

Britain-Japan Trade War in the late 1970s: The Agendas of the Labour government, TUC, CBI and the Japanese government

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1. Introduction

There seems to be a remarkable contrast in the economic performances of the UK and Japan in the late 20th century. Until the 1990s, Japan had enjoyed rapid economic development, and by the late 1970s, Western countries had had to acknowledge the significant role Japan played in the global economy. In 1979, an American sociologist Ezra Vogel published a book called *Japan as Number One*. The book was immediately translated into Japanese and became one of the best-selling books in Japan.

In the same year, the Thatcher government came to power in the UK. Reversing the UK's 'relative decline' was one of the key themes of the new government.¹ Although the discourse on the economic decline did not necessarily reflect the actual economic performance,² the UK economy in the 1970s was clearly not in good shape. Therefore, a comparative study of these two economies would be of some significance.

However, the *direct* interaction between the UK and Japan in the late 1970s has not been studied. In fact, the two countries had not been each other's most important trading partners. As discussed later, the quantity of trade between them was not large. Moreover,

¹ See, for example, the Conservative party 1979 general election manifesto.

² Jim Tomlinson, *The Politics of Decline: Understanding Post-war Britain* (London: Routledge, 2014).

problems regarding the international economy for the UK and Japan lay elsewhere. The UK had often suffered from currency crises,³ particularly the 1976 sterling crisis, which was often presented as a national humiliation.⁴ For Japan, the major problem was trade friction with the US. Regarding international economics, the relationship with the US had been the dominant theme for Japanese economists almost throughout the post-war era.⁵

Nevertheless, this study deals with the economic relationship between the UK and Japan in the late 1970s partly because there was a rare trade friction between them during 1977 and 1978. More importantly, this ‘trade war’ does not merely constitute an episode of economic diplomacy but gives a new perspective on the alleged demise of Keynesian domestic economic management.

2. Economic Situations of the UK and Japan before the 1970s

The UK and Japan were both members of the G5 (and the G7), and as the ‘Western’ industrialised nations, they were affected more or less by major economic events, such as the collapse of the Bretton Woods system, the first OPEC crisis, and stagflation. However, the paths taken by the two economies up to the 1970s were very different.

³ Alec Cairncross and Barry Eichengreen, *Sterling in Decline: The Devaluations of 1931, 1949 and 1967* (Oxford: Basil Blackwell, 1983); Catherine R. Schenk, *The Decline of Sterling: Managing the Retreat of an International Currency, 1945-1992* (Cambridge: Cambridge University Press, 2010).

⁴ Alain Naef, *An Exchange Rate History of the United Kingdom, 1945-1992* (Cambridge: Cambridge University Press, 2022), p. 190.

⁵ For example, 伊藤元重/通産省通商産業研究所（編著）『貿易黒字の誤解』東洋経済新報社、1994年〔Motoshige Ito/ MITI Research Institute of International Trade and Industry (eds.), *Misconceptions about Trade Surpluses* (Tokyo: Toyo Keizai, 1994)] .

In the post-war ‘golden age’, the UK’s economic performance was robust, with a historically low unemployment rate and a high growth rate. Nevertheless, the economic growth in the UK was not significantly large compared to that in other industrialised countries (Table 1), which provoked an argument that the UK was in a relative decline. Although it has been pointed out that the ‘declinist’ fears in the 1950s were overstated,⁶ the underperformance of economic growth was evident. The governments published growth plans in the 1960s, but the actual growth rate missed the numerical targets in those plans.⁷

Table 1. Annual Average Growth Rate of GNP

	1961-65	1966-70	1971-75	1976-80
Canada	6.0	4.8	5.0	3.0
France	5.9	5.8	4.0	3.3
Italy	5.3	5.9	4.1	3.8
Japan	10.1	12.1	4.7	5.0
West Germany	5.0	4.8	2.1	3.6
UK	3.3	2.4	2.0	1.4
US	4.9	3.2	2.6	3.7

Source: 日本銀行『国際比較統計』（Bank of Japan, Comparative Economic and Financial Statistics）, 1973, 1982.

Moreover, deindustrialisation was another phenomenon the UK economy experienced from the 1950s, and the proportion of industrial workers was rapidly falling.⁸

⁶ For example, Hugh Pemberton, ‘Affluence, Relative Decline and the Treasury’, in Lawrence Black and Hugh Pemberton (eds), *An Affluent Society? Britain’s Post-War ‘Golden Age’ Revisited* (Hampshire: Ashgate, 2004), p. 122.

⁷ Roger Middleton, ‘Economists and Economic Growth in Britain, c.1955-65’, in Black and Pemberton (eds), *An Affluent Society?*, pp. 130-1.

⁸ Jim Tomlinson, ‘De-industrialization Not Decline: A New Meta-narrative for Post-war

The often-cited study by Robert Bacon and Walter Eltis, published in 1976, also argued about the cause of the decrease in the workers in the 'productive' sector.⁹ Clearly, the prospect of the UK economy's international competitiveness was gloomy.

In contrast, the post-war Japanese economy experienced 'miraculous' growth. With the periodisation used in most literature on Japanese history, the period from the 1950s to the early 1970s is called a period of high growth, and from the early 1970s to the early 1990s, a period of moderate growth. In 1960, the GDP in Japan was \$47 billion, which was only 8.7 per cent of the GDP in the US and 64.8 per cent of the UK. But in 1968, Japan's GDP became the second largest in the world and about 1.5 times bigger than the UK's GDP.¹⁰ Although at the end of the 1970s there were signs of a slowdown in the growth rate of the Japanese economy, it still had a high rate growth in international terms.

A significant number of books and articles tried to explain the causes of the Japanese economic miracle, and foreign observers took up particular behaviours of Japanese firms (*Kaisha*) and active roles played by governmental institutions (e.g. the Ministry of International Trade and Industry: MITI) as unique features of the Japanese economy.¹¹

British History', *Twentieth Century British History*, 27:1, p. 96.

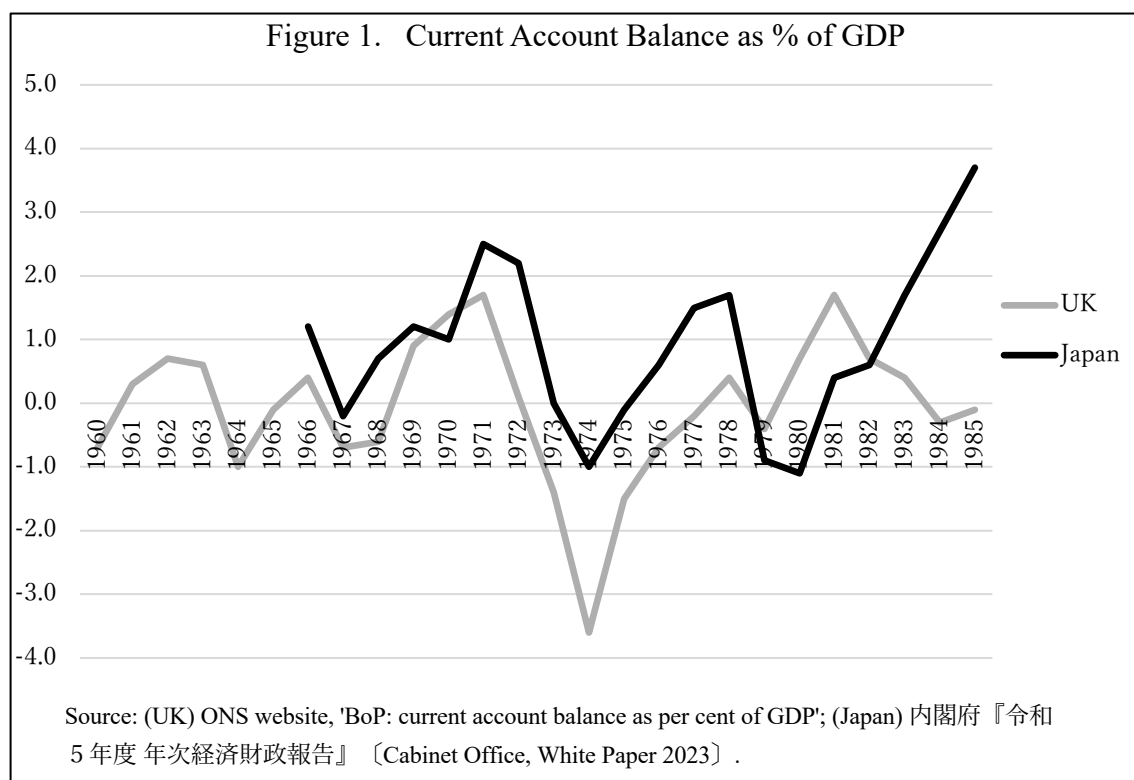
⁹ Robert Bacon and Walter Eltis, *Britain's Economic Problem: Too Few Producers* (London: Macmillan, 1976).

¹⁰ World Bank national accounts data, and OECD National Accounts data files, 'GDP (current US\$)'.

¹¹ Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (Stanford: Stanford University Press, 1982); James C. Abegglen and George Stalk, Jr., *Kaisha, The Japanese Corporation* (New York: Basic Books, 1985), pp. 3-7; Ulrike Schaede, *The Business Reinvention of Japan: How to Make Sense of the New Japan and Why It Matters* (Stanford: Stanford University Press, 2020), pp. 50-60. In addition, other factors, such as the high rate of private savings, enterprise unions, easy access to export markets, and protection of domestic industry, are also described as the drivers of Japanese economic growth. See, for example, Jeff Kingston, *Japan in*

The rapid economic catch-up enabled Japan to become one of the world's leading countries by the late 1970s. Japan gradually joined international economic cooperation: joining GATT in 1955, becoming an IMF Article VIII country in 1964, and being invited to the first G6 summit in 1975. Japan's involvement in the international economic system derived not only from its economic growth but also from its increase in the share of world trade.

In 1955, the value of Japanese exports accounted for only 2.4 per cent of world trade and Japanese imports for 2.8 per cent. However, in 1965, Japanese exports and imports occupied 5.1 per cent and 4.7 per cent of the value of world trade, and by 1975 they had risen to 7.4 per cent and 7.2 per cent, respectively.¹² Japan did not just increase its influence in world trade by the 1970s but also built up a large current account



Transformation, 1952-2000 (Harlow: Longman, 2001), pp. 36-44.

¹² 通商産業省『通商産業政策史 第1巻』通商産業省、1994年、pp. 14-5〔MITI (ed.), *History of Trade and Industrial Policy, Volume 1* (Tokyo: MITI, 1994)] .

surplus. It recorded large surpluses in its current account (Figure 1). Moreover, regarding trade balance, Japan was in a very favourable position in the 1960s and the 1970s (Table 2).

Table 2. Japan's Balance of Payments		
	(¥ 100 million)	
	Current Account Balance	Trade Balance
1966	4,545	8,247
1967	-693	4,200
1968	3,757	9,096
1969	7,595	13,257
1970	7,052	14,188
1971	19,935	26,857
1972	19,999	27,124
1973	-341	10,018
1974	-13,301	4,604
1975	-2,001	14,933
1976	10,776	29,173
1977	28,404	45,647
1978	34,793	51,633
1979	-19,722	3,598
1980	-25,763	3,447
1981	11,491	44,983
1982	17,759	45,572
1983	49,591	74,890
1984	83,489	105,468
1985	119,698	129,517

Source: 内閣府『令和 5 年度 年次経済財政報告』〔Cabinet Office, White Paper 2023〕.

In short, while the international competitiveness of the UK economy was regarded to have been declined in the late 1970s,¹³ Japan's presence in the international economy had become impossible to ignore. There was a contrast not only in the actual economic performances of Japan and the UK but also in the two nations' views on its own economic performance. This was the background of the 'trade war' between Japan and the UK in 1977 and 1978.

3. Criticisms on the Japanese export surplus

As Japan enjoyed its growing trade surplus in the 1960s and the 1970s, other countries started to criticise behaviours of the Japanese governments and Japanese firms. Throughout the second half of the 20th century, trade friction between Japan and the US were particularly severe because the US was the most important ally for Japan regarding national security and economic relations.

In the late 1950s, exports of light industry products from Japan to the US caused trade friction. The US government placed some restrictions on cheap and low-quality products from Japan, such as cloths, plywood, and toys.¹⁴ In particular, the surge of textile imports from Japan to the US from the mid-1950s triggered the prolonged negotiations between the two countries, which lasted until the early 1970s when the

¹³ As well as the discourse on the 'decline' in Britain, the term 'British disease' became popular in Japan in the late 1970s. For example, 香山健一『英国病の教訓』PHP 研究所、1978 年〔Kenichi Kohyama, *Lessons from the British Disease*, PHP Institute, 1978〕.

¹⁴ 通商産業省『通商産業政策史 第 9 巻』通商産業省、1989 年、pp. 284-5 〔MITI (ed.), *History of Trade and Industrial Policy, Volume 9* (Tokyo: MITI, 1989)〕.

agreement was finally concluded.¹⁵

As Japan's export structure changed, exports of heavy and chemical products, including steel products, cars, and colour televisions, also caused trade friction in the 1960s. In the US, allegations of dumping were levelled against Japanese steel products in 1963 and against Japanese-made televisions in 1967.¹⁶ Moreover, the means the US government tried to implement gradually changed from ad-hoc import restrictions to more comprehensive restriction schemes.¹⁷ In the 1970s, export products from Japan that caused trade frictions changed again, and advanced industrial products, such as semiconductors and videocassette recorders, were considered as threats to the international market.¹⁸

However, trade friction Japan faced in the late 1970s was unique in the sense that Japan had to tackle not only a conflict with the US but also with European countries. The UK was among the countries calling on Japan to reduce its trade surplus. Table 3 shows that Japanese exports to these countries increased significantly in the 1970s.

To understand the trade conflicts between Japan and other countries in the late 1970s, it is vital to look at how economic shocks in the 1970s affected these countries. For the UK economy, although the recession of 1973-75 was the first circumstance since the war where output fell absolutely, it was a mild crisis compared to the recession of the

¹⁵ Shujiro Urata, 'US-Japan Trade Frictions: The Past, the Present, and Implications for the US-China Trade War', *Asian Economic Policy Review*, 15:1, 2020, pp. 145-6.

¹⁶ 通商産業省『通商産業政策史 第9巻』、p. 334 [MITI (ed.), *History of Trade and Industrial Policy, Volume 9*] .

¹⁷ Ibid., p. 335.

¹⁸ 通商産業省『通商産業政策史 第12巻』通商産業省、1993年、pp. 81-2 [MITI (ed.), *History of Trade and Industrial Policy, Volume 12* (Tokyo: MITI, 1993)] .

Table 3. Japan's Exports by Country (Area)						
(\$ thousand)						
	US		EC		UK	
	Exports	Imports	Exports	Imports	Exports	Imports
1969	4,957,789	4,089,931	968,289	820,535	348,451	330,388
1970	5,939,819	5,559,579	1,303,110	1,116,863	479,870	395,172
1971	7,495,250	4,977,882	1,635,345	1,138,166	574,325	417,126
1972	8,847,678	5,851,634	2,202,994	1,395,188	979,353	500,823
1973	9,448,678	9,269,559	4,399,831	3,177,019	1,357,212	760,783
1974	12,799,350	12,682,206	5,967,962	3,981,920	1,529,741	877,738
1975	11,148,605	11,608,066	5,675,258	3,371,336	1,473,179	810,465
1976	15,689,579	11,809,255	7,233,669	3,623,261	1,399,553	843,079
1977	19,716,908	12,396,082	8,735,541	4,194,780	1,949,954	959,348

Source: 大蔵省税関部関税研究会『外国貿易概況』1977年12月、pp. 17-8〔Ministry of Finance, The Summary Report on Trade of Japan, December 1977〕.

interwar period and of 1979-82.¹⁹ Inflation was a far more serious domestic economic issue in the mid-1970s (the annual percentage change in the Retail Price Index soared to a record high of 24.2 per cent in 1975²⁰), and Denis Healey, the then Chancellor of the Exchequer, attempted to introduce a range of measures to tackle the worst inflation in Europe.

In contrast, the first OPEC crisis greatly damaged the Japanese economy in the short run. The sharp rise in oil prices rapidly worsened Japan's balance of payments, for Japan depended largely on oil imports from the Middle East. Inflation was also serious in

¹⁹ Christopher Dow, *Major Recessions: Britain and the World 1920-1995* (Oxford: Oxford University Press, 2000), p. 273; Jim Tomlinson, *Managing the Economy, Managing the People* (Oxford: Oxford University Press, 2017), pp. 64-5.

²⁰ Office for National Statistics, 'RPI All Items: Percentage change over 12 months' 3

Japan (the annual percentage change in the Consumer Price Index was 23.2 per cent in 1974²¹), and severe economic stagnation caused a tax revenue shortfall in 1975. The fear of the prolonged economic shock even caused mass panic, and many people rushed to retail stores to buy up all the toilet paper and kerosene.²²

However, Japan, along with Germany, was the country that recovered the fastest from the recession, and by 1976, the inflation rate had decreased to 9.4 per cent, and the current account balance had turned into a surplus.²³ This rapid recovery was made possible by the growth in exports (see Table 3). In the late 1970s, the ‘export drive’ had a strong effect on the Japanese economy.²⁴ Japan's economic growth, driven by a large trade surplus with the US and European countries, attracted criticism from them, and Japan was requested to act more ‘cooperatively’.

In this context, the ‘locomotive approach’, the idea that Japan and Germany should act as the two wheels of a locomotive and drive the recovery of the global economy, emerged on the international political stage.²⁵ The UK was one of the strongest advocates

²¹ 内閣府『令和5年度 年次経済財政報告』、p. 331 [Cabinet Office, *Annual Report on the Japanese Economy and Public Finance (White Paper) 2023*] .

²² 『毎日新聞』[*Mainichi Shimbun*] 2 November 1973, p. 22.

²³ 内閣府『令和5年度 年次経済財政報告』 pp. 331-4 [Cabinet Office, *White Paper 2023*] .

²⁴ In Japanese companies during the second half of the 20th century, the lifetime employment system was common, and it was difficult to carry out staff reductions even during recessions. Therefore, when domestic demand slumps in a recession, companies increase their involvement in overseas markets in order to maintain their output levels (小宮隆太郎、須田美矢子『現代国際金融論 歴史・政策編』日本経済新聞社、1983、p. 153 [Ryutaro Komiya and Miyako Suda, *Contemporary International Finance, Volume 2* (Tokyo: Nikkei Inc., 1983)]).

²⁵ The basic idea was proposed in Brookings Institution, *Economic Prospects and Policies in the Industrial Countries* (Washington D.C.: Brookings Institution, 1977).

of the idea, and Jim Callaghan, Healey, and Trade Secretary Edmund Dell often urged Japan to export less and import more to help the global economy recover.²⁶ At this point, tensions between the UK and Japan suddenly increased.

The third G7 summit in London in 1977 and the fourth G7 summit in Bonn in 1978 were occasions when the leaders of the G7 countries discussed the need for economic cooperation, but there were high expectations for the role Japan would play. In the end, Takeo Fukuda, the then Prime Minister of Japan, pledged some commitments, including ‘expansion of domestic demand’ and ‘moderation in exports’, in the Bonn Summit Declaration, and also announced on several occasions his government’s target of 7 per cent growth of the Japanese economy in 1978.²⁷

4. High Unemployment in the UK and a Large Trade Surplus in Japan.

Tension between Japan and Britain unusually rose in 1977 and 1978, and this was historically unique because, at the root, it was not the economic rivalry between the two countries but rather the failures of domestic economic policy in both countries.

Imports from Japan were not very important quantitatively for the UK (Table 4). Nevertheless, the Labour government frequently pushed the Japanese government to reduce its exports to the UK and the other EC countries. As Tadao Kato, Japanese Ambassador to the UK during 1975 and 1979, and Nobuhiko Ushiba, Minister of State for External Economic Affairs during 1977 and 1978, later recalled, negotiations with the

²⁶ 『日本経済新聞』 [*The Nikkei*] 21 April 1977, p. 4; 7 May 1977, p. 2; 5 December 1977, p. 2; 27 January 1978, p. 1.

²⁷ *Financial Times*, 20 January 1978, p. 4.

Table 4. UK Value of Imports			
	(£ million)		
	1970	1974	1978
US	1,186.4	2,277.5	4,222.6
Canada	688.5	987.0	1,088.9
France	379.4	1,366.1	3,211.8
Belgium and Luxembourg	200.6	734.6	1,831.3
Netherlands	467.1	1,651.3	2,524.6
Germany	569.8	1,932.1	4,512.8
Italy	249.6	731.0	1,935.0
Irish Republic	343.6	810.2	1,606.3
Denmark	275.9	576.9	962.5
Norway	198.0	414.6	1,444.8
Sweden	371.6	927.5	1,343.9
Finland	194.9	493.7	636.4
Switzerland	203.0	774.1	2,156.0
South Africa	265.4	558.4	767.8
Australia	260.2	312.9	349.1
New Zealand	203.3	242.9	434.5
Japan	134.7	572.2	1,283.2
Source: CSO, Annual Abstract of Statistics 1980 Edition, Table 12.8			

Labour government, particularly with Healey and Dell were often troublesome.²⁸

This was partly because imported goods from Japan to the UK concentrated on industrial products, such as motor vehicles (19.4%), vessels (16.4%), radio receivers

²⁸ 加藤匡夫『遣英三たび』筑摩書房、1988年、p. 272 [Tadao Kato, *Collected Essays* (Tokyo: Chikumashobo, 1988)] ; 牛場信彦、原康『日本経済外交の系譜』朝日イブニングニュース、1979、pp. 190-5 [Nobuhiko Ushiba and Yasushi Hara, *Genealogy of Japanese Economic Diplomacy* (Tokyo: Asahi, 1979)] .

(7.9%), synthetic fabrics (6.1%), and motorcycles (5.1%).²⁹ As *The Sunday Times* reported in March 1978, ‘Although only 12th in Britain’s league table of importers, Japan has rocked whole industries.’³⁰

Considering the trend of deindustrialisation was underway in the UK, attempts to introduce import controls on Japanese industrial goods were a natural reaction from the Labour government to protect the UK’s industry.³¹ The Japanese government ministers, including Prime Minister Fukuda and Kiichi Miyazawa, the then head of Japan’s Economic Planning Agency, understood the problem of the huge trade imbalance.³² In addition, Keidanren (the Japanese counterpart of the Confederation of British Industry (CBI)) sent delegates to the CBI to discuss the trade issue,³³ and the Japanese Import Promotion Mission whose members were leading Japanese executives, visited the UK to exchange opinions with the UK government and many interest groups.³⁴

However, more importantly, the Trades Union Congress (TUC) was a strong advocate for strict import controls by the Labour government on Japanese products.³⁵ For the TUC, Japan’s large trade surplus with the UK was not only a threat to the UK’s

²⁹ 大蔵省税関部関税研究会『外国貿易概況』1977年12月、pp. 136-9 [Ministry of Finance, *The Summary Report on Trade of Japan*, December 1977] .

³⁰ *The Sunday Times*, 5 March 1978, p. 63.

³¹ *Financial Times*, 1 October 1977, p. 26; 『朝日新聞』 [The Asahi Shimbun] , 14 February 1978, p. 9; *The Sunday Times*, 5 March 1978, p. 53.

³² “‘We’ll regulate exports’ (interview with Kiichi Miyazawa)”, *Far Eastern Economic Review*, 23 June 1978, pp. 40-1.

³³ Modern Records Centre (MRC), University of Warwick, MSS.200/C/3/INT/9/35, ‘Visit of the Japanese Import Promotion Mission Led by Mr T Matsuo’, 25 February to 6 March 1979.

³⁴ MRC, MSS.200/C/3/INT/9/24, ‘Visit of Keidanren following Keidanren/UNICE meeting in Brussels’, 26 April 1978.

³⁵ TUC, *Economic Review* 1977, pp. 30-1; TUC, *Economic Review* 1978, p. 34.

manufacturing industry but also the rise of the unemployment.³⁶ It was reported that one senior trade unionist said ‘with black humour’, ‘Japan’s principal export is unemployment’³⁷; however, ‘export of unemployment’ had a theoretical foundation.

In 1937, Joan Robinson argued that in times of worldwide unemployment, one country could increase its employment and output by increasing its trade balance at the expense of other countries.³⁸ The huge trade surplus of Japan in the late 1970s was considered an example of this ‘beggar-thy-neighbour’ policy, and Japan’s low unemployment rate (2.4% in 1978) was contrasted to the UK’s high unemployment rate (6.8% in 1978).³⁹

Considering that the Labour government was under the influence of the ‘Social Contract’, criticism by the TUC of the Japanese large exports was influential in the policy-making process. For the TUC, selective import controls were the means to get down the unemployment rate, and Healey often pledged to the TUC that he would try to put stress on the Japanese government.⁴⁰

The background of the trade friction between the UK and Japan in 1977 and 1978 was historically unique in the sense that it was not only the protection of domestic industries but also the reflection of domestic economic situations. It was a conflict

³⁶ 『日本経済新聞』〔*The Nikkei*〕, 9 September 1976, p. 5

³⁷ *The Sunday Times*, 13 February 1977, p. 62.

³⁸ Nilüfer Çağatay, ‘Beggar-Thy-Neighbour’, in *The New Palgrave Dictionary of Economics, third edition* (London: Palgrave Macmillan, 2018), p. 844.

³⁹ Robert Nield, ‘Managed Trade Between Industrial Countries’, in Robin Major (ed.) *Britain’s Trade and Exchange-Rate Policy* (London: Heinemann Education Books, 1979), p. 17.

⁴⁰ MRC, MSS.292D/410.2/6, TUC, ‘Economic and Industrial Issues, Summary report of a meeting between the Economic Committee and the Chancellor of the Exchequer’, 24 January 1978, p. 1; 『日本経済新聞』〔*The Nikkei*〕, 6 May 1976, p. 3.

between Japan's particular way of economic recovery from the OPEC crisis (through an increase in exports instead of stimulating domestic demand) and the UK's failure of domestic economic management.

5. Conclusion

It has been widely accepted that new trends regarding the thinking of economic policies emerged in the 1980s and the 1990s, such as neoliberalism, financialisation, and globalisation. In other words, the 1970s has been considered a turning point in post-war history.⁴¹

On the one hand, the case of the trade conflict between the UK and Japan in the late 1970s exemplifies the 1970s as a historic turning point. After this event, in the UK, as the issue of unemployment was taken off the government's priority list and the influence of the TUC in the policy-making processes decreased, trade with Japan gradually became less of an issue, and so did the protection of its own industries. In Japan, the government's pledge to increase domestic demand in the late 1970s required fiscal policy to expand significantly, which, with hindsight, was the starting point of the long-lasting increase in government debt.

On the other hand, however, the trade conflict has implications for long-term

⁴¹ Recent histories of the 1970s are, for example, Lawrence Black, Hugh Pemberton and Pat Thane, *Reassessing 1970s Britain* (Manchester: Manchester University Press, 2013); Emily Robinson, Camilla Schofield, Florence Sutcliffe-Braithwaite, and Natalie Thomlinson, 'Telling Stories about Post-war Britain: Popular Individualism and the 'Crisis' of the 1970s', *Twentieth Century British History*, 28:2, pp. 268-304; 日高勝之 (編)『1970年代文化論』青弓社、2022年 [Katsuyuki Hidaka (ed.), *The 1970's Culture* (Tokyo: Seikyusha, 2022)] .

changes. Japanese ministers involved in this case recognised the need for Keynesian policies to solve the conflict.⁴² Although the ‘death’ of Keynesianism in the economic policies in the UK has long been debated, it implies that the Keynesian thinking survived in the international political stage, at least in Japan. In addition, ‘protectionism’ was one of the key themes during the conflict: Edmund Dell criticised Japan’s trade barriers,⁴³ and Takeo Fukuda warned about the world’s tendency towards protectionism.⁴⁴ The call for anti-protectionism by the Japanese and British politicians in the late 1970s might more or less affect the trend of globalisation for the coming decades.

Further consideration of the economic relationship between the UK and Japan in the 1970s would contribute to giving new perspectives on the relationship between domestic economy and international trade and on the history of economic thinking in the post-war world political economy.

⁴² For example, Kiich Miyazawa, who later became Prime Minister, said in 1978, ‘I am a Keynesian’ (“We’ll regulate exports” (interview with Kiichi Miyazawa)’, *Far Eastern Economic Review*, 23 June 1978, p. 40). Also, Prime Minister Takeo Fukuda once mentioned the possibility of a ‘global new deal’ (清宮龍『福田政権・七一四日』行政問題研究所、1984年、p. 182 [Ryu Kiyomiya, *714 Days of the Fukuda Administration* (Tokyo: Institute for Public Administration Issues, 1984)] .

⁴³ *The Times*, 19 April 1977, p. 17.

⁴⁴ 福田赳夫『回顧九十年』岩波書店、pp. 287-91 [Takeo Fukuda, *Memoirs* (Tokyo: Iwanami, 1995)] .