

Session 8 : International Order of Asia in the 1930s and 1950s

Introduction¹

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I The Aims of the Session

The main aim of this session is to reconsider the nature and formation of the '**International Order of Asia in the 1930s and 1950s**' in the light of new historiographical developments in Great Britain as well as in Japan. Recently several Japanese economic historians have offered a new perspective on Asian economic history.² They argue that the economic growth of Asian countries was led by the phenomenon of intra-Asian trade which began to grow rapidly around the turn of the 19th-20th centuries. On the other side, the British imperial historians, P.J. Cain and A.G. Hopkins have presented their own provocative interpretation, 'Gentlemanly capitalism and British expansion overseas', in which they emphasize the leading role of the service sector rather than that of British industry in assessing the nature of British expansion overseas³. We will attempt here to integrate these new perspectives⁴ and to present a fresh interpretation of the international order of Asia in the 1930s and 1950s.

At this session, 'Asia' is taken to mean East Asia and Southeast and South Asia. In the case of the 1930s, the former included Japan, the most industrialized country in Asia, the rising sovereign state of China and Japanese colony of Taiwan (Formosa). The latter consisted mainly of the colonies of the European Powers, including British India and the Dutch East Indies.

We have three specific subjects at this session, which are closely related to each other. The first is to reconsider the metropolitan-peripheral relationship in Asia in the 1930s and 1950s, focusing on the role of the sterling area and its implications for Asian economic development. After the publication of Cain and Hopkins' book, we can identify the financial and service interests of the City of London as the core economic interest of Great Britain. They emphasize the importance of the sterling area for the reassertion and extension of British

influence on a global scale in the 1930s⁵. In the case of Asia, they refer to British India as well as to China in the 1930s⁶. British imperial history can now be seen as a bridge to global history. Cain and Hopkins suggest that British imperialism and the British Empire can be viewed as globalizing forces in the last chapter of their second edition of *British Imperialism 1688-2000*.⁷ We explore the economic linkages between the British Empire, the sterling area and Asian countries, and consider their economic implications for the development of Asia, and especially upon the industrialization of Asian countries, from a global perspective.

The second aim of focus is to reveal the formation of inter-regional trade relations within Asia in the 1930s and their revival and transformation in the 1950s. This subject emphasizes the importance of Asian indigenous forces in creating and sustaining the international order of Asia. The concept of 'intra-Asian trade' has been discussed several times at international conferences since the IX Congress of the IEHA in Bern in 1986⁸. A Japanese economic historian, Kaoru Sugihara, has written many articles and an excellent book about this subject, based on multi-archival research on trade statistics⁹. We try to consider furthermore the economic impact of intra-Asian trade on the international order of Asia, and reveal its connection or linkage with the capitalist world-economy.

The third field we wish to emphasize is to consider continuity and discontinuity or change within the international order of Asia between the 1930s and 1950s. On the surface, there appears to be little continuity between the 1930s and 1950s in international order in Asia. Especially after the end of the Second World War, 'political' decolonization or independence became an important and urgent matter for Asian countries. Many new nation-states were formed in Asia in the 1940s and 1950s. However, from the perspective of economic relations, we may identify some factors of continuity from the 1930s in the international order of Asia. We try to reveal these aspects of continuity and their transformation from both a global and regional perspective.

II The Structure of the Session

We will discuss these three subjects at this session. Twelve papers will be contributed to this session, and every paper will not necessarily deal with both the 1930s and the 1950s. We will divide our session into the following three Parts, and at each Part, we will discuss our subjects chronologically from the 1930s to 1950s.

Chair: (unfixed, and later announced)

Introduction : Shigeru Akita (Osaka University of Foreign Studies, Japan)

Part 1: International Order of Asia, the British Empire and the Sterling Area

1. British Economic Interests and International Order of Asia in the 1930s

(Shigeru Akita)

2. China's Relations with the International Financial System in the 20th century: Historical Analysis and Contemporary Implications

(Tomoko Shiroyama, Hitotsubashi University, Japan)

3. Sterling Area, the Yen Bloc and East Asia's Industrialization

(Kaoru Sugihara, Osaka University, Japan)

4. British Imperialism in Asia and Anglo-Japanese Relations, 1930s-1950s

(Yoichi Kibata, University of Tokyo, Japan)

5. Sterling, Hong Kong and China in the 1930s and 1950s

(Catherine R. Schenk, University of Glasgow, the UK)

6. Malaya and the Sterling Area Reconsidered: Continuity and Change in the 1950s

(Nicholas J. White, Liverpool John Moores University, the UK)

Part 2: International Order of Asia and the Asian Regional Economy

7. Japan's Commercial Penetration and the Cotton Trade Negotiations in the 1930s

(Naoto Kagotani, Kyoto University, Japan)

8. The Korean-Centric Japanese Imperium and the International System in the 1930s

(Bruce Cumings, University of Chicago, the USA)

9. China's Economic Development and International Order in Asia, 1930s-50s

(Toru Kubo, Shinshu University, Japan)

10. Continuity and Discontinuity from 1930-40s to 1950s in northeast China : 'Miraculous' Rehabilitation of the Anshan Iron & Steel Company immediately after the Chinese Civil War (Toshiro Matsumoto, Okayama University, Japan)
11. Elite Survival and Regime Transition: Government-merchant relations in the Trade between Taiwan and Japan, 1950-1961 (Man-houng Lin, Academia Sinica, Taipei)
12. Growth, Development and Hegemony: Continuity and Change in Asian regional economy, 1920-1960 (Tom Tomlinson, University of Strathclyde, the UK)

Part 3: General Discussions

The papers in **Part 1** of this session discuss the economic linkages between the international order of Asia, the British Empire and the sterling area. The first three papers focus on the international order of Asia in the 1930s. Shigeru Akita tries to evaluate the role played by the United Kingdom for the formation of the international order of Asia, and reveals the unique complementary relationship between British economic interests and industrialization in Asia. Tomoko Shiroyama uses the Chinese currency reform of 1935 to investigate China's relationship with the international financial system, focusing on the policies of the U.S. government and its influence on Chinese political economy. Kaoru Sugihara analyzes the 'linking' of Japan in 1932 and China in 1935 to the sterling area, and assesses the extension of sterling's influence outside the British Empire in the 1930s in the more broader context of global history.

Yoichi Kibata reveals an aspect of the continuity of British imperial policy by portraying British attitude towards Japan in the 1930s, and deals with British policy to Japan after the end of World War II, especially focusing on Japanese economic relations with Southeast Asia. Kibata's paper links the 1930s with 1950s from a global perspective. Two papers concentrate on the international order of Asia in the 1950s. Catherine Schenk focuses on the special position of Hong Kong in the international monetary system and the international implication of the 'Hong Kong Gap' within the sterling area. She also deals with the regional relations of

Hong Kong, especially with China, and its linkage to the global market as an international financial center in the post-war period. Nick White reconsiders the relationship between Malaya and the sterling area, and reveals the continuity and change in the 1950s. Malaya was the most important export economy for Britain and earned massive US dollars for the hard currency pool in London. He reveals the changing nature of the sterling area in the 1950s, and its connection with the revival and expansion of intra-Asian trade and investment flows.

The papers in **Part 2** are mainly concerned with the international order of Asia and the Asian regional economy. Two papers deal with the Japanese roles within the international order of Asia in the 1930s. Naoto Kagotani considers Japan's commercial penetration into Southeast and South Asian markets and the cotton trade negotiations in the 1930s. He argues that Japan's economic diplomacy in the 1930s was primarily formulated by taking into consideration the financial interests of the UK and the Netherlands. Bruce Cumings reveals the peculiar character of the 'Korean-Centric Japanese Imperium' and its connection with international system in the 1930s.

We have three papers related to China in the 1930s and 1950s. Toru Kubo tries to consider China's economic development and its linkage to the Asian regional economy from the 1930s to 1950s, focusing on the transformation of China's foreign trade. He points out the continuity of China's 'munitions industrialization' strategy and her linkage to Southeast Asian markets. His paper is closely connected with that of Catherine Schenk, especially about the importance of Hong Kong for Chinese economic development. Toshiro Matsumoto reveals the continuity and discontinuity in the economy of northeast China from the 1930s-40s to 1950s, concentrating on the important case study of the Anshan Iron & Steel Company. He considers several reasons for the 'miraculous' rehabilitation of that company in the early 1950s. Man-houng Lin deals with the relation between the government of the Republic of China and Taiwanese merchants in the Taiwan-Japan trade in the 1950s. She identifies the continuity and active role of the pre-war economic elite who still possessed a strong Japanese identity. The arguments of Matsumoto and Lin are partly concerned with the Japanese colonial legacy and

its implicit influence upon the post-colonial economic development of East Asian countries.

Finally, Tom Tomlinson reconsiders continuity and change in the Asian regional economy from a longer historical perspective from 1920 to 1960. He analyzes the annual United Nations' *Economic Survey of Asia and the Far East* in the 1940s and 1950s, and reveals the changing pattern of external trade of Asian countries. He is critical about the formation of a coherent regional economy in Asia in the late 1950s.

At **Part 3**, we would like to have a general discussion with the participants to construct new perspectives for research.

¹ As for the specific frameworks and viewpoints for analyzing the 1930s, see a separate short essay submitted to the Congress : Shigeru Akita and Naoto Kagotani, 'International Order of Asia in the 1930s: Viewpoints of analysis'.

² Kaoru Sugihara, *Ajikan Boeki no Keisei to Kozo* [*The formation and structure of Intra-Asian trade*], (Kyoto,1996); Naoto Kagotani, *Ajia Kokusai-Tsusho Chitsujo to Kindai Nihon* [*The Asian International Trading Order and Modern Japan*], (Nagoya, 2000); Shigeru Akita, *Igirisu Teikoku to Ajia Kokusai-Chitsujo* [*The British Empire and International Order of Asia*], (Nagoya, forthcoming, 2002).

³ P.J. Cain and A.G. Hopkins, *British Imperialism, 1688- 2000*, (Second Edition, Harlow and New York, 2001).

⁴ As for the debate on Gentlemanly Capitalism and East Asia, see *Ibid.*, 'Forward: The Continuing Debate on Empire", pp.16-17; Shigeru Akita, 'British informal empire in East Asia, 1880-1939: a Japanese perspective', in Raymond E. Dumett (ed.), *Gentlemanly Capitalism and British Imperialism: The New Debate on Empire*, (London and New York, 1999), Chapter 6.

⁵ P.J. Cain and A.G. Hopkins, *British Imperialism, 1688- 2000*, Parts Five, Six and Seven.

⁶ *Ibid.*, Chapters 23 and 25.

⁷ *Ibid.*, 'Afterword: Empires and Globalization'.

⁸ Wolfram Fischer et al. eds, *The Emergence of a World Economy, 1500-1914, Beitrage zur Wirtschafts und Sozialgeschichte*, Band 33-2, Franz Steiner, Wiesbaden, 1986.

⁹ Kaoru Sugihara, op.cit ; Kaoru Sugihara, 'International Circumstances surrounding the Postwar Japanese Cotton Textile Industry', *Discussion Papers in Economics and Business*, 99-06, Graduate School of Economics, Osaka University (March, 1999).