

ity system, backed by real means of intervention. The literature quoted is impressive. The appendix includes a map of Manchuria and Shanghai in 1932, extracts of important covenants of the League of Nations of 1919, the Briand-Kellogg Pact of 1928, the Washington Nine-Power Agreement on Principles relating to China of 1922 and resolutions of the League of Nations regarding the Manchuria conflict.

Richard Dähler

MALCOLM TREVOR, *Japan: Restless Competitor. The Pursuit of Economic Nationalism*. Richmond, Surrey: Curzon Press, 2001. 274 pages, \$25.00. ISBN 1-903350-02-6

Since the Japanese bubble economy of asset inflation burst in 1992, books on Japan (of the 'what can we learn from Japan' sort) are clearly out of favour. Instead, benign neglect, prevalent until the 1970s, when the world woke up to Japan's high tech competitiveness, is once again the order of the day. This is a pity since the country is economically speaking seven times the size of China, accounts for 70 % of the Asian economy, and with its highly skilled, motivated and disciplined labour force is likely to remain a formidable global competitor.

The author presents this thesis, arguing that Japan's competitiveness was also due to the fact that it was able to gain and to utilize fully unfair advantages in international trade, notably towards its main competitors, the US and the EU.

Japan's expansion, according to Trevor, was engineered by MITI through allocating cheap capital and public funds to high growth value added sectors (p. 212), permitting cosy sectoral and horizontal cartels (notably the re-emergence of the Keiretsu networks of closely affiliated companies), allowing cut throat pricing for export market share expansion, keeping labour and other cost factors low (p.37) and, finally, through keeping competitive imports out as long as possible.

Trevor documents at great length instances of collusive practices and structural corruption permeating large sections of Japan's political economy, since the political and administrative class in Japan both define their business interests as the "national interest" (p.161). He describes the extra-legal practice of 'administrative guidance' (*gyosei shido*) which limits competition (p.155), the placement of retired senior bureaucrats in management advisory and in business associations (like, for instance, the Japan Chain Store Association, p.159), the lengthy series of permits required, be it for the admission of new cars (p.140), or for the opening of new retail stores even after 'deregulation' (p.214), systematic bid rigging on public works contracts (*dango*) due to close ties of the construction industry with the governing LDP (p.188-90), and the ever growing need of funds by the government party and its quarrelsome faction (p.171).

Trevor's conclusion is then straightforward: Japan does not play according to the rules of a market economy. The costs of this uneven competition are borne by foreign competitors and increasingly by Japanese consumers, employees and tax payers, who pay in terms of higher prices, lower wages and reduced public services as the costs for the public bail out of the persistent banking crisis mount.

The author proceeds to emphatically debunk the series of myths (*tatema*), which Japanese officialdom and academia produce in order to demonstrate Japan's mystifying uniqueness to gullible foreign visitors: stories claiming the homogeneity of the Japanese race, their innate longing for harmonious labour relations, their submission to national consensus, lifetime employment, quality circles etc. (p. 81), all ultimately intended to claim that Japan is different from the rest of the world and hence entitled to trade surpluses (p. 63). In the absence of concerted US/EU action, which is lamented by the author, the Japanese trade negotiators have so far successfully got away with their strategy of myth fabrication (p. 255).

Trevor, for many years one of the senior managers of the EU-Japan Industrial Cooperation Centre in Tokyo, meant to initiate European managers in the intricacies of the Japanese market, must have received an overdose of the *tatema* treatment invariably meted out to unsuspecting foreigners. This may explain the intellectual passion he devotes to the subject, including a lengthy chapter on Japan's history since the exclusionist Tokugawa Shogunate (1637–1868) via the Meiji modernization until WWII, intended to demonstrate the continuities of a collectivist hierarchical society following an authoritarian path of development and espousing a similar view of the world (p. 90–136). Given the vastness of the subject, invariably some inaccuracies have inevitably sneaked in: Japan does not request the return of South Sachalin from Russia (p. 101), but only of four smallish Southern Kurile islands (the "Northern Territories", which the Soviets annexed without legal foundation after 1945). The late Ryochi Sasagawa, an influential post-war power broker, was not a member of Tojo's cabinet during the war (p. 115), but a lowly plunderer for the Naval Aviation Corps in China.

As Japan's decade-long crisis of stagnation demonstrates, the country has become a victim of its own collusive and uncompetitive practices. Lax and false accounting camouflaged the extent of her banking crisis for too long and led to an erosion of international and domestic confidence. Due to their lucrative institutional collusion with the financial sector, the Bank of Japan and the Ministry of Finance were unable to supervise the sector properly (p. 15). An unending series of revelations of stock market manipulation by the major securities firms (pp. 23–25) followed.

During the modernizing "catch up" phase of the Japanese economy, it made sense to channel the huge savings funds of its thrifty population into the corporate sector so as to finance productive investments. Since the early 1980s, the corporate establishment at zero capital cost found it more worthwhile to invest in real estate and stock speculation (*zaitech*). More money was poured into golf courses and night entertainment. The political establishment responded in kind by generating the largest public indebtedness in human history – mostly in unserviceable half-hidden parastatal accounts (pp. 207–208).

Japan now faces the unenviable near-impossible challenge of having to pay the costs of its unrectified casino capitalism by restructuring the debts of its banking and public sectors while at the same time being faced with serious structural problems: the rapid aging of its population (all with unfunded pension entitlements), the hollowing out of its industrial basis (leaving rapidly for China) (p. 27), and the desperate lack of entrepreneurial talent in overmanned conformist corporate hierarchies (p. 179).

Trevor devotes his final chapter to the key question "Will Japan Change?". He rightly dismisses the decade-long promises of change and deregulation by uninterested officialdom as catering to Western wishful thinking that some time in the future due to "different young people" an internationalised Japan will somehow be similar to the U.S. There is no empirical evidence for this. Rather, increased conformist job pressures in an ever tighter labour market – as in the West – will ensure that Japan does not turn into a second California.

With the probability of an implosion of the financial sector and the inability of a public bail out, Japan is bound to change its current mismanagement: for better or for worse. The chances are that popular consensus will opt for reforms patterned along its traditional exclusionist ways.

Malcolm Trevor has written an interesting book, hopefully thought provoking enough to restimulate the long overdue debate about the world's second largest economy.

Albrecht Rothacher

RON CROCOMBE, *The South Pacific*. Suva: University of the South Pacific, 2001. 790 pages, A\$ 45.00. ISBN 982-02-0154-3

The objective of this monograph is to outline past, present and future trends in the Pacific, an extremely diverse region of 1,200 languages, identities, cultures and societies, covering 28 nations and territories over a west-east distance of 10,000 kilometres (West Papua to Easter Island) and 5,000 kilometres north to south (Hawai'i to New Zealand). It is a rewritten, updated and expanded version of earlier editions published since 1973 under the titles *The New South Pacific* and *The South Pacific: An Introduction*. Its author is a professor emeritus who founded and headed the Institute of Pacific Studies at the University of the South Pacific in Fiji's capital Suva for nearly 20 years until 1988. He lives in the Cook Islands.

The book is structured in seven parts with 24 chapters, which systematically cover the main topics of the region typically divided into the cultural areas Melanesia, Micronesia and Polynesia. Part one presents a chronology of the main historic periods and introduces geographic definitions, describes the physical context of the region, outlines human history since the arrival of the first migrants 50,000 years ago and gives an overview of the health situation.

Part two discusses the future of the region's linguistic complexity and fragmentation (harbouring one quarter of all languages worldwide) and outlines the transformation of principles of social organization as a result of changing patterns of communication, commercialization and migration. It further traces the debates about a regional cultural identity summarized in slogans such as "unity in diversity".

The next part deals with factors which influence thought, perception and ideas of value. The chapters include presentations of arts, architecture and sports, a discussion of religious systems and the influential role of churches in politics, as well as philosophies, ideologies, values and ethics, followed by two sections which examine formal education and the intensifying flows of information and media presence in the region.