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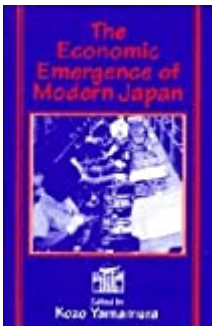

Kozo Yamamura, ed. *The Economic Emergence of Modern Japan.* Cambridge and New York: Cambridge University Press, 1997. xvi + 369 pp. $30.99 (paper), ISBN 978-0-521-58946-8; $75.00 (cloth), ISBN 978-0-521-57117-3.

Reviewed by James C. Baxter (Independent Scholar)

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Kozo Yamamura has collected seven chapters from *The Cambridge History of Japan* and *The Cambridge Economic History of Europe*, added a new ten-page introduction and a ten-page bibliography, and turned out a volume that achieves what he hoped it would: *The Economic Emergence of Modern Japan* is "a reliable and readable Japanese economic history from the last several decades of the Tokugawa period (1800-68) to the early 1970s."

Cambridge histories are supposed to present balanced syntheses of the scholarship in various scholarly domains. The essays here reflect the shaping influence of the publisher's objective, set down by Lord Acton in his famous letter to contributors to *The Cambridge Modern History* a century ago. Writers survey the state of the field in their specializations, taking into account the latest research. Having ascended a height that affords a synoptic view, they rarely present material that is wholly new or at the cutting edge, and their interpretations are seldom completely novel. In this instance, the original publication dates of the chapters–1989 for the first, 1988 for the next three, and 1978 for the last three–inescapably ensure that *The Economic Emergence of Modern Japan* is not absolutely the freshest work available. With the exception of the editor's preface, this is not the place to go for daring exposition of new paradigms. It is nevertheless a weighty and important book. The contributors are a kind of dream team of senior scholars, and their mastery of the substance of their discipline is apparent in every sentence. All seven chapters are marvels of compression, packed with facts and data. As economists, the authors are practitioners of neoclassical analysis, but as historians, all have the clarity of vision to appreciate that non-economic factors such as ideology, social structure, and geopolitics often have as much weight as pure market forces.

Although many of the subscribers to H-Japan will be familiar with most of the contents of this collection from the Cambridge histories, it may be useful to other readers to have a description. The following paragraphs, accordingly, are written as if these essays were appearing for the first time.

In his preface, Yamamura offers a deft precis of the seven chapters in the book, then discourses briefly on two recent approaches to the study of economic history that he believes promising for future studies of Japan's development. These are neoinstitutional analysis, represented, for example, by Thrainn Eggertsson and Douglass C. North, and "anticlassical political-economic analysis," proposed by Yasusuke Murakami. As Yamamura encapsulates the former, "The central insight of this approach is that institutions (including laws, policies, social norms, and even ideologies) determine transaction costs: the

costs of obtaining information necessary to measure the valuable attributes of what is being traded and the costs of specifying and enforcing property rights.... Transaction costs determine how efficiently or inefficiently an economy performs over time, and thus institutions become principal determinants of economic performance over time." Keeping a formally articulated statement of this theory in mind has heuristic value when we reflect on the essays in *The Economic Emergence*, the editor suggests. As for Murakami, the crux of his argument, in Yamamura's elegant summary, is that "neoclassical economic analysis is seriously flawed because it is essentially a short-run equilibrium analysis (i.e., markets are assumed to achieve equilibrium because of supply-demand market forces) and fails to include technological change within its analytic framework." In the real world, Murakami holds (as paraphrased by Yamamura), constant technological change drives the cost of production down and causes markets to be unstable as producers compete to increase market share; moreover, governments adopt "developmentalist" strategies and intervene in the economy by, for example, granting subsidies or erecting protective trade barriers that favor certain industries. Murakami's approach may be pregnant with more possibilities for revision of Japanese economic history than the somewhat less radical Eggertsson-North tack. Murakami raises issues that are not directly addressed in *The Economic Emergence*. One might say, however, that Yamamura and his fellow authors anticipated neoinstitutional analysis. Even if they do not name a theory to justify doing so, in their historiographical praxis, they consistently take institutional matters into account.

The first two chapters of *The Economic Emergence* are E. Sydney Crawcour's work. In "Economic Change in the Nineteenth Century," he is quick to raise doubts about the applicability of quantitative methods to the study of nineteenth-century Japan, because what he would regard as dependable statistics on a national scale are lacking. Relying on descriptive evidence as much as on fragmentary quantitative data, then, he proceeds to identify the baseline for the transformation to a modern economy. The population of Japan in 1800 was classified as being 80 to 85 percent agricultural, he notes, but industrial and commercial activity was already much more important than those demographic figures would suggest. Separately treating village and urban economies, he manages within a few pages to suggest the considerable regional variation in productive techniques and commercialization. He reminds us that in some areas, cooperation among producers, local traders, and rulers created markets and commercial institutions that were unusually sophisticated for an economic system that had not undergone an industrial revolution. He provides a dexterous sketch of the mindset and political objectives of the authorities, and of their attempts at fiscal reform and other efforts to reverse the erosion of economic control by domains and (especially) the shogunate. Government intervention in and heavy-handed regulation of the economy continued after the overthrow of the shogunate and replacement of the domains. Indeed, assaying the early years (1868-85) of the Meiji state, Crawcour concludes that "the heritage of manipulation may have contributed as much to Japan's economic development as did the heritage of individual enterprise." En route to this judgment, he follows the bright yellow line of continuity over the bumpy terrain of monetary and fiscal policy, with attention to the landmarks of the commutation of samurai stipends, establishment of a monetized land tax, and government investment in imported technology and industrial facilities. By 1885, the ground had been well prepared for modern economic growth, but agriculture and traditional industry remained the most productive sectors. "Signs of drastic change or of a sudden spurt in Japanese economic activity" were not yet to be found, he says.

In "Industrialization and Technological Change, 1885-1920," Crawcour chronicles the rapid expansion of the modern industrial sector and its rise to ascendancy over the traditional sector. The story of the emergence of a "dual or differential economic structure" has been told before, of course, but this is an exceptionally well managed rendering. Three tight sections treat the years 1885-1913: the first deals with infrastructure building in banking, railways, shipping, posts and telegraphs, electric power, and education; the next, shifts in agriculture and traditional industries (most importantly, rural cottage industries such as hand-reeling of silk and hand ginning and spinning of cotton) that generated much of the overall output growth during this period; and the third, the appearance of modern light industry (primarily cotton and silk spinning), in which government initiatives provided an early stimulus but were less important than private enterprise, and the heavy and engineering industries, which depended on state support that was allocated because of security and defense concerns. The fourth section of this chapter analyzes the great spurt of growth during World War I that "rescued" Japan from fiscal and balance-of-payments problems stemming from the Russo-Japanese War of 1904-1905 that threatened the nation with insolvency. Subsections focus on foreign

trade, agriculture, heavy industry and machinery, textiles, and the replacement of traditional industries that manufactured consumer goods by small-scale industries that used electric power to make the same items. Crawcour's final section has to do with the role of the state. Fiscal and monetary policy and other stimulative measures from 1885 through 1920 were "moderately benign," in his opinion. As in earlier days, intervention and manipulation were key factors in development. Free market forces promoted growth, but government guidance "in fact enabled a fuller realization of the country's economic development potential" than would have been possible without manipulation by political authorities.

In Chapter Three, Takafusa Nakamura periodizes an "unusually stormy and convulsive" quarter-century by dividing it into three phases: deflation and depression, 1920-1931; recovery and heavy industrialization, 1932-1937; and war and collapse, 1937-1945. By this era, quantitative data is more consistent and reliable than it was in the years covered by Crawcour. Nakamura introduces and discusses nine tables with figures on growth rates, sectoral employment, foreign trade, and other measurable matters. His second table shows Japan's average real growth rate from 1913 to 1938, 3.9 percent per annum, to have been significantly higher than that of the United States, Great Britain, Germany, Italy, Denmark, Norway, and Sweden (no other country is included). One of Nakamura's goals is to explain how that rapid growth was achieved, and with what consequences. He shows how central bank action averted collapse in the early 1920s as a stock market crash was followed by a series of financial panics and runs on banks, punctuated and worsened considerably by the devastating Great Kanto Earthquake of 1923. The Bank of Japan repeatedly took action to prop up shaky banks, rediscounting commercial bills held by those institutions and sometimes extending long-term loans. The Ministry of Finance mandated stricter capital standards for banks in a revision of the banking law in 1927, and government policy promoted consolidation in the banking industry. Market forces spurred the movement toward consolidation, as mergers and also the voluntary transfer of funds by depositors resulted in concentration of financial resources in a smaller number of banks. Looking beyond the financial world, Nakamura observes that the strongest grew stronger in these years; the family-owned concerns known as zaibatsu extended their holdings in "every field of industry, from finance and insurance to mining, foreign trade, warehousing, chemicals, paper, metals, and textiles." Protectionist policies benefited Japanese industries in the 1920s, as did relatively heavy government spending on infrastructure improvements. The Great Depression that began in the United States in 1929 dealt heavy blows to Japan, and a poorly timed return to the gold standard in January 1930 exacerbated the difficulties. Recovery, however, began earlier in Japan than in other industrialized countries. Nakamura gives most of the credit to Takahashi Korekiyo, who was minister of finance for nearly four years (with one short break) beginning in December 1931. Takahashi abandoned the gold standard and promoted low interest rates and exchange rates. He also encouraged increased government spending, some of it for public works projects for rural relief, some for a military buildup. Nakamura rebuts the view that "the revival of prosperity in the early 1930s was due to increased military spending," citing research that shows that military demand, as a percent of total demand, actually declined in the heavy capital goods, chemicals, and machinery industries in the years to 1936. He notes, however, the rising political influence of the military, and the growing focus of attention on the economic development of Manchukuo and northern China that followed Japan's military expansion on the continent. Government policy shifted to support greater armament spending after fanatic young military officers assassinated Takahashi, who had restrained weapons purchases, on February 26, 1936. After the outbreak of war with China in 1937, national economic controls were imposed and gradually strengthened. Wartime controls resulted in increases in chemical and heavy industrial production, Nakamura shows in a discussion of a table of production indexes that compares output in various sectors. The indexes make clear that production of goods for people's daily lives, like textiles, declined. Controls made for great hardship, and the destruction of war reduced Japanese national wealth to a fraction of its prewar peak. In the ashes of defeat in World War II, Nakamura finds the seeds of postwar growth–he identifies several institutional innovations of the war years, including administrative guidance, the seniority wage system, enterprise unions, and financial groupings centered on main banks, and links those with the successful transformation of the economy after the war. But because "politics were in absolute ascendancy over the economy" in the years covered by this chapter, Japan in 1945 was in ruins.

Yutaka Kosai drew the agreeable assignment of writing the chapter on the era of high economic growth. In "The Postwar Japanese Economy, 1945-1973," he logs Japan's swift voyage to economic superpower status. He makes a point of ascribing some of the honor for

early postwar economic reforms to Japanese. Well aware (though he does not mention it) that previous English-language studies have concentrated on the role of General MacArthur and the Allied Occupation forces, he notes that sometimes Japanese cooperated with, and sometimes they resisted the American program. Kosai sees land reform, zaibatsu dissolution, and labor reform as particularly important in setting the stage for postwar growth. As a result of the first, over a third of farmland changed hands and the agricultural sector came to be dominated by independent landholders. Breaking up the zaibatsu contributed to a lessening of concentration and a quickening of competition in the economy; with high growth, these changes became (Kosai believes) permanent. Labor legislation enacted in the first two years of the Occupation stimulated union activity and improved workers' lives, but the American authorities famously prohibited a general strike in February 1947 and sought thereafter to keep the labor movement moderate in its political activity. Eventually the enterprise union form of organization prevailed, and unions stressed economic issues over political ones. During the Occupation years, policy aimed at promoting economic expansion met with limited success. Kosai touches on Japanese initiatives such as Arisawa Hiromi's "priority production method" as well as the American initial postwar reparations policy and the 1949 set of policies intended to promote recovery and self-sufficiency recommended by Detroit banker Joseph M. Dodge. It was the Korean War that finally stimulated demand and kick-started high growth. Kosai evaluates the macroeconomic factors that conditioned success. In separate sections he writes about: the increase in the supply and the quality of labor; the high rate of household sector saving (which, through the intermediary agency of banks, financed business investment); government manipulation of monetary policy to maintain a positive balance-of-payments position; pricing mechanisms that kept stability in the wholesale sector while allowing for some inflation in the consumer sector; rising individual and corporate incomes and a trend toward equalization in the distribution of incomes; and the growth of demand, especially consumer demand. Few of these macroeconomic conditions obtain today, we might note, but between the end of the war and the epoch-defining Oil Shock of 1973, they combined to foster extremely high growth rates. Japan became a world economic power by taking a number of steps that may need to be repeated, mutatis mutandis, for it to overcome the challenges it faces at the turn of the millennium. It rationalized industry, it imported and then often improved foreign technology, it liberalized foreign exchange and trade sufficiently to gain entry into the organs of the world economic community (the International Monetary Fund and the Organization for Economic Cooperation and Development). And it exported. By 1960, heavy industry exports had caught up with the traditionally leading light industry exports; by the 1970s, heavy industry far surpassed light. Kosai dismisses the "Japan Inc." explanation of postwar economic transformation and stresses private sector initiative–"Government and business did share information with each other and made their views known to each other, but the final investment decisions were in the hands of the business firms." Economic policy in the years 1945-1973, he argues, cannot adequately be explained as tightly managed from the top; rather it was the product of the interaction of bureaucrats, business interests, pressure groups, and the Liberal Democratic Party.

Kazushi Ohkawa and Henry Rosovsky's "Capital Formation in Japan" sweeps over some three centuries in less than thirty-six pages. Drafted in the early 1970s, it must be admired as a magisterial summarization of years of big-picture thinking about economic growth. The most famous part of the essay explicates "trend acceleration" in patterns of investment in the twentieth century. Two earlier sections analyze the premodern background and the years from the Meiji Restoration to 1900. In depth and detail, what Ohkawa and Rosovsky give us here cannot bear comparison with the chapters written later for *The Cambridge History of Japan*, but their task was different, of course; they were to provide comparisons and contrasts that would engage readers of European economic history. Treating the Tokugawa economy, they emphasize its backwardness–reliance on labor-intensive methods in both agriculture and non-agricultural activity, small units of production, lack of acquaintance with steam power, isolation. They do qualify this stress on preindustrial benightedness by drawing attention to areas in which Japan was not so backward: both central and local governmental institutions were effective, roads essential for transport of goods and for travel were well developed, and necessities of life such as housing, clothing, and food were well provided for by the traditional economy. Ohkawa and Rosovsky see the changes of the late nineteenth century much as Crawcour does. A period of transition, from 1868 to about 1885, was followed a period of initial modern economic growth from the mid-1880s to 1900. Modern economic growth, they are persuaded, depends in its initial phase on accelerated growth of the traditional economy; Japan was fortunate in that its agricultural and traditional industrial sectors

had the capacity to grow. To move up the curve of modern economic growth, and to progress beyond the initial phase, capital investment is required. Before 1900, Ohkawa and Rosovsky believe, Japan's pattern of capital formation limited its industrialization. The government share of total investment was larger than the private, and most investments "represented the application of traditional (labor-intensive) techniques and therefore did not embody imported technological progress." Only in the twentieth century does Japan's story take real modern economic growth as its theme. The years from 1900 to 1966 (the last data-point in this essay) are one long growth phase, in the authors' view. They identify three long investment swings that reached their peaks in 1917, 1937, and 1962. Their statistics show that the average annual growth rate of private non-agricultural capital formation accelerated in the three periods of spurts that led up to those peaks; that is, the rate of investment in 1956-1962 was higher than that in 1931-1937, which was higher than that in 1901-1917. Growth in national product accelerated likewise. The ratio of capital to labor in production increased steadily, productivity increased, and the leading industries changed (food and textiles led in the earliest spurt; chemicals, metals, and machinery in the 1930s; and electronics and cars in the 1950s and 1960s). In interpreting their time series data, Ohkawa and Rosovsky introduce a dozen or so formulas and statistical functions–quantitative analysis is central to their approach to economic history. Their work is grounded on the multivolume *Chouki keizai toukei* (*Estimates of Long-Term Economic Statistics of Japan since 1868*) edited by Ohkawa and others. But in their conclusion they draw attention to the importance of institutions (e.g., the prewar zaibatsu and the postwar Ministry of International Trade and Industry); these, too, they say, undoubtedly contributed to modern economic growth.

"Factory Labour and the Industrial Revolution in Japan," Koji Taira's essay, examines continuity and change from the mid-nineteenth century to World War II. The economy at the end of this period was only "semi-industrialized," he observes, with slightly more than 20 percent of the working population engaged in manufacturing. Still, the rise of the factory system changed Japanese society profoundly during this period. Taira builds his analysis on a rich description of labor conditions and management practices in two industry sectors, textiles (which mostly used unskilled female workers) and metalworking and engineering (which used male workers, some of them skilled). He begins with a discussion of preconditions, that is, with social structures that were in place in the early nineteenth century. In the hereditary status system, he observes, labor relations involved servitude, *houkou*. Servants worked for masters. In some areas in which commercial agriculture had appeared, short-term or daily service for pay had evolved, but laborers at the time of the Restoration were generally called, and in some ways were still treated as, *houkounin*. To teach us how that changed, and how modern industrial labor grew up in Japan, Taira lines up an exhibition of excellent small portraits of late-nineteenth and early-twentieth century subjects. Among these are female factory laborers in spinning and weaving, males in metalworking and engineering, worker gangs and *oyakata-kokata* (leader-follower) relations within those gangs, labor shortages, enterprise-owned dormitories, traditional authoritarianism practiced by owners, managerial backwardness in the metalworking and engineering industries, early labor organizations, the effect of compulsory education on the working population, the rise of modern professional management, the beginnings of labor law, and the impact of mobilization for war. What went on between employers and workers in prewar Japan may never have reached the point of being purely economic transactions, devoid of the freight of paternalism or other manifestations of the web of human obligations. But labor relations did become more systematic, and working conditions improved as the modern factory system advanced. By the 1930s, Taira judges, the average worker was vastly better off, materially and in terms of education and sophistication about life, than his or her nineteenth-century forerunner had been. It seems unfortunate–in terms of both history as it was lived and history as it is written–that the last comment about labor in *The Economic Emergence* describes the loss of freedom of occupation and individuality suffered by workers during Japan's mobilization for World War II. This is not a criticism of Taira. The postwar labor situation just happens to be beyond the scope of the essay selected for inclusion in this book. I will return to this point below.

The final chapter is the editor's own. "Entrepreneurship, Ownership, and Management in Japan" deals with private sector leadership. By way of refuting or at least modifying what he sees as the "orthodox" view of the Meiji entrepreneur, Yamamura includes a gallery of portraits, quickly but sure-handedly drawn, of some of the business leaders who built modern companies. This enables him to enliven his account, but he never strays from his point, which is that previous writers were wrong when they attributed the early modernizing successes in nineteenth-century Japan almost entirely to former

samurai and to government initiatives. Many of the founders of important business ventures (some of which would become zaibatsu) were of commoner background: Yasuda Zenjirou, Iwasaki Yatarou, Itou Denhichi, and Suzuki Tousaburou are a few of the cases Yamamura refers to, and his blending of biographical and economic historical detail is interesting and persuasive. He does not focus exclusively on founding entrepreneurs. By the end of the nineteenth century, professional managers with Western-style college educations made their entrance on the scene, and Yamamura gives us an example of what that meant in a sharp sketch of the Mitsui group of firms. The organizational structures of Japanese businesses grew more complex, and the legal basis of many firms was altered to take advantage of new opportunities as time went on. Stock-issuing corporations (*kabushiki kaisha*) were organized, making it easier to raise capital or to redistribute ownership shares of companies. Several of the largest and politically best connected businesses started or acquired subsidiaries or divisions operating in a variety of industries, and transformed themselves into diversified conglomerates, or zaibatsu. Banks are Yamamura's focus in a section as detailed and provocative as his analysis of the social origins of modern entrepreneurship. Especially from the late 1870s, after the commutation of the stipends of former samurai and the revision of the regulations on banking, banks provided a new vehicle for accumulating funds and then reallocating them for use by old and new enterprises. Most of the early lending activity of banks–through the 1880s–had trade finance, support of agricultural enterprise or processing, or support of household sector consumption as its purpose, Yamamura writes. In those years and for the remainder of the century, he believes, banks were not critically important in financing industry. He concedes that some of the loans extended by banks to individuals (especially loans collateralized by shares) were used by the borrowers to invest in industry. But his reading of the aggregate data leads him to doubt that such indirect financing and the direct lending by banks to corporate borrowers added up to a large enough sum to have significantly promoted industrial modernization. His view here reminds us of the argument that banks in England hindered industrial growth more than they helped it in the late nineteenth and early twentieth centuries–a controversial view, but one that still enjoys fairly wide currency. Yamamura dates the beginning of significant industrial banking from the World War I boom years; it was the zaibatsu banks that led the way. As they took on the risk of long-term lending for industrial purposes, the big banks did more than extend credit to other companies within their own zaibatsu group. Zaibatsu banks made long-term loans to, and also invested in long-term bonds issued by, non-zaibatsu companies. Zaibatsu firms themselves were able, from the 1920s, to take care of most of their needs for external financing by selling shares, Yamamura points out; although they continued, for relationship reasons, to borrow from the "organ banks" of their groups, they were not so dependent on the zaibatsu banks as journalists and earlier scholars used to believe. A revisionist on banking history, on ownership matters Yamamura takes a more conventional stance. His last few paragraphs on prewar Japan are an economical account of the trend toward concentration of ownership in fewer and fewer hands. A very brief part of this essay is devoted to postwar developments. Yamamura emphasizes the importance of the change in corporate ownership that resulted from the Occupation's incompletely implemented zaibatsu dissolution program. Share ownership is far more diffuse than it was before the war. On the other hand, linkages among former zaibatsu firms have been maintained through informal and formal organizations and cross-holding of shares among these companies. Turning to management, Yamamura believes two characteristics of Japan's system are bound up with the nation's economic growth: "industrial paternalism and an emphasis on group harmony and co-operation." The most significant mechanism through which the latter is manifested is the *ringi* system, whereby proposals are generated and decisions reached through a process of drafting by subordinates, discussion at various levels of an organization, and final approval by senior executives. A key feature of this system is that personal responsibility for specific proposals is avoided, even as group harmony is enhanced. Not a few management theorists in the 1980s advocated adapting those patterns for use elsewhere, to make non-Japanese organizations more effective. It is interesting to note that Yamamura is more skeptical. "The *ringi* system," he states, "is no longer adequate." Two decades after he first published this judgment in *The Cambridge Economic History of Europe*, Japan's economy and particularly its financial institutions are mired in a seven-year slump. Most large business organizations still use *ringi* for most of their routine decision making, but there is growing doubt that the process is nimble enough or tough enough to deal with the complexities of global competition. Paternalist practices, too, are being rapidly abandoned or drastically modified. Yamamura's evaluation seems to have been quite prescient. But even if he had not offered this comment on the situation at the time he was writing, he would, in discussing paternalism and the *ringi* system,

have contributed greatly to our understanding of the historical dynamic that enabled Japan to become a great economic power. He may not have had a term like "neoinstitutional analysis" at hand to describe what he was doing, but surely he shows, in this chapter, that political and social institutions have played important roles in determining economic performance of modern Japan.

The bibliography of *The Economic Emergence* is superior to the tables of works cited that are usual in Cambridge histories. Yamamura has updated the lists that accompanied these essays when they were first published, and of course he has culled the economic history items from the other citations and included only works relevant to economic history here. He makes no attempt to present a comprehensive bibliography of Japanese-language publications. Instead, he guides readers to the eight-volume *Nihon keizaishi* published by Iwanami Shoten between 1988 and 1990. His decision about the Japanese literature is a practical one. The bibliography as it stands is an extremely good place for a student to begin reading and research. Researchers literate in Japanese should be able to make use of other aids, and there is no need to replicate those in this book, which is, after all, effectively much like an introductory survey.

A couple of omissions are worthy of comment. Professor Taira's essay "Economic Development, Labor Markets, and Industrial Relations in Japan, 1905-1955," Chapter Twelve of the twentieth-century volume of *The Cambridge History of Japan*, is not included here. Possibly Yamamura felt that its coverage duplicated, to some extent, material touched on in "Factory Labor and the Industrial Revolution in Japan" and in the two pages of Kosai's chapter that discuss labor-management practices. Possibly the publisher simply did not want to add forty-eight more pages to *The Economic Emergence*. Whatever the explanation, the loss is regrettable. It leaves the book unbalanced in its coverage of labor history, and detracts from its value as an introductory economic history of Japan. Another excision, less significant but nevertheless curious, can be found by comparing tables of contents: in volume six of *The Cambridge History of Japan*, Jacqueline Kaminsky is credited as the translator of Nakamura's essay, and Andrew Goble, of Kosai's, but in the present volume, the fine work of these translators goes unacknowledged.

These omissions seem trifling, when set against the strengths and virtues of this book. If there are any outright errors in the seven essays, this reviewer is not astute enough to have caught them. *The Economic Emergence of Modern Japan* deserves to be required reading in its entirety for all advanced students of Japanese history, and for all students of economic history since the industrial revolution, as well. Not only should it be assigned, it should also be recommended for purchase. Happily, Cambridge University Press has decided to issue a paperback version, as it did with *Warrior Rule in Japan* and *The Emergence of Meiji Japan*, both edited by Marius Jansen. Those two books, brought out in 1995, comprise selected chapters from volumes three, four, and five of *The Cambridge History of Japan*. The packaging and marketing of the Yamamura and Jansen collections are acts of positive benevolence toward those for whom the $120.00 per volume list price of *The Cambridge History of Japan* is an obstacle. In the paperbacks, a highly sophisticated introduction to recent scholarship on Japanese history is available at a reasonable price. The press and Professors Yamamura and Jansen merit our thanks.

Handsomely produced, *The Economic Emergence of Modern Japan* adds considerable value to the Cambridge catalog. No other single volume exceeds it in breadth and comprehensiveness, or in judicious construction of the evidence of more than two centuries of economic change.

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