government. I do not think we can ignore things like brother Yanosuke Iwasaki's reaction when the government was about to take Takashima away from him with the Third Directive (limiting Mitsubishi to marine transport and no other businesses), bureaucrat Masayoshi Matsukata at the time of the Miike transfer, bureaucrat Kaoru Inoue's positing of Mitsui and Mitsubishi as gōmei and gōshi organizations, and the relationship between the Ministry of Commerce and Industry/Ministry of International Trade and Industry and enterprise.


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This book is a historical analysis of the Japanese automobile industry from the twofold perspective of entrepreneur activities and of competitiveness, right through to the postwar years. It is a compilation of sixteen years of the author's research on the history of the automobile industry here in Japan. Similar works on this industry already abound, but there are surprisingly few research works that, like this book, attempt to give an account of its history from its first beginnings up to fairly recent times, using clear analytical tools.

Part I, "Before World War II," begins with a historical investigation of "The Management Activities of Foreign-Owned Automobile Companies Located in Japan" (chapter 1). This investigation is based on the insight that "the reason the automobile distribution and sales system in our country was from the start organized in such an exceptionally modern and rational way was truly beyond any doubt the influence of such sales activities by the foreign-owned companies." Masaru Udagawa has already published material on this period, but Shinomiya adopts a much wider stance and touches upon such things as the domestic situation in the United States in the 1920s, changes within Japan after the Great Kantō Earthquake, and the tentative steps to introduce the franchise system and sales financing into our country. Now and then it becomes apparent that the author was troubled
by limited historical materials, but the way his explanations manage to overlap the opportunities for U.S. enterprises to spread out overseas and the factors present on the Japan side, which accepted them while making partial changes, makes for interesting reading.

The key idea in chapter 2, "The Prewar Automobile Industry," and chapter 3, "The Entry into Manchuria of the Automobile Division of Toyoda Automatic Loom Works," consists in portraying the reality of the activities of the entrepreneur Kiichirō Toyoda, showing how, motivated by a desire to resist large, powerful foreign money and by a wide-ranging vision that embraced even entry into Manchuria, Kiichirō tried to build up the competitiveness of the domestic automobile industry. In the end Kiichirō would be tossed about by the changing Manchurian development formulas of the government and the military, but these two chapters do not get bogged down in unfolding the story of all these great changes; choosing his words carefully to avoid exaggeration and focusing on sifting out historical fact, the author sticks to accurate presentation of the important points.

Chapters 4, "Automobile Manufacturing Policies in Manchuria in the Early 1930s," and 5, "The Growth of Automobile Manufacturing in Manchuria," are, as the author sees it, "attempts to fill in a bit of the vacuum in the history of research" on an area where "there is nothing in the research history up to now that has looked at the evolution of automobile manufacturing policies, including Manchuria within the research perspective." These two chapters are possibly the most original in the book. The processes of coming to decisions on each control policy and changes in the policies are made clear with judicious use of abundant source materials. But, while weight is put on introducing policy texts, the author abstains from making conjectures about how entrepreneur activities put up resistance under those control policies.

The first half of Part II, "After World War II," consists of chapter 6, "Postwar Automobile Industry Policies and Entrepreneur Activities," and chapter 7, "The Automobile Industry in the 1960s." In this section three minor themes are analysed: 1) policies; 2) the structure of the industry; 3) entrepreneur activities. The author gives the first theme an overall positive assessment; in regard to the second theme, relying on Kyōsō to kakushin—jidōsha sangyō no kigyō seicho [Competition and innovation: Enterprise growth in the automobile industry] by
Hiroyuki Itami et al., he points out that Japan has fewer mergers in comparison with other countries but a large number of enterprises, and such an environment was conducive to fierce competition, and he holds that this competitive coexistence structure is a special feature of Japan. Under the third minor theme are introduced the competitive strategies, and so on, of Toyota (the establishment of a Japan-type production system), of Mazda (the development of the rotary engine), and of latecomers (Suzuki and others).

Chapter 8, "Transitions in Supplier Policies and Suppliers in the Automobile Industry," is an "attempt to untangle the questions of the kind of supplier policies historically adopted by assemblers within the automobile industry in Japan, how the suppliers responded to them, and what kind of differences were seen in assembler-supplier relations depending on the assembler." While making good use of previous research by Itami et al., Jurō Hashimoto, Haruhito Takeda, Kazuo Wada, Yoshirō Miwa, Masaru Udagawa, Kōji Ueda, and others, the author refers to the important role of the activities of the parts makers' kyōryokukai, and at the same time he suggests that there were differences in kyōryokukai activities depending on the automobile manufacturer, and that this fact had an influence on the competitiveness of the automobile manufacturer. I do not wish to voice an objection to what the author suggests, but in light of the overall picture of the transaction governance structure existing between automobile makers and parts manufacturers portrayed in Banri Asanuma's Nihon no kigyō soshiki—kakushinteki tekiō no mekanizumu [Enterprise organization in Japan: Innovative adaptation mechanisms], kyōryokukai activities are thought to have been only a secondary small part. For that reason, I think that the main field that ought to have been analysed within the parameters of this chapter is the practices followed in transactions between the two sides. I suppose the reason why the author focused so much on an analysis of the kyōryokukai activities is probably the need for a preliminary discussion of the kyōryokukai's position within the whole range of assembler-supplier relations.

The supplementary chapter, "The Automobile Distribution/Sales System," takes upon itself the task of "attempting to sketch the importing of passenger cars from 1965, when import liberalization began, up to the present day, ... discussing the automobile distribution and sales system that is the target of criticism by the U.S. side,"
and discussing “on the other hand, the efforts of foreign automobile makers to enter the Japanese market,” and having done this, of “listing what it is that is being sought in regard to the expansion of the importing of foreign vehicles into Japan.” Making use of the report on a survey of automobile distribution put out by the Fair Trade Commission office in 1993 and the “Final Report on the MOSS [Market Oriented Sector Selective] Automobile Survey” put out jointly by the Nomura Research Institute and Booz, Allen & Hamilton in 1994, the author first carries out an analysis from various angles before coming to the conclusion that “the problem of the opening of Japan’s automobile market, which is the key issue in the U.S.-Japan Framework Talks on Bilateral Trade, is not an anti-U.S.A. problem but purely a problem of the Japanese automobile industry itself, namely, whether or not the automobile industry in Japan can achieve on its own initiative a modernization of the automobile distribution and sales system itself.” This reviewer has a completely different opinion from this conclusion—I believe there are problems on both sides, but the greater majority of the problems lie with the U.S. side—but for reasons of space limitations I shall not go into a discussion of the matter here.

Last of all I would like to add miscellaneous reactions regarding the theoretical connection between the two parts (Before World War II and After World War II) that make up the overall structure of the book. This book contains almost no treatment of such things as how prewar automobile industry policies, or prewar entrepreneur activities, or the prewar competitiveness that resulted from them, were inherited after the war, or how they had an influence on postwar policies, activities, and competitiveness, or what the differences were between the prewar and postwar policy methods, and so on. That having been said, it must be added that the book does not push the “discontinuity” thesis, either. But I cannot help feeling that some digging up of historical facts and the presentation of some bold theorizing on the matter should have been done.