

설봉장학재단 설립 유재두 회장·송봉황 여사 회고록

# 성실을 생명처럼

유재두·송봉황 지음



## MY LIFE, MY PHILOSOPHY

The Autobiography of the founders of  
The Ryu Family Foundation:  
Ryu, Jae Doo & Song, Bong Hwang  
[Abridged English Version]

**Cherish your credibility as you  
would cherish your life.**

**“I want to leave the true wisdom of life to the future  
generation.**

**If you live your life honestly and assiduously while  
building credibility to others, people and money will  
follow you naturally. Credibility is the bloodline of life.”**

**The Late Chairman, JaeDoo Ryu**

**고 설봉 재단 유재두 회장님 삶의 철학**

“후손들에게 이같은 진리를 가르치고 싶다.

신용을 지키며 정직하고 성실히 살면 사람과 돈은 따라  
오는 법 신용이 곧 생명이다”

# My Life, My Philosophy

‘Cherish your credibility as you would cherish your life.’

The Korean War broke out along the 38<sup>th</sup> parallel on June 25, 1950. On that day, I started my career as an executive director of Joil Industry that manufactured rubber products. It feels like it was yesterday that I went to work on the same day when the North Korean tanks crossed the 38<sup>th</sup> parallel, but more than 60 years have passed. I asked myself “What have I achieved during this time?” Looking back on those years, remorse comes to me before a sense of accomplishment. Nevertheless, I write this memoir for posterity so that the future generation can lead a valuable life by learning from my experiences which include my failures & successes and frustrations & challenges.

For the last 60 years, I have met and have built relationships with many businessmen and salesmen through businesses both in Korea and the U.S.A. Among them, my cousin – Jeong, Jin-Taek who trusted and gave me the opportunity to lead the management of Joil Industry and the two presidents, Ojakishiryo and Ichigawa Hideo of Toyoko Material (TM) which was the largest chemical manufacturing company in Japan. Of course, Jim Hanson who was the best chemical engineer in the USA cannot be omitted from the people who influenced me the most. Most of all, meeting my big brother material cousin, Jeong, Jin-Taek, was fate and became a pivotal moment that paved the path for my future.

In 1943, when Korea was still under Japanese occupancy, I was studying in Japan. In September of that year, the Japanese government forcibly started to take Korean students studying in Japan to fight in the Pacific. This was Japanese way to turn around their weak position in the war.

In the beginning of the war, Japanese government did not recruit Koreans since they considered Koreans as occupied citizens lacking qualification. However, as their position weakened and the US entered the war, they started to recruit Koreans to join the war voluntarily. Although they said it was voluntarily, but it was not. The general governor of Korean (Chong-dok-bu) pleaded with Korean students to join the Japanese army to honor Koreans. The intellectuals during this time, such as, Lee, Gwang-su and Choi, Nam-sun were puppets of the general governor of Korea and pleaded with Korean Students to join the army. In November of 1943, a special rally to recruit Korean students in Japan was held in the auditorium of Meiji University of Japan. At that rally, Lee, Gwang-su iterated the importance of “Japan and Korea working together as one body” and pleaded with young students to join the Japanese army. Even Yukdang Choi, Nam-sun who played a key role in the 3-1 Independence Movement, urged Korean students to apply to become student soldiers. As the draft carried out this way, many Korean students began to move back to their hometowns to avoid the draft.

“Should I return home or stay in Japan?”

I agonized over this decision. In October of 1943, I visited my big brother cousin, Jeong Jin-taek, who was living in Osaka. My cousin was operating a factory in Osaka that made rubber products

from recycled tires. He was a leader of the Korean community and was a chairman of the Korean association in Osaka.

One day he summoned me and asked – “Do you want to work as a bookkeeper since you went to a business school?”

But I answered him boldly – “ No. I don’t want the bookkeeping job. I want to work on the site making the rubber first hand. Please give me the most difficult job to do.”

The most difficult and hard work at a rubber factory was the task of melting recycled tires and then turn them into liquid rubber. In the middle of summer, the place would get so hot, it was as if you were inside a sauna and we would be out of breath from the heat. All the workers were sweating profusely, and it was difficult to breath. No one liked to work there, nevertheless I volunteered to work there.

Although I delivered newspapers while studying abroad, I really had not experienced any hardship in my life till now. This is because my father loved me so dearly, as I was the last child in the family of 4 sons and 2 daughters. This allowed me to grow up without any hardship. However, I felt that it was time for me to train myself to be strong through hard labor work. I also didn’t want to eat for free. I wanted to work and get paid fairly. When my big brother cousin heard that I wanted to work at the rubber making department, he was quite surprised and asked me:

“Can you really work at that department?”

I answered: “Yes, I am confident that I can. Please assign me to that job.”

Then, he asked me “How much wage would you like?”

He thought I wanted the job so I could get paid a lot for that job.

But I answered: “I don’t want any wage. Just provide me with food and lodging and also the tuition for my night college.”

He said: “Ok, I understand.” He laughed aloud and patted me on my shoulder.

I started working in the boiler room in the basement of the factory making rubber in a very high temperature. Every day, I repeated the process of putting coals into the boiler to keep the fire running. As I was doing this, my face would be covered with sweat and black coal stains. Although I was exhausted after work, I started going to night college studying chemistry at Osaka college. I chose chemistry since I began to be curious about how rubber is made while working at the rubber factory. I wanted to learn all about rubber – its component, its usage and how to make it.

That is how my life in the rubber business started. I gained knowledge of rubber during this period; it laid the foundation for my career in the rubber business. However, I didn’t think then that I will be working in the rubber business for the rest of my life. I remember that when I was attending the Osaka night college, I ran the boiler room overnight so that I could go to the school picnic. At the rubber factory, we had to keep the temperature of the boiler room at 80 degree at all times. In order to attend the picnic, I had to leave the boiler room at least from 8AM till 6:30PM. I questioned myself – Is there any way I could keep the boiler room at that temperature while I was away? The best solution that I could think of was to raise the temperature beforehand. I stayed overnight to keep the boiler running on the night before the picnic. I raised the temperature of the boiler room to 180 degrees. So, the temperature of the boiler room kept the temperature between 80 – 100 degrees without flame in the boiler. After I came back from the picnic, my big brother cousin asked me:

“How did you keep the temperature of the boiler room while you were away?”

I told him “I kept the boiler running overnight and raised the temperature to 180 degrees.”  
“You are a very responsible person. Well done!”  
He praised me and had a smile on his face.

On August 15, 1945, Korea was liberated from Japanese occupation. I decided to return to my country. On the days before returning home, my big brother cousin called for me. He held my hand very tightly and told me –

“Initially I thought you were a naïve and lazy person. But what I’ve observed is that you have a deep sense of responsibility and you are a diligent and hard-working young man. If you work as hard as you did at my factory, you will be successful in life.”

He handed me over a leather wallet and asked me to open it. I opened it reluctantly and found a bankbook inside the wallet. Noticing my surprise and puzzled look on my face, he said:

“I put all your wages into that bank account for you. You will need money when you go back home. Use it!”

Since I refused to take the wages from him, he deposited them into a bank account and now he handed over that bankbook over to me. The relationship with this big brother cousin continued almost a half of my life.

In the fall of 1949, the big brother cousin came to see me. At that time, I was teaching at a junior high school in Busan, Korea. As soon as he saw me, he suggested something out of ordinary.

“I want to invest in Korea. I plan to start a rubber factory, Joil Industry. I want you to run the factory.”

“I have no experience. I am not confident that I can run a factory.”

I rejected his suggestion vigorously. I was quite busy working as a vice-president at a junior high school and felt working as a teacher was worthwhile. Nevertheless, he was relentless and eventually convinced me to run the factory. I was only 27 years old and I wondered why he was asking me – a rookie teacher with no management experience to take on a big job like this? One day he said:

“I realized that you are a responsible and diligent person when I saw you working at Osaka. I believe that you are quite capable of running the business.”

His words reminded me of the passage in the Bible:

“As you sow, so shall you reap.”

In June 1950, I accepted his offer and started working as an executive director at Joil Industry. I started my life as a businessman after working as a teacher for the last 4 years. In 1971, I was promoted to the president having worked for Joil for 20 years. I’ve reached the pinnacle of my business career. Joil was growing and thriving. My family was doing well, and 6 children were growing with no major problems.

In the winter of 1973, an unexpected devastating accident happened. A fire broke out at the Dansang-dong factory. Due to the fire the factory stopped operating and this led to financial difficulties for Joil. Getting loans from banks was becoming more difficult. The Ministry of finance pressured us by saying “In the next 6 months either get a fund on your own or merge with another company!” Banks that we dealt with also threatened us to follow the direction from the Ministry of finance. In 1973, the dictatorship of the president Park Junghee reached its climax. I asked myself – how could Joil escape the brutal dictatorship from the government, as Joil faced the most perilous crisis since its inception.

---

## Abide by trade ethics

As a result of the fire, Joil was on the brink of bankruptcy. To get the necessary funds, I reached out to many business associates including ones in the USA, but they all refused to help. During this perilous time, I went to Japan to see Ojaki, the president of Toyoko Material (TM). I implored him to lend money to Joil. He promised to help out. At that time at TM, the person in charge of finance was Ichigawa Hideo. Through the business Joil had with TM for the last 20 years, he knew me well and liked me. To draw an agreement for the deal, we met many times. As we were approaching the day to sign the deal, it got stalled. That is because TM proposed an unusual condition to the deal. They proposed to have an exclusive right to sell Joil's products in Japan.

At that time, Joil manufactured specialized products such as rain wear, rubber hoses, rubber belts, and automobile tires. Before the fire, Joil made an exclusive contract with Kuriyama for them to sell our products for 5 years. Now, TM is proposing that we breach that contract with Kuriyama and give TM an exclusive right to sell in Japan. At the last negotiation table, Mr. Ichigawa, the TM's lead representative, said:

"In exchange for funding Joil, give us the exclusive right to sell Joil products in Japan. Please cancel the contract with Kuriyama. This is our leadership's decision. This is the only option we have now."

Mr. Ichigawa was asking Joil to cancel the contract that still had 2 years and 6 months left till expiration. If TM does not lend the money, Joil will face bankruptcy. This situation made me feel like I was on the edge of a precipice. However, I thought that credibility and loyalty in business were more important than the profits of the company. So, I firmly refused the TM's request by saying:

"We still have 2 years and 6 months left in the contract with Kuriyama. We cannot cancel the contract. We will give you the exclusive contract to TM when the contract with Kuriyama ends."

To this they he said:

"If that is the case, we have no reason to make this deal."

He replied coldly and then added: "We cannot fund now."

'I couldn't believe myself that I stubbornly chose to keep loyalty and credibility with Kuriyama when Joil was about to collapse.' On my flight back home, I was filled with this thought as I closed my eyes. 'How can I stop the bankruptcy? How can I get the money to pay employees' wages?' All the bad thoughts kept coming to me one after another. 'Should I give up the company after all?' As I was thinking about these, the 20 years that I dedicated my youth to Joil passed like a flash. I burst into tears.

Saying goes "Man Proposes, God Disposes." After one week, a miracle happened. TM notified us to resume the merge agreement. It was unbelievably great news. In July 1973, I met the president Ojaki at TM and exchanged the merger agreement. Why did TM change their mind? I didn't know the reason till the moment I signed it. After we finished the merger deal, on the day I was returning home, Mr. Ichigawa came to the airport to meet me. At that time, he asked:

"President, Ryu, Do you know why we changed our minds?"

As I couldn't answer, he started to talk again:

"That is because of your credibility."

I asked: "What do you mean by credibility?"

He replied:

“If you breached the contract with Kuriyama unilaterally, the merge with our company would not have been possible. Although Joil was on the brink of bankruptcy, you kept your words with Kuriyama. Our leadership evaluated those characteristics very highly.”

I asked him: “What do you mean?”

“We assessed that you are a trustworthy person. Therefore, we decided to do the merger.”

I said to him: “Thank you so much. I am very humbled by it.”

My eyes filled with tears, I reached out to him for a handshake. He grabbed my hand tightly and whispered:

“President Ryu, I respect you!”

30 years have passed by since then, but I still can't forget that time when I shook hands with Mr. Ichigawa. The TM leadership tested my credibility at that time. But I strongly held my position without wavering, and they gave a passing grade for that. They evaluated me as a trustworthy person after seeing me kept my promise to Kuriyama instead of swayed by the immediate profits. Since then, the president of TM has backed me. He lent money without collateral. Later, he supported me with funds when I founded Proline in the USA.

#### Power of Credibility, Honesty and Hard-working

Jim Hanson's loyalty to me as a friend and business partner was gained through my credibility.

He was the best chemist in the USA working as a president at Uni Royal where they manufactured rain wear. He not only manufactured rain wear but also produced industrial and commercial shoes. As the profit margin narrowed, they started importing products from Joil.

After I resigned from Joil, I fell into a slump. During that time, he encouraged me by saying “I will back you up 100% if you come to the USA.”

In 1978, when Proline first started, I sold fishing boots, leisure shoes and sneakers that were imported from Korea. Jim also founded an outdoor boots company and sold imported products from Proline to the northeast of the USA.

In the past, Jim imported products directly from Joil. However, as I started the business, he relied on my company to buy products for him. Proline worked as an intermediary buying rubber products from Taehwa and Jinyang in Korea for Uni Royal. Since then, Uni Royal has sold imported products from Proline. How did I establish this tight bonding with him? I believe that it was the result of "doing business honestly". To gain a lot of profit quickly, many importers hid the real cost of goods. As a result, they did not earn trust from the buyers and their relationships with buyers were short lived. About 90% of importers were cheating the buyers at that time. However, I strictly abide by taking only 5% profit. This is how I gained the trust of Mr. Jim Hanson. I get back what I sacrificed. That is my life's motto. That was the spirit in which I operated the business. So, I didn't make a lot of money, but my company sustained for a long time.

Proline imported outdoor boots from Korea till the beginning of the 1980's. However, as Korea's economy was growing fast, wages were climbing as well. This increased the cost of products while the profit of Proline decreased.

That is when I started to research transitioning into importing products from China. To do so, I needed to develop Hip and Chest waders in China. Those boots were made by gluing boots and pants together. According to the market research at that time, no factory in China was making

these types of boots. At that time, the technology of making such boots in China was insufficient, therefore producing such products was impossible.

One day a brilliant idea came to me.

‘How about combining a rubber boots factory with a rainwear factory? How about making rubber boots and a raincoat separately and then gluing them together to make Hip and Chest boots?’

Soon as I got this brilliant idea, I asked my staff in China:

“Send me a list of all the rubber factories in China.”

The listing came after 2 weeks. I chose the factory in Huangzhou, China to manufacture rubber boots and rainwear. I invested \$400,000.00 into this factory. We started the joint venture in 1985. This propelled the growth of Proline. Jim Hanson helped and played a major role in developing the products in China. He, as a chemist, transferred the technology to them 100%. The manufacturing cost in China was much lower than Korea. This advantage became the impetus of Proline’s growth.

One year later, I landed in China for the first time. Jim came with me. Jim helped me relentlessly till the Huangzhou factory was able to make the boots.

Time flies. My big brother cousin, Jeong Jintaek, who trusted me to lead the management of Joil industry right after the liberation, two presidents from TM, Ojakishiryo and Ichigawa Hideo, who saved Joil from bankruptcy and Jim Hanson who contributed the most to the growth and success of Proline. They all have passed away now. I had invaluable relationships with them since the days at Joil Industry which amounts to over a half a century. They all helped me through these years without any condition. They lent me money; they sold Proline products; they taught me skills.

I believe THIS is the power of “Credibility–Honesty–Hardworking”.

This is the message I want to leave to the future generation:

“Grandpa worked very hard in life. He was honest and credible. This is why people helped me when I needed it.”

I want to teach this true wisdom of life to the future generation. Live your life honestly while building credibility to others, then people and money will follow you naturally.

“Credibility is the bloodline of life.”