
BACKGROUND BOOKS

JAPAN

In 1871, William E. Griffis, an American educator employed by the Meiji government, watched intently as a seated Japanese blacksmith worked the bellows with his feet. "Perhaps this is an important difference between a European and an Asiatic," he reflected in **The Mikado's Empire** (Harper, 1876; Scholarly Resources, 1973). "One sits down to work, the other stands up to it." From this inauspicious debut, the Western study of Japan's economy has progressed.

Asia's New Giant (Brookings, 1976, cloth & paper), edited by economists Hugh Patrick and Henry Rosovsky, is perhaps the best general guidebook. Its 23 Japanese and American contributors chronicle, sector by sector, the resurgence of the Japanese economy between the 1945-52 Allied occupation and the 1973-74 Arab oil embargo. They cover everything: macroeconomic policy; the light tax burden on individual income and savings; the paucity of flush toilets (only 17 percent of Japanese homes had them in 1968).

Two other comprehensive accounts fill the gaps before and after. **Japanese Economic Growth** (Stanford, 1973) by Kazushi Ohkawa and Henry Rosovsky describes prewar developments; Takafusa Nakamura's **The Postwar Japanese Economy** (Univ. of Tokyo, 1981) details the dislocations caused by the "oil shock."

In his **Japan Journal 1855-1861** (Rutgers, 1964), Henry Heusken, the Dutch interpreter for American consul Townsend Harris, recorded the endless diplomacy and "erratic" discussions—whether "the place" can

mean both "a place" and "many places"—that preceded the opening of six Japanese ports to American commerce. Harris doggedly pressed his case. Trade, he insisted, would make Japan "the England of Asia."

Yet the first step was an "agricultural revolution" that unfolded in its own peculiar way. In **The Agrarian Origins of Modern Japan** (Stanford, 1959, cloth & paper; Atheneum, 1966, paper), historian Thomas C. Smith contends that innovations in planting, seed selection, and the use of fertilizers, all of which required private initiative, helped move rural Japan from cooperative to individual farming. The trend toward smaller farms made U.S.-style mechanization impractical, but it enhanced the role of the family in agriculture and kept people on the land before World War II, minimizing social upheaval of the kind that accompanied industrialization in the West.

Sociologist Ronald Dore describes modern farming developments in his portrayal of a Japanese village, **Shinohata** (Pantheon, 1978, cloth; 1980, paper). Machines have taken hold, freeing many farmers for employment in nearby industries and producing a new affluence. Villagers who no longer "live" off the land, however, continue to grow their own rice, a symbol of self-sufficiency. Silkworm breeding has been abandoned as unprofitable.

The special relationship that has always existed between government and business in Japan strikes some Americans as odd, others as enviable. Edwin O. Reischauer, U.S. Am-

bassador to Japan from 1961 to 1966, observes that **The Japanese** (Harvard, 1977, cloth & paper) "have never believed . . . that the less government the better for business." Such cooperation often leads to the exaggerated American claim that "government and business in Japan form a single entity—"Japan, Inc."

Economist G. C. Allen analyzes the government's role in development over the years in **A Short Economic History of Japan** (Allen & Unwin, 1946; 3rd rev. ed., 1972). During the Meiji era and through the 1920s, he writes, "government was not of great importance as an owner of industrial and trading undertakings or as a direct employer of labor." Tokyo influenced the private sector by other, indirect means—its association with the zaibatsu; its channeling of agricultural savings toward investment in large-scale industry.

According to most scholars, Meiji officials cemented the government-business "partnership" by careful nurture of a small, *samurai*-dominated entrepreneurial class. Economist Johannes Hirschmeier, in **The State and Economic Enterprise in Japan** (Princeton, 1965), edited by William W. Lockwood, offers Shibusawa Eiichi (1840–1931) as an example of the Meiji entrepreneur.

The son of a rich farmer, a samurai in the service of the last *shōgun*, Shibusawa prospered in government before entering private business. A backer of the First National Bank (Dai-Ichi Ginkō), he also was instrumental in founding the Osaka Cotton Spinning Company. Shibusawa urged businessmen to exemplify *bushidō* (The Way of the Samurai) and strive for honesty, virtue, "and a synthesis between the Analects of Confucius and the abacus."

Some scholars question the impor-

tance of this "samurai spirit." In **A Study of Samurai Income and Entrepreneurship** (Harvard, 1974), economic historian Kozo Yamamura claims that idealists such as Shibusawa were the exception. Impoverished by the breakup of the old feudal order, he believes, the samurai simply shared the desire of *heimin* (commoner) entrepreneurs to make money. "Poverty makes one inane," goes an old Japanese proverb.

Just as Meiji industrialists and merchants tried to retain at least a veneer of bushidō, so have ordinary Japanese from time to time betrayed nostalgic, often violent, yearnings for a simpler, traditional past. One not so ordinary Japanese was the "hybrid" Lafcadio Hearn.

A British journalist and educator, Hearn became a Japanese subject in 1895. He was enamored of the "old values" of community, hierarchy, and duty, and feared they would not withstand capitalist influences. In **Japan: An Attempt at Interpretation** (Macmillan, 1904; Tuttle, 1955, paper), he warned: "The future Japan must rely upon the least amiable qualities of her character for success in the universal struggle."

One of Hearn's contemporaries, educator Fukuzawa Yukichi (1835–1901), was rather taken with what the West could offer. Yet for Japan to assume a place among modern nations, he contended in **The Autobiography of Yukichi Fukuzawa** (Tokyo: Hokuseido Press, 1934; Columbia, rev. ed., 1966, cloth; 1980, paper), it had to embrace not only the "things" of Western civilization—the trains, the telegraphs, the warships—but also the Western spirit of independence, scientific inquiry, and entrepreneurial initiative. Japan at the time had no word for "competition," so Fukuzawa coined

kyōsō (literally "race-fight"), the term still used today.

Though the Japanese were quick learners in the market, they shunned Western models of industrial relations. In **British Factory—Japanese Factory** (Univ. of Calif., 1973, cloth & paper), Ronald Dore explains how. At the price of worker's individuality, characteristic of the British labor system, the Japanese manage their firms on principles of mutual consideration, cooperation, and orderliness. Loyalty is marked. Japanese workers typically insist that sick leave be docked from their generous annual holiday allotment.

Still, Japanese intellectuals remain troubled by modernization. Today, the most glowing accounts of the country's economic policy come primarily from foreign pens. Two examples: "Futurist" Herman Kahn's **The Emerging Japanese Superstate** (Prentice-Hall, 1970, cloth; 1971, paper) and sociologist Ezra Vogel's **Japan as Number One** (Harvard, 1979, cloth; Harper, 1980, paper).

The Japanese remain sensitive to foreign criticism, however. When, in the late 1960s, Foreign Minister Zulfikar Ali Bhutto of Pakistan characterized them as "economic animals," the Japanese promptly indulged in a display of public introspection, write Johannes Hirschmeier and Tsunehiko Yui in **The Development of Japanese Business 1600–1973** (Harvard, 1975).

One response was **The Japanese and the Jews** (Weatherhill, 1972) by Isaiah Ben-Dasan, a pseudonym for popular author Yamamoto Shichi-

hei. Like Judaism, writes Ben-Dasan, there exists a "Japanism," a sense of tribe that outsiders can never fathom: "For thousands of years the Jews have lived in contact with the gentile population of the world, and we know how much . . . understanding that proximity has brought."

An eccentric but apt metaphor of the Japanese character (and economy) is provided in Robert Whiting's **The Chrysanthemum and the Bat** (Dodd, 1977). Baseball met an ambivalent reception in 19th-century Japan. One critic called it a "pick-pocket's sport. . . . The players are tensely on the lookout to swindle their opponents, to lay an ambush, to steal a base."

The Japanese have modified the game to suit local taste. Japanese managers play a conservative brand of ball, going with the tried and true. A successful pitcher will be used day after day until his arm gives out. A samurai code for baseball stresses the "team player" who trains hard and shuns materialism.

In 1971, the Yomiuri Giants, Japan's superteam, did not win a single game against the Baltimore Orioles in an 11-game series. After a period of national breast-beating, the players returned to the practice fields. Batters lifted weights; pitchers practiced pick-off moves—all the strategies the foreigners had stressed. "The Japanese," notes Whiting, "were back to the task of making Japan a baseball power." Three years later, the Yomiuri Giants outplayed a rapidly declining New York Mets team, six games to three.

EDITOR'S NOTE: *Edward Lincoln, executive vice president of the Japan Economic Institute, and Peter Duus suggested many of the titles in this essay.*