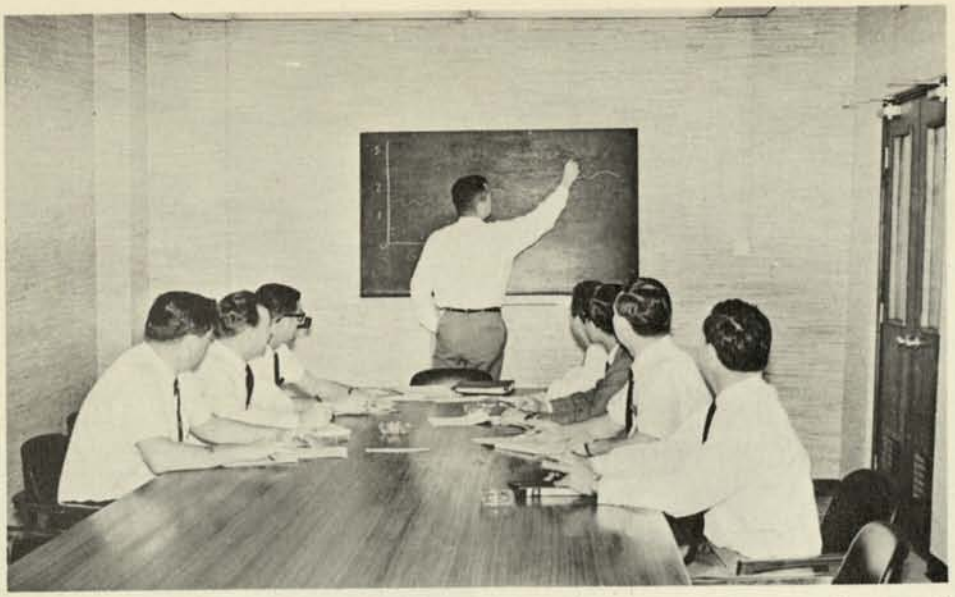
一九六六年三月九日之開幕典禮，標誌着世界上最大原子粒廠之一；香港半導體製造廠之誕生。新廠樓高十一層，矗立於海濱路，俯瞰整個官塘海傍。

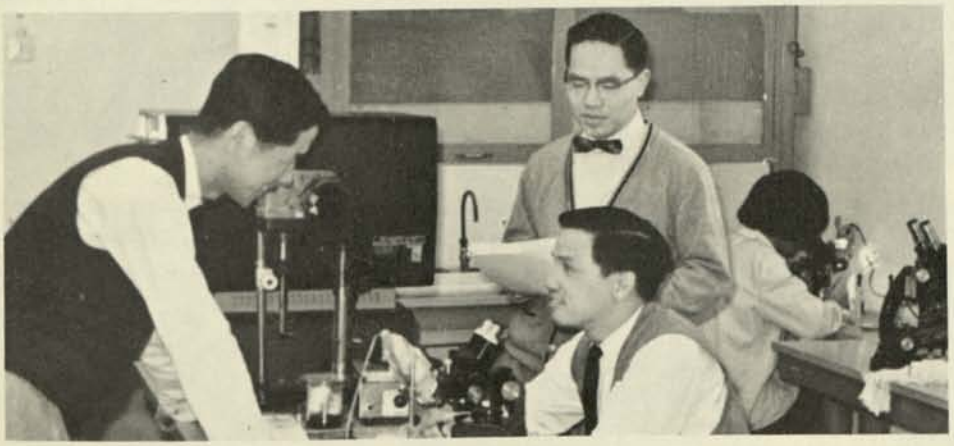
自一九六二年創辦以來（當快捷攝影器材公司之半導體組首次決定發展其國際性作業）該廠業務蒸蒸日上，其擴展趨勢及速度遠超乎總廠當局之原訂計劃外。誠如快捷公司總裁卡達先生說，正因爲香港俱備優越工業經營環境及充沛人才致使總公司選擇香港作開闢及擴充遠東市場之地點。

快捷之精細產品給本港工業界帶來一個全新面目，香港半導體製造廠現已具有新式廠房，良好工作環境及世界先進國家電子工業之特色。

香港人傳統性之勤勞作風爲本廠成功之最大因素廠方得以由生產單種滴膠原子粒發展至生產多種矽類半導體產品乃有賴於該等優秀勞工努力結果。

快捷攝影器材公司之快捷半導體組如以香港分廠之成就而感到自豪，因爲正性作本刊所遠及香港之生產已担當其世界性業之樞紐而成爲快捷公司之得力助手。





Its Management

Semiconductor, Ltd. draws from the vast resources of available Engineering graduates in Hong Kong for its second-level supervisory positions. Top management, such as plant manager Ed Pausa and a few others, share their years of experience and training in U. S. facilities to guide this young staff in the operations of Fairchild.

In an atmosphere of efficiency, supervisory personnel have ample opportunity to further their education in advanced technology through on-the-job discussion and performance analysis—the results of which have made the facility the fastest growing in the Fairchild complex.

In addition, they accept the challenge of working in a progressive company which has become the backbone of Fairchild's consumer business. For example, Semiconductor, Ltd.'s own team of Applications Engineers performed considerable research on the redesign of silicon circuits to replace germanium devices formerly utilized in transistor radios manufactured in Hong Kong. By 1966, many of these transistor radios made locally contained Semiconductor, Ltd. products.

其行政管理

香港半導體製造廠努力於造就人材，其中層管理員職位多從當地工科畢業生中選拔充任，高層主腦人如蒲詩雅總經理及其他主管人，不斷地以其積年之豐富經驗及從美國受訓中所獲得的技術悉心指導屬下，從事快捷機構之作業。

該廠在一種講究效率氣氛中，管理員經常獲得各種機會從工作之探討及進修以得到更高深之技術，該種技術之進展乃爲促進快捷機構發展之動力。

鑑於該廠已成爲總公司業務上主要骨幹並俱備巨大發展潛力，因此僱員們都能安於職守，積極工作，例如本廠之綫路設計工程師經不斷研究以矽電路代替香港原子粒收音機製造一向沿用之鍺電路後，由一九六六年起很多本地裝製之原子粒收音機中已裝有該廠之產品。

Its Production...

Semiconductor, Ltd. makes transistors and diodes that are used chiefly in consumer products, such as transistor radios, high fidelity equipment and even electric mixers. Most recently, the factory also has been providing a substantial number of units for industrial applications, as well as integrated circuits for computer customers.

These tiny electronic devices have revolutionized the world in less than a decade. They are far more reliable than tubes, which — in many cases — they have replaced. Moreover, they will perform tasks that were impossible with tubes or other components.

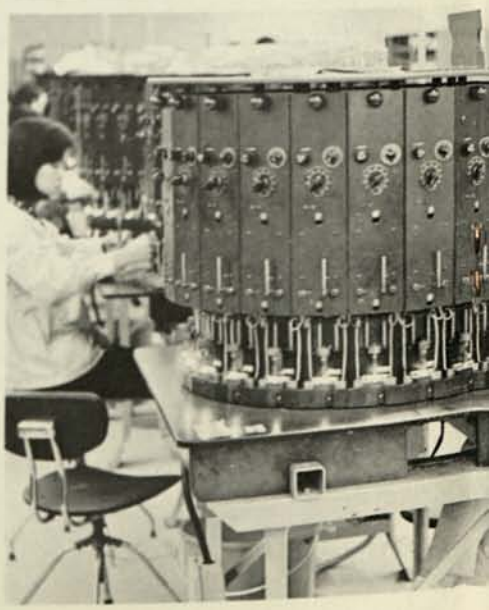
One of the most readily recognizable differences for everyone is the instant response of a transistorized radio—no warm-up time required for tubes and instant fidelity. Average useful life of a Fairchild transistor: Infinity!

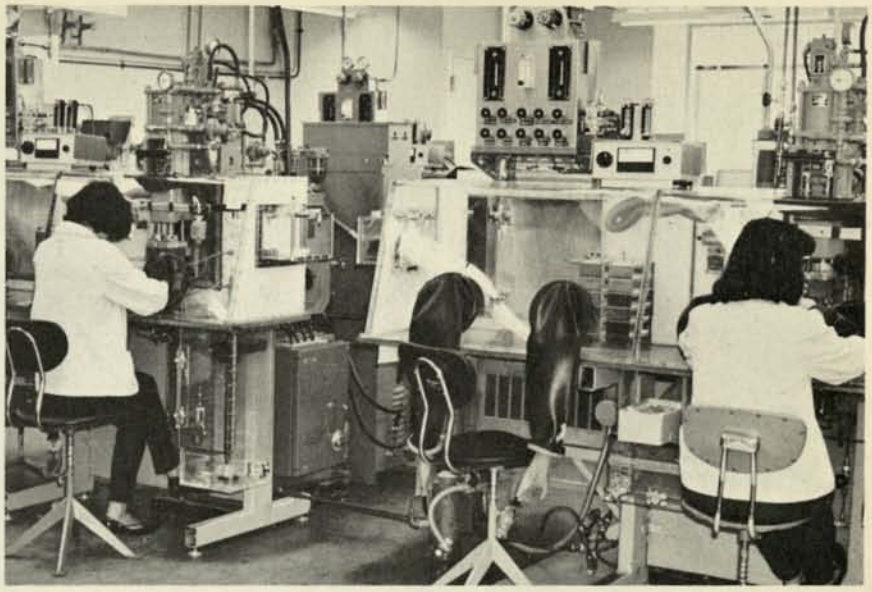
Yet — undoubtedly, the company's reputation for device performance and reliability depends heavily upon the skilled, precision work of local production employees in assembling semiconductor devices.

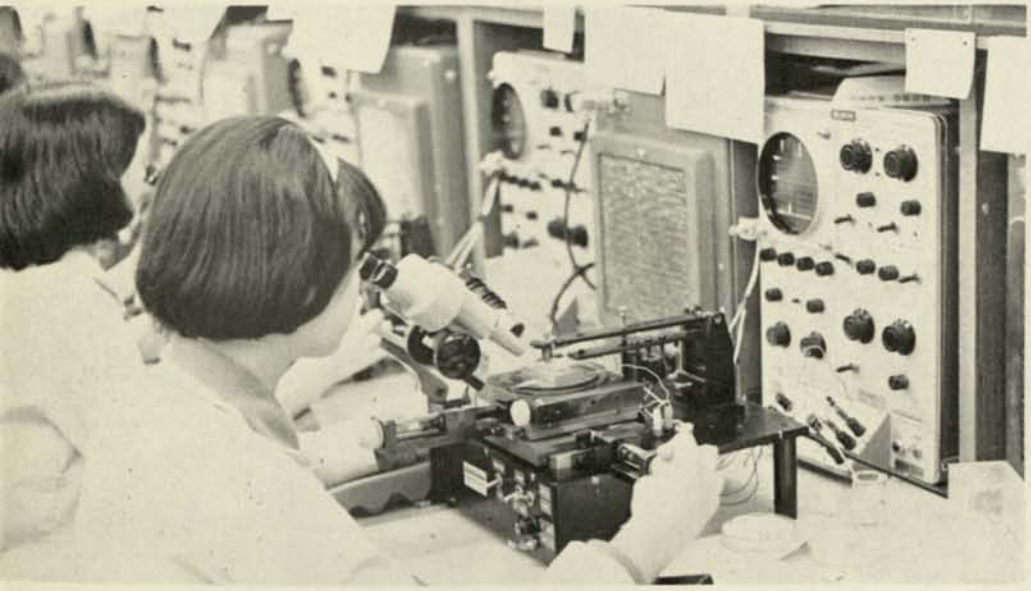
More than 3,500 women work three shifts around the clock to dice, plate, sort, assemble, test, mark, pack and ship over 20 million units each month — a productivity rate per capita which rivals any other in the world!

Although electronics was a new industry to Hong Kong, these assemblers know their work. Each of them has undergone intensive training before going into full-scale production.

Their contributions have enabled Semiconductor, Ltd. to supply most of the requirements of Fairchild's consumer customers, a substantial portion of units for industrial customers and many metal can and epoxy devices for the computer market. All told, the plant services 12 countries abroad, in addition to Hong Kong's demands.







其生產情況

香港半導體製造廠製出之半導體原子粒及二極管，多用於裝製原子粒收音機，高度原音裝置，甚至電動攪拌器，最近該廠又供應大量產品於市場作工業用途及製造計算機集體線路之用。

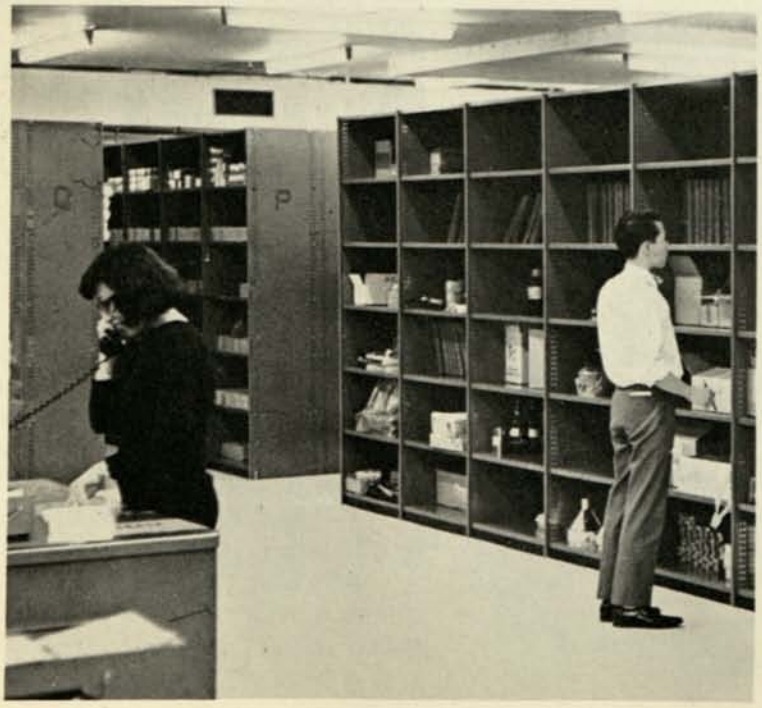
此種精細之電子製品在不滿十年光境內經已革新整個世界，其性能遠比眞空管可靠耐用，不但已廣泛替代眞空管之地位並且其超越性能遠非其他電子產品所及。

半導體原子粒與眞空管收音機最明顯之區別在於其反應迅速，不需等待發熱，而快捷之原子粒又經久耐用。

當然，保障公司產品質量可靠及信用超卓則有賴於當地生產員工之熟練技巧和精確裝配工作。

超過三千五百名女工每天廿四小時分三班不斷生產，其操作計有微粒檢驗，排列，與選擇；產品裝嵌，試驗，分類與包裝。每月寄運超過二千萬粒產品，此數量足可衡抗全球企業。雖然電子工業在香港工業中是一種較新行業，但裝配工人皆於正式投入生產綫前接受嚴格訓練，故各人均能清楚明瞭其工作。

該廠之產量不但可滿足快捷客戶及本地工業界之大部份需要，並且其金屬壳及滴膠原子粒更供應電算機市場，總之，該廠產量除供應當地市場外，產品更遠銷至海外十二個國家。



Its Factory...

Officially opened in March, 1966, the 140,000-square-foot Hong Kong facility is a modern, high-rise (eleven story) building. Piped-in music and year-round temperature controls are attractive features of the working environment. In addition, employees on each shift enjoy rest breaks and meals served daily in the plant's attractive Canteen.

One of the most noticeable features in the Fairchild plant is the cleanliness of its operation. By the very nature of its products, work areas must be neat and spotless.

The active part of each device is a chip measuring one/one thousandth (1/1,000th) of a square inch. Thus, without precision workmanship in an ordered atmosphere, it would be impossible to perform manufacturing functions.

Semiconductor, Ltd. is a self-contained unit, with manufacturing and engineering staffs recruited largely from the local region. The factory boasts more than 3,500 employees and the highest production volume in the division. Nonetheless, it is growth oriented. Total employment is projected in excess of 5,000 where, in terms of manufacturing capabilities, it will become the largest plant of its sort in the world.

Fairchild-Hong Kong's continued expansion is representative of the Semiconductor division's climb to its present position as the world's leading producer of high performance silicon semiconductor devices.

Fairchild Semiconductor, a division of Fairchild Camera & Instrument Corporation, is an international concern, with manufacturing facilities in the U. S. (California, Maine, New Mexico), Italy, England and Australia, as well as in Hong Kong.

其 廠 房 設 備

該廠於一九六六年三月正式開幕其廠房總面積爲十四萬平方尺，樓高十一層並擁有各種現代化設備，音樂廣播裝置及氣温調節增加本廠工作環境之優美，此外廠內設有豪華膳堂供各班僱員憩息及進膳享用。

整潔之廠房爲快捷公司之最大特色，因產品之關係，工場必須整潔無瑕，產品之主要配件其精密高度達千分之一平方吋，故倘缺乏有系統的生產程序及精細手工則絕對無法進行此種生產工作。

香港半導體製造廠是一個獨立單位，本身擁有自己從當地選拔之生產及工程人員，目前全廠僱員超過四千餘人，產額佔半導體組之首位，按其生產發展趨勢，其總僱員人數將計劃增聘至五千餘衆，屆時以其規模之龐大將躍居世界同類工廠之冠。

香港分廠之繼續發展乃因半導體組之機構已達到世界上首屈一指生產高級矽原子粒之地位。

快捷半導體公司爲快捷攝影器材公司組織部門之一，屬於國際性之組織在美國加州緬因州，新墨西哥州，意大利，英國，澳洲，香港均設有分廠。

SEMICONDUCTOR LTD.

SEMICONDUCTOR LTD., 135 Hoi Bun Road, Kwun Tong

COVER: Chinese junks, long symbolic of the free port of Hong Kong.
封面：中國式帆船——香港自由商港之標誌。

HONG KONG

Political Background

Hong Kong is a British Crown Colony ruled by a governor with the advice of appointed executive and legislative councils. The entire colony is a free port. The population of 4.3 million is 99 percent Chinese. Although more than 40 percent of the workforce is in manufacturing, Hong Kong's chief attraction to international firms is as a location for regional marketing headquarters serving southeast Asia.

Economic Climate

In Asia, Hong Kong's standard of living is second only to Japan. The GNP has grown at an estimated annual rate of 10 percent, with electronics consisting of about 10 percent of the total.

Fairchild's Operations

Operations in Hong Kong are conducted by Fairchild Semiconductor Hong Kong Ltd. Hong Kong was the first Far Eastern manufacturing site selected by Fairchild, and operations began there in leased facilities in 1962. In 1965 a newly completed 10-story building was leased, bringing manufacturing space to 145,000 square feet. Additional facilities added in 1969 and 1972, have now brought total space to slightly more than 200,000 square feet. The plant manager is Dick Martin, and employment is currently at about 3,300. Hong Kong supports every product line of the Semiconductor Components group, including production of piece parts, testing and finishing. Hong Kong is a major shipping point for Japan and the Far Eastern market areas, as well as for shipments back to the United States.

General

Although Hong Kong includes 400 square miles of land area, backed up against the land mass of China, roughly 75 percent of the population is concentrated in a 50 square mile area because of the ruggedness of the terrain. China is 23 miles away, and the Portugese colony of Macao (the gambling Mecca of the Far East) is 40 miles to the west -- a one-hour trip by hydrofoil.

When Fairchild entered Hong Kong, there were only two small radio companies representing the electronics industry, which is now the third largest export industry in the trade center. The government attitude toward Fairchild has been very favorable, and Fairchild has encountered no serious impedance to our market development efforts or to freedom to operate our business.

SINGAPORE

Political Background

Singapore was ceded to the British by the Dutch in 1824 and became a British Crown Colony in 1867. This status continued for nearly a century, with increasing self-determination after World War II. In 1963, Singapore aceded to the Federation of Malaysia, and then seceded from Malaysia in 1965 to become an independent state, the Republic of Singapore. Population is about 2 million, with 75 percent Chinese. Government consists of the head of state, cabinet and a fully elective legislative assembly.

Economic Climate

Per capital income is one of the highest in Asia, and real GNP has been growing at an average rate of close to 10 percent or better. Since 1961 Singapore has been successfully conducting an industrialization program, and continues to encourage foreign investment, particularly in high technology industries.

Fairchild's Operations

Operations in Singapore are conducted by Fairchild Singapore Private, Ltd., incorporated in January 1969. Original plant space of 46,000 square feet has been expanded by the addition of 7,000 square feet for warehousing; and an additional expansion of more than 30,000 square feet for testing and finishing operations is scheduled to be operational by the end of the third quarter of 1974. Plant manager is Chris Reardon, and current employment is about 3,000 on three shifts. Products are ceramic and plastic dual-in-line integrated circuits.

General

Located at the southeastern tip of the Malay peninsula, Singapore is very close to the equator. Total land area of the island is about 200 square miles, all of which is habitable. The government has been favorably disposed toward high technology industries and private enterprise. In general, Fairchild's experience in Singapore has been efficient and successful.

- O -

JAPAN

Political Background

Japan is ruled by the Liberal Democratic Party, which, with few interruptions has ruled Japan since 1949. Principal opposing parties are the Japanese Socialist Party and the Communist Party (both relatively weak). The government strongly supports the Japanese version of the free enterprise system, with the government exercising a strong control over the economy, primarily through the Ministry of International Trade and Industry (MITI).

Economic Climate

Japan is the world's second largest non-Communist market, and one of the fastest growing of all major markets. Real GNP over the past decade has averaged better than 10 percent growth annually. Japan's electronics industry ranks second behind the United States.

Fairchild's Operations

Fairchild's entry into the Japanese market begin in September 1963 when a license agreement with Nippon Electric Co. (NEC) was approved by the Japanese government. Since then, Fairchild established a manufacturing facility on Okinawa, which reverted to Japanese possession in 1972. In August, 1972, final agreement was reached between Fairchild and TDK Electronics to form a joint company -- TDK - Fairchild -- to produce and market semiconductor products in Japan. To date, plans for a manufacturing facility have not been finalized, but operations of the joint venture began last October, with TDK - Fairchild taking over sales of Fairchild products in Japan.

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Singapore was ceded to the British by the Dutch in 1824 and became a British Crown Colony in 1867. This status continued for nearly a century, with increasing self-determination after World War II. In 1963, Singapore acceded to the Federation of Malaysia, and then seceded from Malaysia in 1965 to become an independent state -- the Republic of Singapore. Population is about 2 million, with 75 percent Chinese. Government consists of the head of state, cabinet and a fully elective legislative assembly. The government is favorably disposed toward private enterprise and foreign investment by high technology companies. However, the government's strong endorsement of unionism makes labor unions essentially a condition of operating in Singapore.

Per capita income is one of the highest in Asia, and real GNP has been growing at an average rate of 10 percent or better. A successful program of industrialization carried out since the early 1960's has reduced Singapore's dependence on entrepot trade, helped develop a strong currency and a firm foreign exchange position.

Fairchild's Operations

Operations in Singapore are conducted by Fairchild Singapore Private, Ltd., incorporated in January 1969.

Personnel:	Chris Reardon, plant manager K.D. Boon, controller K.S. Lim, industrial relations manager George Shagay, manufacturing manager Willy Chan, engineering services manager
Products:	Ceramic and plastic dual-in-line integrated circuits.
Size:	Original plant space of 46,000 square feet has been expanded by addition of 7,000 square feet for warehousing additional 30,000 square feet for testing and finishing is scheduled to be operational by the fourth quarter of 1974. Current employment is 3,300, on three shifts.

General

Although Hong Kong includes 400 square miles of land area, backed up against the land mass of China, roughly 75 percent of the population is concentrated in a 50-square-mile area because of the ruggedness of the terrain. China is 23 miles away, and the Portuguese colony of Macao (the gambling Mecca of the Far East) is 40 miles to the west -- a one-hour trip by hydrofoil.

When Fairchild entered Hong Kong in 1962, there were only two small radio companies representing the electronics industry. Electronics is now the third largest export activity in this international trade center.

Fairchild operates in a favorable and relatively trouble-free atmosphere in Hong Kong. The government attitude has been and continues to be friendly and cooperative. Handling of incoming and outgoing shipments by local officials is efficient. We have encountered no serious impediments to our market development efforts or to freedom to operate our business.

As the economy continues to be strong, and industrialization expands, the labor supply tends to tighten. This factor could have an influence on future growth of Fairchild's manufacturing activities in Hong Kong.

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HONG KONG

Political Background

Hong Kong is a British Crown Colony ruled by a governor with the advice of appointed executive and legislative councils. The entire colony is a free port. The population of 4.3 million is 99 percent Chinese. Although more than 40 percent of the workforce is in manufacturing, Hong Kong's chief attraction to international firms is as a location for regional marketing headquarters serving southeast Asia. The government is stable and its general posture is favorable to free enterprise and foreign investment companies.

Economic Climate

In Asia, Hong Kong's standard of living is second only to Japan. Historically the trade center for South China and the western Pacific, manufacturing was virtually non-existent until the end of World War II, when expansion in industrialization began rapidly. 1970 GNP was about $3.5 billion, and has been growing at about a 10 percent annual rate. Electronics accounts for about 10 percent of the total Hong Kong GNP.

Fairchild's Operations

Operations in Hong Kong are conducted by Fairchild Semiconductor (Hong Kong) Ltd., incorporated in 1962. Hong Kong was the first Far Eastern manufacturing site selected by Fairchild.

Personnel:	Dick Martin, plant manager Walt Derrington, controller W. A. Loo, industrial relations manager Kenny Chung, engineering services manager
Products:	Hong Kong supports every product line of the Semiconductor Components Group, including plastic and metal can transistors, diodes, plastic and ceramic package integrated circuits; and performs testing and finishing operations as well as production of piece parts.
Size:	Operations began in 1962 in leased facilities, and in 1965 a newly completed 10-story building was leased, bringing manufacturing space to 145,000 square feet. Additional facilities added in 1969 and 1972, have now brought total space to just over 200,000 square feet. Current employment is 3,300.

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JAPAN

Political Background

Japan is controlled by the Liberal Democratic Party, which, with few interruptions has ruled Japan since 1949. Principal opposing parties are the Japanese Socialist Party and the Communist Party. Japanese Communists (who are not Marxists) have been gaining strength recently, amidst a growing feeling that the LDP is the "old peoples" party. For example, the Communist Party (with 300,000 members) got 5.8 million votes in last December's election, and also increased its seats in the lower house from 14 to 38. Japanese industry takes the position that liberalization has taken place in "fact." The government exercises a strong control over the economy, primarily through the Ministry of International Trade and Industry (MITI).

Economic Climate

Japan is the world's second largest non-Communist market, and one of the fastest growing of all major markets. Real GNP over the last decade has averaged better than 10 percent growth annually. Japan's electronics industry ranks second, behind the United States. The Yen has now achieved a strong position in world markets, and Japan has continued to strengthen its general trade position.

Fairchild's Operations

Fairchild's entry into the Japanese market began in September 1963, when a license agreement with Nippon Electric Co. (NEC) was approved by the Japanese government. Since then Fairchild established a manufacturing facility on Okinawa, which reverted to Japanese possession in 1972.

In August 1972 final agreement was reached between Fairchild and TDK Electronics to form a joint venture -- TDK-Fairchild -- to produce and market semiconductor products in Japan.

Marketing and distribution headquarters for TDK-Fairchild are located in Shibuya, 20 minutes from Tokyo center. This facility occupies 8,800 square feet. Testing and finishing operations are carried out in 7,200 square feet of leased space owned by TDK in Ichikawa, one hour from Tokyo. Employment at these locations is 190. Five additional personnel are located in Fairchild's branch office in Roppongi, 10 minutes from the center of Tokyo.

Personnel include Jerry Lynch, marketing manager; Bill Watson, manufacturing manager, and Harry Suzuki, engineering manager.

General

Both the K-1 and K-2 plants are located about 30 minutes from the center of Seoul, the Korean capital.

Employes have been represented by the National Metal Workers Union since 1969. While contract settlements have been achieved on an amicable basis, pressure continues each year by union officials to achieve relatively large wage increases. We have been successful so far in keeping these upward adjustments within a reasonable scale, but these pressures continue to influence the upward trend of labor costs.

Although the Korean economic and business laws are difficult to interpret at times, the government has recently been moving to improve its organization to deal more effectively with problems encountered by foreign firms after plants are in operation. Patience and understanding are key elements in continuing the success we have experienced in Korea to date, as well as in maintaining friendly relationships with the Korean government.

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