

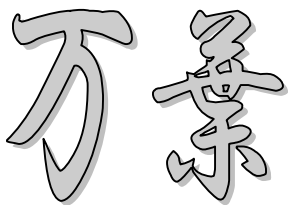
Myriad Leaves

JLGC News Letter

MARCH 2008



Okazaki Castle, Aichi (courtesy of Okazaki City)



Myriad Leaves is the English language title for the earliest collection of Japanese poetry. It contains 4,516 waka poems, the last of which is dated AD759. There is uncertainty over the intention of the title: it could mean either 'Collection of ten thousand leaves' or 'Collection for ten thousand generations'.

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**The Council of Local Authorities
for International Relations**

Founded in 1998, CLAIR is a joint organisation representing Japan's 47 prefectures, 17 designated cities and 1,795 municipalities.



JLGC News

January:

On January 9th, we were sorry to say goodbye to the Director's PA, Margaret Kinuko Thomas. We wish her all the best for her future career.

JLGC has been involved with the embassy in screening and interviewing applicants for this year's JET Programme. More information about the JET Programme is available at <http://www.jetprogramme.org/index.html>

JLGC attended the NALC Conference in London, this seminar about "Leadership in Action". During this event, the Director met and spoke with a number of European representatives about the local government situation in both Japan and Europe.

February:

On February 5th, we were delighted to welcome the Chairman of the Board of Directors from CLAIR Headquarters, Michihiro Kayama to London to participate in our annual Japan Day Seminar.

On February 7th, JLGC held their Japan Day Seminar in Cardiff. This event was organised with the grateful co-operation of the Welsh Assembly Government, Cardiff Council, SOLACE Wales and is supported by the Embassy of Japan, The Japan Foundation London Office, JETRO London, Japan National Tourist Organization and the Japanese Chamber of Commerce & Industry in the UK.

The event can be viewed using the following link:

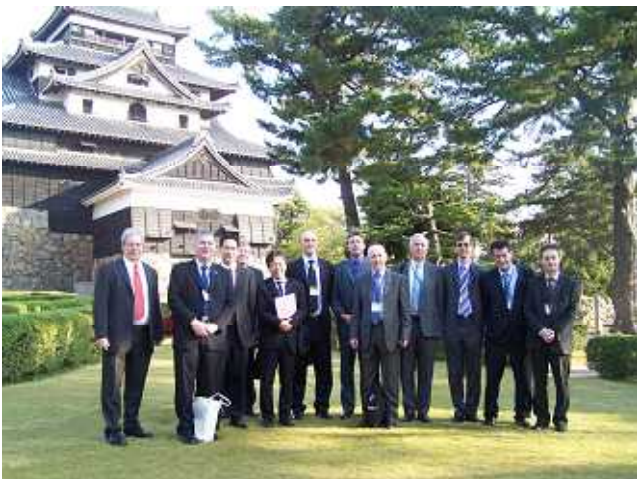
<http://www.jlgc.public-i.tv/site/#pp13351>

The 11th saw the Director travel to Manchester to attend the reception and celebration of the Honorary Consul of Japan in Manchester.

March:

At the end of March, two of JLGC's Assistant Directors will finish their tenure and return to Japan. Ken Fujino will be returning to Tokyo, and Kazuko Sunami will return to Okayama. We would like to thank them for all their hard work over the past two years and wish them a safe journey back.

The 12th saw the first Japan Study Tour Alumnae meeting at the Japan Foundation offices in Russell Square. Participants over several years gathered together to share their experiences of the study tour and to speak to Japanese business representatives in the UK about the future of international co-operation.



Participants of the 2007 JST in front of Matsue Castle (courtesy of Mr. Ian Rutherford)

Report on Local Government Exchange and Co-operation Seminar 2007

By James McLellan
Chief Executive, Argyll and Bute Council

In November 2007, I had the privilege of being part of the UK delegation of 10 representatives who participated in the 2007 Exchange and Co-operation Seminar. From start to finish, the trip was a mix of memorable experiences, very informative, well organised with a warm welcome and generous hospitality wherever we went.

The trip started with an informative briefing seminar on the structure of the national and local government in Japan, the financing of it, the relationship between the two levels (which we viewed enviously as being extremely strong with a pattern of movement of personnel between the two) and the joint challenges facing them in the future. Many of these – climate change, ageing population and trying to reduce the cost of service delivery are shared world-wide by local government. There was a common bond of interest and CLAIR is to be commended on its foresight in sponsoring this international dialogue.

The tour of the Japanese national diet, House of Councillors, and visit to the Tokyo Metropolitan Police Department were memorable and helped to consolidate the picture which had been painted of the legislative process and the delivery of a key service.

The group then moved west to the Shimane Prefecture where we were based in Matsue. The theme of this part of the tour was around the development of a food strategy in the Prefecture. The integrated nature of the strategy was well explained and illustrated in the visits to Japan Agricultural Co-operative (JA) in Unnan City where we heard about the production and marketing, encouragement of local consumption, economic stability for producers, quality food as a tourist attraction and the promotion of healthy eating. As we moved to the Izumo School Lunch Centre we saw the food being prepared and then we sampled it in our visit to Kamitsu Primary School. There was a tear in our eye as the children welcomed us in song. It was very humbling.

In the workshops, we were able to contribute our experience in the UK in local food production and promotion and many constructive links were made.

En route we saw some beautiful scenery – Mount Fuji covered in snow as we flew over it, Lake Shinjii with its famous sunsets – a photographer's paradise, Adachi Museum and Gardens which were breathtaking in their beauty.

Overall, alongside the broadening of our experience and understanding of a different culture and local government system, it is the memories of the people we met which will stay with us. We were met with kindness wherever we went. People went the second mile to be helpful in answering our numerous questions. The host families were also generous, gracious, pleasant, and good fun to spend time with. They took a delight in sharing their homes and culture with us.

We were all very appreciative of the opportunity to visit, and of the work done by the CLAIR staff in London and Tokyo.

Special Report 1

Japan Day Seminar Cardiff, UK

By Dr. Christopher Hood
Cardiff Japanese Studies Centre
Cardiff University

2008 marks the 150th Anniversary of the Anglo-Japanese Treaty of Amity and Commerce between the UK and Japan. Then, Japan was yet to modernize and Britain was seen as a country from which to learn. The treaty paved the way for British engineers, for example, to go to Japan to teach them how to build and operate a railway system. Much has changed in the past 150 years. Today both are members of the G8 and seen as being leading nations in economic and political affairs. This may suggest that their roles – and indeed this appears as though it will be the focus of the G8 when it meets in Japan later this year – is to help solve the problems in other *developing* countries. However, the reality is that both countries continue to face challenges at home. These challenges are various, but the focus of the Japan Day Seminar – regeneration and redevelopment of local authorities – is perhaps one of the most significant.

To have an event such as this in Cardiff was wholly appropriate. Cardiff has experienced much change and regeneration itself. It continues to be a major issue in the city. There is clearly much that Cardiff can be proud of and teach the world. Though I suspect there are still lessons to be learnt too. There is also a strong Japanese connection in the city. During the Russo-Japanese War, due to the Anglo-Japanese Alliance of 1902, Cardiff did not allow Russian ships to take on high quality Welsh coal which could have had a significant bearing on the outcome of the war. Today, Cardiff is home to the second largest Japanese community in the UK. Cardiff University also has one of the leading Japanese Studies Centres in the country, of which I am the Director.

The focus of the event was close to my heart. After graduating in Business Studies and Japanese from Sheffield University, I spent a year in Japan on the JET Programme. I lived in Seto, 20km outside Japan's fourth largest city, Nagoya. At the time it was a city in desperate need of regeneration. That regeneration came thanks to Seto becoming one of the host sites for EXPO 2005. My interest in regeneration has also been part of my own studies. I have done research on the impact of the shinkansen, or 'bullet train' as it is more widely known, upon both city regeneration as well as city decline – for it's not all good news when it comes to building high speed railways! I am also conducting research upon the impact of the town and city mergers on Japanese people's identity.

Japan Study Tour Alumnae

If you have not yet contacted us, we are trying to find former participants on the Japan Study Tour.

The alumnae will hold an annual information meeting for reflection and networking.

Please contact us at the office (see back page) or by email at jst@jlgc.org.uk



Chairman Kayama and Hugh Thomas

After introductions from the Right Honourable Lord Mayor of City and County of Cardiff, Councillor Gill Bird, and the Chairman of the Board of Directors of CLAIR Japan, Michihiro Kayama, there were six plenary sessions. In session one, Gareth Hall, Director of the Department for Economy & Transport in the Welsh Assembly Government, spoke about issues facing Wales in the process of regeneration. During his paper he stressed the importance of taking a long term view, but also including policies which allowed for 'early wins'. In session two, Byron Davies, Chief Executive of Cardiff Council, spoke in detail about how Cardiff has changed in the past one hundred years. This paper included graphic examples of how much regeneration has already taken place, whilst also pointing to some of the further developments which are planned and thought necessary. In session three, Shunsuke Mutai, Director of the Japan Local Government Centre in London, spoke on the steps being taken to reinvigorate rural communities, in particular, in Japan. This paper included stark reminders of the problems facing these communities due to the ageing population and how measures, including town mergers, have been aiming to tackle this.

In session four, Conrad McDonogh, Director of the Home Appliance Division at Panasonic Manufacturing, provided a detailed talk about how Panasonic has had to respond to a number of factors in making decisions about its production at its factory in Cardiff. The talk showed that whilst the size of the facility has been significantly reduced, Panasonic has remained committed to having a factory in Cardiff, although the nature of what is done there has changed significantly. The talk also emphasized the importance of strong links between the company and the local community. In session five, Dave Gilbert, Deputy Chief Executive of Carmarthenshire County Council discussed the role of local government in regeneration in Wales. This paper pointed out that regeneration was needed outside the capital, Cardiff, but the regeneration of the capital also had positive benefits for the whole of Wales. In the final session, Dr Naofumi Nakamura of the University of Tokyo discussed the regeneration of a former company town, Kamaishi, in North-Eastern Japan. This paper showed how the town had managed to change thanks to the efforts of local industry and the involvement of the community as a whole.

By the end of the day, the common themes between Japan and the UK were very apparent. Regeneration is an issue which affects both countries and although there are differences in the way it is being conducted, there is also much in common. The need for long term strategies, of everyone being involved, of investing in people, places and business, and for this to be a continued policy was the message underlying all of the papers. I believe that the day worked excellently as a forum for debate and exchange of ideas and that it further enhanced the strong links between Wales, the UK and Japan. Hopefully it will not be long before another Japan Day Seminar can be held in Cardiff to build upon the wonderful event in 2008.

Special Report 2

Japan Day Seminar

By Michael Burton, Editor, The MJ

The venue for this year's annual Japan Day Seminar, the Welsh capital of Cardiff, was a perfect choice considering the subject was 'The challenges of regeneration and redevelopment for local authorities.

For Cardiff itself is living proof of how a city can transform itself from an industrial to a post-industrial city, emerging even more prosperous. In its industrial heyday in the 19thC and early 20thC, Cardiff was one of the engines of the British Empire, its docks dispatching the coal from the South Wales Valleys across the world. But when the demand for Welsh coal declined so too did the docks until by the 1970s they were a vista of dereliction. A determined vision by the local authority and its partners to redevelop them through the Cardiff Bay Development Corporation and later the Harbour Authority means that today then old docks at Cardiff Bay, with its apartments, offices and the new Welsh Assembly, is a triumphant example of a city adapting to the modern world.

But such challenges are also faced in Japan. So there was a strong theme of regeneration in both countries to this year's Japan Day seminar. It was organised by the Japan Local Government Centre at Cardiff's Edwardian City Hall and chaired by Dr Christopher Hood, Director and Reader at the Cardiff Japanese Studies Centre, a former participant on the Japan Exchange and Teaching Programme organised by the JPLGC. But speakers also addressed the regeneration challenges facing rural as well as urban communities.

The seminar followed similar events in Belfast, Edinburgh and London. Although organised by the Japan Local Government Centre in London it was also supported by the Welsh Assembly Government, Cardiff City Council, the Welsh Local Government Association and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), Wales as well as that of the Embassy of Japan, the Japan Foundation London Office, JETRO London, the Japan National Tourist Organisation and JCCI UK.

Dr Hood, the seminar chairman, reminded the audience that this year is the 150th anniversary of the opening of the first relations between Japan and Britain. These links were also emphasised by the Lord Mayor of Cardiff, Cllr Gill Bird, who in welcoming guests pointed out the presence of such major Japanese companies like Panasonic in Wales. And Michihiro Kayama, The chairman of CLAIR, the Council of Local Authorities for International Relations in Japan, praised the development in Cardiff Bay and talked of the economic challenges facing local government in Japan, especially among rural areas.

The regeneration challenges facing Wales were highlighted by Gareth Hall, the director general of the Department for the Economy and Transport, Welsh Assembly Government. He said the last deep mine in Wales closed the previous week, that Panasonic was one of the first big overseas firms to invest in Wales and that the country still had 10% not in work. Pointing out that the pockets of deprivation were in the former industrial areas he said that regeneration was also about improving the skills competitiveness of the people who lived in these areas, not just about making industry more competitive. He also stated that the government had to take a long view about addressing the problems since they could not be solved in the short-term.



Cardiff City Council chief executive Byron Davies, a former civil engineer and this year's president of SOLACE, told the audience about the Cardiff story. The city gained city status in 1905 and was once the world's largest exporter of coal until recession hit the industry. He outlined the city's success since and some of the major international events it has recently hosted.

Mr Shunsuke Mutai, the director of the JLGC, talked next of the challenges for Japan's rural communities where slow economic growth has hit prosperity. With an ageing population creating pressures on public finances, the government has been reducing the number of municipalities to save costs. But it has also been trying to encourage more business back into rural areas with help from the tax system such as Tokyo's relocation of surplus business tax to rural areas. He also said that strong local communities were the answer to the dislocation caused by globalism.

After the break there was input from one of the great Japanese supporters of Wales, namely Panasonic in the person of Conrad McDonogh, director of its home appliance division. At its peak the company employed over 2500 people in Wales though this has reduced to 800 as much of the production has been transferred to the Czech Republic where labour costs are lower. Mr McDonogh described the difficult process of telling staff of the company's relocation strategy although it was announced well in advance of the move.

The role of local government in helping to promote economic development was outlined by Dave Gilbert, deputy chief executive of Carmarthenshire CC and lead on regeneration for the Welsh Local Government Association. He outlined the key challenges of regeneration such as housing, skills and retaining young people and making their towns attractive so they want to remain, rather than seek work elsewhere.

Similar challenges were aired by the final speaker of the day, Dr Naofumi Nakamura of Tokyo University who examined one particular company town, Kamaishi, in Japan and how it adapted to de-industrialisation once its steelworks were closed. During the decade of decline and closure in the 1980s the population fell by 10,000 as young people left for work elsewhere and the role of the employer as provider of social networks had to be replaced as well as its role as employer of people. But the story since has been positive with some 25 companies since relocated to the area with machine companies in particular valuing the skills legacy from the former steelmakers, Nippon Steel.

The Japan Day Seminar proved to be a thought-provoking event whose issues discussed were common to both Japan and the UK and whose lessons learned will have long-term relevance to both countries.

Guest Article

Liveliness and Loneliness

By Wataru Sakurai, Jiji Press



Six Bells Colliery by L. S. Lowry
(courtesy of BBC News)

The Japan Day Seminar was held at City Hall, and was followed by a reception in the very grand National Museum of Wales. The guests were welcomed in the main gallery holding pieces by many famous artists and it was a chance for the delegates to exchange information about their various local authorities, countries and cultures.

When I walked into the main gallery of the National Museum and Gallery in Cardiff, I saw the picture, Six Bells Colliery in its prime painted by L. S. Lowry in 1962, only two years after disaster took the lives of 45. It is an impressive 1.3m by 1.5m in size, acknowledged to be one of Lowry's great masterpieces.

A gentleman standing near the picture asked me if I liked it. "Yes, very much," I answered, and then I said: "It gives me a feeling of both liveliness and loneliness". The gentleman, Mr. D., replied, "That's it. If you know some of the background, you could perhaps understand this picture a little better." Mr. D. was born and brought up near this district and later told me the glorious and gloomy history of the Welsh valleys.

"It's colours draw you towards it like a magnet; truly an iconic image of industrial Wales. The industrial landscape painting, that is the trademark of one of Britain's great 20th century artists, causes your mind to paint the vivid image of our childhood in the valleys. Days filled with chimney stacks; pit head wheels turning; dirty fathers coming home from a shift down the mine; mothers cleaning mats on the front step; and children playing in the street without the worry of cars rushing by," he said.

According to the Welsh Assembly Government, this painting, Six Bells Colliery was unveiled at the museum in June 2001. Lowry is an English painter and is famous among some picture-lovers in Japan. Why was Six Bells chosen as a subject for Lowry?

A century and a half ago, Wales was *the* hub of industrial development. A complex woven tapestry of agricultural decline, changing social climates, of urbanisation and changes in demography, high employment rates, good exports, technology and demand for heavy industry completely transformed the landscape over the 19th and early 20th centuries, making Wales 'the workshop of the world'. Perhaps a parallel can now be drawn with the recent

Statistics illustrate the change from past times (as depicted in this painting), to today's Welsh economy. At the turn of the last century, Wales was the largest coal exporter in the world, although today they import all their coal.

"The subject matter of this painting, depicting an everyday scene in Wales, serves as a reminder of our industrial heritage and the effects the Industrial Revolution had in shaping our towns and villages," Mr. D. explained.

"This image is a popular view of Wales the world over, even today. This vision of the Welsh valleys characterises and encapsulates the Industrial Revolution, even though the mines are all closed and the steel works are all gone."

Heavy industry, however, is by definition a dangerous field of enterprise, and the people working in it suffer the dangers. Welsh coal mining areas saw horrors almost unsurpassed in peacetime.

The geology of the rocks and fragile coal seams meant that slippage and collapse were commonplace. On top of that, the possibility of explosion in deep shaft pits was an everyday danger and the ever-present fine coal dust coating the excavated coal jeopardised safety even for the most cautious.

As Mr. D. pointed out, between 1851 and 1920 there were 48 disasters in the South Wales coalfields, and 3,000 deaths. One day in June 1960, death came knocking at the door of the small community of Six Bells deep in the South Wales valley district of Abertillery in Monmouthshire.

The disaster was caused by the ignition of firedamp at approximately 10:45 am near the face of the intake airway/loader-gate of one of the conveyor faces in the Old Coal Seam. Coal-dust was raised and ignited and the explosion spread almost throughout the mine. 45 men died, and a community had its heart ripped out.

Today there is a memorial stone in the park, the pain has long gone and coal is now just a passing memory.

The economy of Wales nowadays is a different picture to the decline of the 1960s and 70s. The modern Welsh economy is dominated by the service sector, contributing 66% and more and more technology and manufacturing investment is driving the Welsh Assembly valley regeneration projects.

"L. S. Lowry, the master of industrial art, has captured the spirit of Welsh valley history in Six Bells, and for me this painting is as important as any of the great works of art that deck the great galleries of the world—it is Wales on one piece of canvas," Mr. D. said.



Six Bells Colliery as it was in its prime
(courtesy of pitwork.net)

A Discussion About Petrol Taxation

By Eitaro Kawamoto, MIC, Assistant Director, JLGC
Translated by Claire Harris

On February 19th, the government submitted a bill to the Diet that would include extending the Special Tax Measures Law. This law includes a clause that would continue the special taxation system on petrol as well as other motor related taxes. It is a controversial issue, and the bill's recent passage through the Diet has once again highlighted, and focused attention on this political problem.

In Japan, the consumer will pay 63p per litre of petrol they put into the tank of their car. Although both the price per litre and tax burden on petrol is much lower than that in the UK, the consumer has felt recent rises in the price of petrol. It has once again drawn attention to this special taxation system and to the government supporting it.

In the discussions regarding the Special Tax Measures Law, there are two issues: the strings attached to specific road expenditure, and the special taxation rate of petrol. With reference to the first point: whereas in the UK petrol tax and VAT are part of general finances which are used for a variety of different government spending, in Japan the general tax on petrol is a source of revenue for specific road expenditure. After

the war, the country needed income in order to build infrastructure, and thus the special tax on petrol was introduced. With reference to the second point: the general and special taxation rates are added together to mean the petrol tariff in Japan is double, having a direct impact on the consumer's pocket. It is this revenue that is used to pay for road maintenance, construction and land usage. This special taxation was originally introduced as a short-term, two-year measure in 1974, but has proved to be so lucrative it was extended many times over the past 34 years.

This system allowed Japan to quickly develop its road infrastructure, however the arrangement, due to expire in March, brings into question whether it is still necessary to use this revenue solely for road infrastructure, when Japan faces more pressing issues of how to cope with an aging and declining population, and where local government resources are increasingly limited.

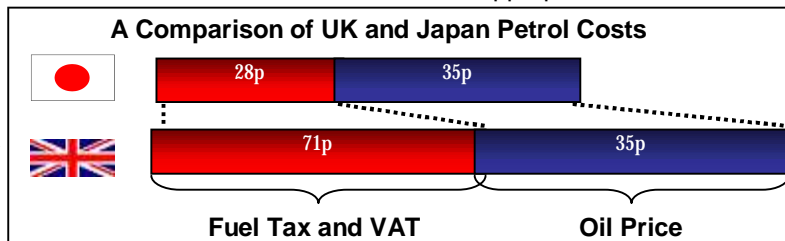
As well as the British system of fuel tax being used as a general source of revenue, it is controlled by the Fuel Price Escalator (FPE) as a kind of 'ecotax' to curb the amount of pollution from exhaust emissions; whereas in Japan the revenue is exclusively used for the road system. It is this "eco-friendly" aspect that influences decisions on petrol taxation in the UK rather than the construction of roads as in Japan.

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taxation in the UK rather than the construction of roads as in Japan.

Another problem for the government is the current political situation in the House of Representatives and the House of Councillors. In July, the ruling LDP (Liberal Democratic Party) coalition suffered a major defeat when they lost the House of Councillors. Since then, separate political parties dominated the houses, making running the country and taking decisions increasingly difficult. The LDP, with a coalition majority in the House of Representatives, wants to continue tying the special taxation rate on petrol to specific road expenditure, whilst the DJP (Democratic Party of Japan) dominated House of Councillors would like to abolish these two specific systems cut the price by 12 pence per litre.

How does this issue fair with local government? The local governments support the LDP in their bid to continue the current policies. These specific taxes are partially given over to the local authorities, and according to a provisional calculation by MIC (Ministry of Internal Affairs and Communications), abolishing the special taxation rate on petrol would mean the loss of approximately \900 billion (£4.25 billion) from local government. The local authorities have responsibility for road infrastructure, and therefore an independent source of revenue would have to be appropriated in the event of the loss of this income.



However, some analysts doubt such claims of local government; the counterarguments stress the need for roads in the local area. Nevertheless, the issue is even if you protect the special revenue for road

infrastructure, can the local authority practically maintain and build the roads? If, as expected, the number of senior citizens increases substantially, the number of people travelling in cars will decrease. An important policy balance has to be struck between maintaining roads, and building and running efficient public transport in local areas. In particular, privately funded bus operators cease trading successively in local areas, and many areas receive assistance from the local governments and independent administration by local governments to keep the public transport system working. As it stands now, the revenue created by the special petrol tax is not available to be used for these initiatives.

In addition to this, ahead of the G8 Summit to be held at Lake Toyako this summer, it would be wise to consider the impact of the car on global warming and how society can be persuaded to use alternative means of transportation. Backed by environmental awareness the world over, some people propose that Japan should be directing revenue away from specifically using the petrol tax to build roads, and more towards a system of 'eco taxation' where the revenue could be used for other projects.

The issue of using petrol tax for general expenditure is difficult. Do we continue to maintain the current system tying specific petrol taxation and road construction? Do we maintain the special rate on petrol? In addition to these two questions, it is possible to add a third. How is it possible to transfer the Special Taxation Measures Tax from central to local government to benefit those living in local communities? I would like to see this problem addressed from the standpoint of local autonomy and the decentralisation of power.

UK-Japan Relations

Sir William Armstrong

By Professor Marie Conte-Helm
Director General
The Daiwa Anglo-Japanese Foundation



Visitors to Newcastle upon Tyne can see references throughout the city to Sir William Armstrong (1810-1900), the great Tyneside industrialist who played such an important role in the modernisation of the Japanese navy. The Armstrong Memorial which stands outside the Hancock Museum is an imposing bronze statue of Armstrong, flanked by low reliefs showing some of his factories' products.

Newcastle's Swing Bridge, built in 1876 by Armstrong's Engineering Works to the west of the city at Elswick, was then the largest such bridge in the world. Its sophisticated hydraulic machinery, which still functions today, allowed sea-going vessels to pass from the mouth of the Tyne to Elswick. This same engineering firm would develop into the major shipbuilding and armaments' manufacturer that formed such an important business relationship with Japan in the latter decades of the 19th century.

Armstrong was a lawyer-turned-inventor who went on to become a major industrialist. His life spanned the Victorian era and his multiple talents reflected the spirit of that age. W.G.Armstrong & Company was established in 1847 and specialised in the manufacture of hydraulic cranes, accumulators, mining machinery, together with other general engineering work. It was, however, his development and improvement of the breech-loading gun during the Crimean War (1853-6) which set the course of his future career.

Armstrong guns were known of in Japan from the early 1860s and orders for guns and ammunition were placed with the Elswick firm through Thomas Glover, the British agent working for Jardine Matheson & Company in Nagasaki. Sir William Armstrong developed a more personal connection with the new Meiji government when members of the famous Iwakura mission came to Newcastle in October 1872. He was to guide the delegation through the North East and to introduce them to the region's industrial strengths, from coal-mining to engineering to the manufacture of armaments at his own Elswick Engine and Ordnance Works. When Armstrong guns were adopted for service in the field in 1858, Armstrong generously released all his patents to the government and was rewarded in 1859 with an appointment as Engineer of Rifled Ordnance to the War Department. He also received a knighthood and was subsequently appointed superintendent of the Royal Gun Factory at Woolwich, a position which he retained until 1863.

In the years following the visit of the Iwakura mission to the North East, Armstrong broadened his business interests and expanded his international activities. Armstrong's Elswick shipyard was opened in 1884 with the capacity to both build and arm major warships. In addition to Royal Navy commissions, Armstrong's company went on to build ships for many foreign navies, including the Imperial Japanese Navy.

At the launch of the *Naniwa-kan*, Armstrong referred to the importance of his growing business relationship with Japan which he had learned to regard as 'one of the most interesting nations on the face of the world'. In that same year, Armstrong's appointed their own agent in Japan and the relationship went from strength to strength.

7
Armstrong's country house at Rothbury in Northumberland, *Cragside*, was completed in 1884 and became the venue for visits by Japanese, Chinese and other foreign naval officials whose business his firm was hoping to secure. The *Cragside Visitors' Book* is filled with the names of Japanese ministers and admirals who were to place orders for further ships. As Armstrong retired from the day-to-day running of the Elswick Works, his Managing Director, Andrew Noble, became its leading ambassador in the pursuit of foreign sales. Both he and his sons, Saxton and John, travelled to Japan on the company's behalf. Like *Cragside*, Noble's Newcastle home, *Jesmond Dene House*, became the scene of many international gatherings and it was here, in 1911, that the Nobles would entertain Admiral Heihachiro Togo, the great naval hero of the Russo-Japanese War.

It was against the backdrop of the Anglo-Japanese Alliance of 1902 that Britain's ties with Japan grew ever closer. In the run-up to the Russo-Japanese War of 1904-05, the Alliance further fostered Japan's relationship with Elswick and other British shipyards. At the Newcastle launch in 1905 of the Japanese battleship, *Kashima*, Sir Andrew Noble stated that 'all the ships engaged in the Battle of the Japan Sea (Tsushima) were armed with guns from Elswick'. The *Kashima* was, however, the last of the great Japanese battleships to be built in Newcastle as shipyards in Japan were rapidly developing the expertise and resources to build ships at home rather than abroad.

Armstrong's last major business involvement with Japan was the establishment of the Japan Steel Works (*Nihon Sei-Ko-Sho*) at Muroran on Hokkaido in 1907. The formation of the company was initiated by the Japanese government, concerned, after the tremendous drain on military resources resulting from the Russo-Japanese War, that the nation should have an indigenous ordnance factory. A joint venture was established between the Hokkaido Coal and Steamship Company (*Hokkaido Tanko Kisen*), Armstrong Whitworth and Vickers-Maxim for the manufacture of war material and other steel and iron products in Japan. This partnership led to a continued flow of British technological expertise into Japan.

Admiral Togo's visit to Newcastle in July 1911 was truly a pilgrimage which took him on a detailed tour of the Elswick Works and on a cruise down the river Tyne. The Armstrong Whitworth vessel chosen to carry the famous seaman to the landing at North Shields was aptly and proudly named *Armstrong*.

At the Mansion House luncheon hosted by the Lord Mayor of Newcastle and the Tyne Commissioners, Togo paid a moving tribute to Sir William Armstrong and his legacy:

It is a well-known fact that the name Newcastle is inseparable from the pages of the history of the Japanese navy, so many men-of war have been either built or armed by the famous works of Elswick, which the city is very proud to possess. A great number of our officers and men have studied in this city how to build ships and how to make guns. I believe I am not flattering you too much if I say, that but for the kind help of your people, the history of the growth of the Japanese navy might have been written in a different way.

Lord Armstrong had died in 1900 but Togo's visit to Newcastle in 1911 represented a memorial and a gesture of thanks to the man and the shipyard that had helped to guide the Japanese navy into the twentieth century.



The Armstrong gun

Happiness Economics - The Unhappiness of Wealth

By Professor Naohiko Jinno,
Graduate School of Economics and Director of Life
Studies, University of Tokyo
Translated by Claire Harris

The Economics of Happiness:

If I want excellent welfare, the doctors tell me, I should eat plain food and engage in regular exercise. I should refuse luxurious food, refrain from using any transportation other than my feet to get me around. If I do that, they tell me, I should live a long and happy life.

If I follow their advice and do all this, good welfare, far from bringing unhappiness will bring misfortune. More than that, poverty causes ill health and it cannot be denied that this leads to unhappiness. It is possible to think of the relationship between wealth and happiness as the "Easterlin Paradox". The correlation between welfare and happiness is found not only in the supposed truth that unhappiness is apparently limited to poorer countries, but that once a standard of welfare and happiness as been defined, it is proper to say that this relationship between welfare and happiness declines.

Current Japanese economic policy is aimed at the assumption that a rich person is more wealthy both in body and spirit. The background principle which justifies this economic policy is the "Trickle-down Theory". In other words, the theory is that rich individuals get wealthy, and a share of this wealth trickles down to the poor.

However, when Adam Smith and later David Ricardo defined this effect, they made some presumed the premise that riches were worked for. On top of that, they assumed a limit to the greed of man. In other words, it was thought that when rich people gained wealth, the reward for employees would be given through this Trickle-down Theory.

On the contrary, at the moment, riches are not owned by those who work. To own wealth, it is necessary for people to work. In other words, in order to hold power, riches must be owned, but this in itself does not produce the Trickle-down effect.

Looking at the Easterlin Paradox, in Japan where we have defined the standard of welfare in reality, even when riches are owned by wealthy people, this does not lead to happiness. If the economic policy of rich people and wealth is correct, then nobody will be happy.

No animal consumes more than it requires. It is said that even the king of beasts, the lion, does not kill unnecessarily. If we humans instinctively consumed no more than we required, we would probably live a happier life as a result.

Translator's Note:

Although the economics of happiness has been spoken about for centuries from the Greek philosophers, it has been more associated with the field of psychology rather than economic theory. It was Richard Easterlin in the early 1970s who really defined the economics of happiness, although the reigns have been taken up by others since, and the area has come into its own only in the last 15 years or so.

The Easterlin Paradox found that generally, people of richer nations are happier than those of poorer ones and that income disparity does play a part. However, this is only true up to a certain point, which would indicate other elements including cultural factors are influential in happiness economics.

Using self-assessment techniques, many hundreds of thousands of people have been questioned about how happy and contented they feel in relation to different aspects of their life. Unfortunately, this makes the data highly subjective and unreliable although, the Satisfaction With Life Index is a broad measure to understand the welfare of people in different countries. The happiest countries include Canada, New Zealand, Norway and Ireland, whilst the United Kingdom ranks 41st, Japan manages to come 90th. The relatively low ranking of both the UK and Japan would indicate an inequality between perceived wealth and quality of life.

The Trickle-down Theory has historically been used to justify economic policies which are seen primarily to benefit the rich using the reason rationale that the rich will spend more, thus unintentionally benefiting lower economic groups. The Trickle-up Effect argues the opposite, citing that the rich probably don't spend their entire salaries anyway, so anything additional given to them will be saved, and thus not enter the economy. Benefiting the poor, who use most of their incomes, will mean they spend more money and therefore help the economy grow.

Perhaps the most playful of these terms to describe this area of economics is the "Horse and Sparrow Effect" - if you give the horses enough oats, the sparrows are bound to receive their share. It is also thought that Trickle-down economics was one of the causes of the Panic of 1896 where the US suffered acute depression and deflation of the stock market.

Professor Jinno argues that Trickle-down economics cannot work on account of the greed of man. He draws a distinction between man and his fellow creatures saying that it is only we who are greedy, unrelentingly taking what

is given to us, whilst other beasts take only what they need. He suggests Japan cannot improve her economic situation using this theory as a basis for economic policy - history has shown it doesn't work. Instead, and to improve Japan's ranking on the Satisfaction With Life Index, another way to economically reform the country must be found.

The Japan Local Government Centre is the UK office of CLAIR. CLAIR is a joint organisation of local authorities, working to promote and provide support for local internationalisation.

The main functions of JLGC, London are to conduct research on local government in the UK and northern Europe, and to promote exchanges between individuals, including government officers and local government representatives in the UK and Japan. We are also involved in implementing the Japan Exchange and Teaching (JET) programme, which employs UK graduates in the fields of international exchange and English language education in Japan.

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