

[X-POSTED REVIEW: Yongue on Yang, 'A Medicated Empire: The Pharmaceutical Industry and Modern Japan'](#)

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Yongue on Yang, 'A Medicated Empire: The Pharmaceutical Industry and Modern Japan'

Timothy M. Yang. *A Medicated Empire: The Pharmaceutical Industry and Modern Japan*. Studies of the Weatherhead East Asian Institute, Columbia University Series. Ithaca: Cornell University Press, 2021. Illustrations. xvi + 335 pp. \$35.99 (e-book), ISBN 978-1-5017-5625-2; \$54.95 (cloth), ISBN 978-1-5017-5624-5.

Reviewed by Julia Yongue (Hosei University) **Published on** H-Japan (November, 2022)
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Timothy M. Yang has written a rich, multilayered history of Hoshi Pharmaceuticals and its founder, Hoshi Hajime (1873-1951), an entrepreneur and, at times, a politician who served six terms in the lower house. Through the lens of one company, Yang provides the reader with much more than a corporate history. His book is an in-depth analysis of the modernization of an industry and its shift from traditional or indigenous remedies to biomedicines, which is set in the backdrop of the rise of industrial capitalism during Japan's imperialist expansion and colonization period. His work delves into the very foundations of the state's relationship with this industry, its underlying motivations for introducing a regulatory system, and the ways this framework contributed to the commodification of medicine in an ever-evolving medical marketplace.

The book is organized into four main parts. The first part ("The Drug Industry, Entrepreneurship, and the State") describes the early formation of a Japanese pharmaceutical industry. In the context of a nation with growing imperialist ambitions, the state viewed medicine as a strategic sector and, through a wide array of new regulations, strove to maintain control over the production and consumption of drugs. When Hoshi entered the medicines industry, the marketplace was already crowded with competing sellers, including a well-established indigenous medicines industry. As policymakers instituted a shift toward Western medicine, Hoshi was able to skillfully carve out a niche. The second half of part 1 covers Hoshi's rise as an entrepreneur and describes how he carefully cultivated an image as a self-made man, who left rural Fukushima to seek his fortune in the United States before going on to complete a degree in business at Columbia University. Of note is that his sojourn took place during the Progressive Era, characterized by new currents in politics and

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business, including anti-monopoly legislation and scientific management. This environment in the United States not only shaped Hoshi's view of capitalism but was also fertile ground for the building of a network of vital connections with world-class scientists, such as Noguchi Hideyo. It also provided him with the opportunity to cultivate ties with key political and business elites, who would later contribute to the success of his operations in Japan and its colonial empire. After his return to Japan, Hoshi entered the pharmaceutical business, an area in which he had no expertise. Riding the wave of the First World War boom and the high demand for new medicines that it created, Hoshi rose to become the largest producer of medicine in Japan in terms of capitalization.

The second part ("Marketing Medicines and Medicinal Infrastructures") deals with the interwar years and Hoshi's efforts to reach the masses both at home and in Japan's colonial possessions. Hoshi adeptly achieved this by fostering a culture of self-medication, supported by advertising and an expanding marketing network of retailers. Some of the advertisements for his first big hit, a digestive medicine, ichthyol, are featured on the pages of chapter 3. Through these advertisements, the reader is able to observe the evolution in the Japanese medical marketplace as well as Hoshi's flair for reinventing patent medicines, a popular traditional remedy that had been used for centuries but was frowned upon by the modernist, Western-educated political elite. Hoshi's products were rebranded as self-medications designed to fill the new needs and desires of the growing mass consumer market that industrial capitalism created. The first half elucidates the broader transformation of the Japanese medical marketplace through descriptions of well-known companies, such as Shiseido, Kaō, and Lion. The second half is devoted to his national network of drugstores and their role in the promotion of self-medication in the medical marketplace. Such growth was achieved thanks to the introduction of a US-style franchise system, which expanded from just four thousand outlets in 1913 to thirty-five thousand in 1924 (p. 111). To support his franchise system, Hoshi established a school, whose curriculum was based on the tenets of Taylorism combined with his own business philosophy. One of the most famous graduates was the founder of another well-known Japanese drugstore chain, Matsumoto Kiyoshi, founded in 1932.

The third part ("The Opium Empire") explores the creation and subsequent unraveling of Hoshi's empire following his decision to produce alkaloid-based narcotics, such as morphine and opium. As with his previous products, Hoshi relied on his connections with powerful political elites, namely, Gotō Shinpei, who was in charge of civilian affairs in colonial Taiwan. Gotō saw to it that Hoshi received an exclusive government contract for the sourcing of his raw materials. Though initially an unprecedented success, Hoshi's narcotics manufacturing venture eventually failed due to a scandal, which led to bankruptcy and tarnished his company's reputation as a friendly and humanitarian operation. As his business slid further into financial ruin, his relationship with his retailers and workforce grew increasingly tense.

The fourth part ("Science, Self-Sufficiency, and Wartime Mobilization") focuses on Hoshi's attempt to make a comeback after his commercially and reputationally disastrous foray into the opium trade by shifting his production to cocaine and a more benevolent remedy, the anti-malarial quinine. As was the case with previous ventures, Hoshi relied on political connections in Taiwan to secure his raw materials (cinchona). At the same time, he began purchasing land in the Andes Mountains of Peru with the aim of establishing plantations for the production of these medicines as well as a wide variety of other products. His operations benefited from the exploitation of a cheap aboriginal labor force, which was subjugated according to a model inspired by the native American reservations in the

United States. Set against a backdrop of wartime mobilization, this part provides the stories of two transformations: Hoshi Pharmaceuticals' emergence as a truly multinational enterprise and the formation of the domestic pharmaceutical industry as a modern, self-sufficient operation.

Both Yang's book and another recent publication by business historian Pierre-Yves Donzé on the medical equipment sector (*Making Medicine a Business, X-ray Technology, Global Competition, and the Transformation of the Japanese Medical System, 1895-1945* [2018]) offer different yet complementary perspectives on Japan's early medical industry. Both demonstrate how a changing marketplace, technological innovations, and pressures caused by globalization served as catalysts for "making medicine a business." One striking difference between the two, however, is that while Donzé highlights the relatively smooth and successful transition of a small medical device manufacturer, Shimadzu, which overtook the global industry leader, Siemens, in the local market, Yang offers a darker account of a failed firm and its founder's struggle to reconcile the "tension between humanitarian aims and profitmaking motives" (p. 239). The different outcomes and actors make the two cases fascinating to compare. In Donzé's history of X-ray machines, the main actors were medical doctors and hospitals, while in Yang's, they included Hoshi's network of drugstores, the military, and average households. The involvement of such a wide range of actors illustrates the complexity of the Japanese medical industry during its formative period and beyond.

Apart from the story of the colossal failure of Suzuki Shōten, found in the college textbooks of most Japanese business departments, Japanese business histories, as Yang notes, have tended to be rosy. Given the volatility of the period the book covers, Hoshi Pharmaceuticals was certainly not the only case of a failed firm, though it was one of the largest. Like the setbacks in real life, however, failures often teach us more than successes. Though locating sources does present a formidable problem for the researcher, more histories of failure are sorely needed, as they help us to gain a deeper and more realistic picture of not only the development of Japanese business but also the shortcomings of capitalism.

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