

The History of Anglo-Japanese Relations, 1600–2000. Volume 4: Economic and Business Relations. *Edited by Janet Hunter and S. Sugiyama.* New York: Palgrave, 2002. xiii + 355 pp. Index, notes, photographs, figures tables. Cloth, \$78.00. ISBN 0-333-79197-5.

Reviewed by Takeshi Yuzawa

This book, the fourth volume in a series on Anglo-Japanese economic and business relations, is the result of a collaboration between ten British and Japanese scholars. The five Japanese contributors write about Japan's industrialization during the Meiji period (1868 to 1912) and cover the years up to World War II, when Japan relied on British knowledge and expertise. The British writers are more concerned with the years following World War II. After 1945, Japan soared economically, especially following the oil crisis of 1973, and its per capita gross domestic product soon surpassed Britain's, earning it the title of "the rising sun."

During the Meiji period, the Japanese admired and copied many features of British industry. The British were good teachers, for Japan became industrialized in a relatively short time. After World War II, Japan had to rebuild and modernize. Although the Americans were the most involved in the dramatic reformation of Japan, Japanese academics turned to British history in their search for an appropriate economic and social model. The economic historian Hisao Otsuka advocated using the examples provided by British history in order to build a modern society. During these years of postwar development, the Japanese looked up to Britain as a democratic model and an industrial economy. After the oil crisis, however, the Japanese became more confident about their own economic prowess. Much of this change in attitude derived from the increasing respect other countries accorded to "Japanese management" and, during the 1980s, from the growth of direct investments by Japanese firms in the British market.

The introduction by Janet Hunter and Shinya Sugiyama, entitled "Anglo-Japanese Economic Relations in Historical Perspective," is a thorough survey of the economic relations between the two countries from 1600 to 2000. Until now, there have been few comprehensive overviews of this period; the postwar years have been particularly neglected. Whereas the U.S. government wanted to modernize Japanese society and encourage a free economy, Britain did not view the prospect of its reconstruction with the same enthusiasm, fearing that an economically powerful Japan might once again threaten the British economy and the economies of her old colonies. The relation between the United States and Japan after the World War II fueled Britain's fears of economic rivalry, as, in the interests of combating communism, the United

States facilitated Japan's rapid economic growth by inviting her into the free trade bloc at an early stage.

Chapters Two and Three explain how Japanese businessmen and leaders tried to introduce British systems into Japan. Kanji Ishii analyzes the British–Japanese rivalry in trading and banking and describes how Japanese trading companies and exchange banks quickly mastered modern methods and were able to catch up with those of the United Kingdom by the time World War I began. Norio Tamaki examines the British influence on Yukichi Fukuzawa, founder of Keio Gijuku University, whose educational philosophy could be summed up as “learn and earn, earn and learn.” To achieve this, Fukuzawa advocated incorporating English, economics, law, and a wide range of new sciences in the educational curriculum.

Bunji Nagura examines the corporate governance of Japan Steel Works and its relation with Vickers & Armstrong, the British steel and armaments company, during World War I. He explains why its British shareholders became less influential following the merger of Japan Steel Works with Wanishi Iron Works that transformed the British shareholders' position into a minority one. After absorbing British technology, Japanese management then had the economic ability to expel British interests.

Toshio Suzuki, in Chapter Five, discusses the impact of Japanese government loan issues on London's capital market during the interwar period. He considers the international capital markets and investigates the rivalries that existed in the world of capital during the 1920s, especially in London and New York.

In Chapter Six, Christopher Madeley presents a case study of Anglo-Japanese cooperation in the early stages of the Japanese motor vehicle industry immediately after World War I. The Wolsely and Rootes motor companies each started joint ventures under license agreements with Japanese partners. Madeley comments: “It should be remembered that even in the 1950s British car manufacturers still had something to teach Japan in the field of design and manufactures.”

The subject of Chapter Seven, by John Sharkey, is the British perception of Japanese economic development in the 1920s. The two countries were strong competitors in cotton, and “the British failure to compete against Japan—essentially the Japanese cotton industry—was not intrinsically due to British misperceptions, but had more to do with failures within the British cotton industry.” It is interesting to read about British businessmen's perceptions of rapid Japanese economic growth after the 1960s, as they had to deal directly with the challenge, unlike the British politicians who operated within the bigger picture.

The final two essays are concerned with the postwar period. John Weste discusses the complicated challenge faced by Britain between 1950 and 1960: protecting its interests in the old

colonies of South Asia while simultaneously coping with American and Japanese competition in those locales. Marie Conte-Helm provides a chronology of the main trends of Anglo-Japanese investment in the postwar period, particularly the wave of Japanese investment in the United Kingdom during the 1980s. Between 1950 and 1995, British investment in Japan made up only 4.3 percent of total foreign investment, whereas in 1996 the number of Japanese companies in the United Kingdom composed 30 percent of all Japanese companies operating in Europe.

The essays collectively demonstrate that, since the Meiji period, Japan has signaled a strong affection for Britain, a feeling that has been coolly reciprocated. One can only conclude that the relationship between Japan and the United Kingdom has been a one-sided affair.

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