

those of the Napoleonic wars). So, by their presence, do the photographs of politicians, soldiers, and battlefields that punctuate the text. McPherson's narrative concludes with the "unmourned death" of Reconstruction—that failed attempt to remake the South in the image of the North.

### *Contemporary Affairs*

**MITI AND THE  
JAPANESE MIRACLE:  
The Growth  
of Industrial Policy**  
by Chalmers Johnson  
Stanford, 1982  
393 pp. \$28.50

Current discussions of strategies—many of them inspired by Japan—for reinvigorating the ailing U.S. economy make this study both timely and helpful. Japan is the "best example of a state-guided market system currently available," observes Johnson, a Berkeley political scientist. But his analysis of Tokyo's Ministry of International Trade and Industry (MITI) and related agencies does not ignore the costs (big bureaucracies, subordination of individuals to corporate goals) involved in creating a "development state" as opposed to the "regulatory state" devised by Americans. Tokyo's formation of an "economic general staff" during the 1930s to manage a wartime economy spawned a powerful bureaucratic elite. These civil servants, responsive to industrial interests (in part because many planned to shift to the private sector), forged a private-public development policy that survived well into the postwar 1940s, after which Big Business acquired a greater share of power. "Administrative guidance" principles gave discretionary power to the bureaucracy in guiding the economy, without destroying either democracy or domestic competition. The changes produced by MITI during its golden age (1952–61) included revitalized trading companies, banking reforms, and the creation of new industries (steel, automobile). All spurred Japan's advances of the 1960s. Entrance onto the world stage and an expanding economic machine lessened the need for MITI's "invisible hand." But since the "oil shock" of 1974, MITI has regained some of its earlier prestige through its influence over energy and resource policies.