Klaus Dittrich
Selling Luxembourgeois Steel in Japan: Columeta Tokyo, 1925 to 1941

ABSTRACT:
Under the auspices of Arbed (Aciéries Réunies de Burbach-Eich-Dudelange, established in 1911), the steel industry developed into the dominant economic sector of Luxembourg. After the First World War, the Grand-Duchy left the Germanic Zollverein and the country’s economic repositioning engendered an embrace of new global markets. In order to better promote its products, Arbed established the sales organization Columeta (Comptoir métallurgique luxembourgeois). This article discusses the Columeta representation in Japan – Columeta Tokyo, founded in 1925 –, providing insight into the cultural mechanics of a European company in Japan during the interwar period. Whereas business went well during the 1920s, the situation became more difficult during the 30s, due to the world economic crisis, the rise of Japanese steel production and increasingly protectionist economic policies. Focusing on trade between Europe and East Asia, this paper contributes to debates on (de)globalisation during the 20s and 30s.

Introduction

Luxembourg owns its wealth chiefly to the steel industry which developed into the Grand-Duchy’s central economic sector from the mid-nineteenth century on.¹ The rise of the industry was made possible by the occurrence of minette as a raw material for steel production in the southern plains of the country and in the neighbouring Lorraine region.² The Thomas process – for which Luxembourgeois licences had been procured as early as April 1879 – enabled the efficient transformation of the locally available phosphorised iron ore into finished steel products and entailed Luxembourg’s transformation from an agricultural to an industrial society.³ On the eve of the First World War, a large percentage of the population was employed in the steel industry and Luxembourg attracted skilled and unskilled workers from abroad.⁴

In 1911, three major Luxembourgeois companies which had been created during the 19th century and had a long history of mutual personal, financial and economic ties joined their forces. The Société en Commandite Le Gallais, Metz & Compagnie (Eich), the Société Anonyme des Hauts Fourneaux et Forges de Dudelange and the Société Anonyme des

¹ I am grateful to Juljan Biontino for procuring and translating Japanese materials. I am also grateful to Robert L. Philippart for providing valuable insight in the activities of Luxembourgeois in East Asia.
⁴ Denis Scuto, La nationalité luxembourgeoise, XIXe-XXe siècles, Brussels 2012, 67-97.
Mines du Luxembourg et des Forges de Sarrebruck merged and formed Arbed (Aciéries Réunies de Burbach-Eich-Dudelange), one of the then big players in steel production.5

After the First World War, the geopolitical situation of Luxembourg changed decisively and led to a fundamental economic and political repositioning of the country. Since 1842, the Grand-Duchy had belonged to the Germanic customs union and could easily sell its products on the vast German market.6 In 1919, however, Luxembourg left the Zollverein and two years later joined an economic union with Belgium, the Union économique belgo-luxembourgeoise (UEBL).7 The Belgian market was too small to absorb the Luxembourgian steel output. Additionally, the global steel market was in crisis, as the aftermath of the First World War was characterized by a general over-production of steel. Moreover, most countries turned to protectionism and tried to aid national producers.

The response to this challenge was twofold. On the one hand, Arbed tried to find ways to keep its position on core European markets. The efforts of Arbed’s founder and first president Emile Mayrisch8 have to be understood in this context. He pushed for cartelization notably by initiating and presiding the Entente International de l’Acier of 1926. Besides, he organised the Comité franco-allemand d’information et de documentation in order to reconcile Franco-German antagonisms and make the Luxembourgian economy profit from its central position in Western Europe.9

On the other hand, Arbed pursued a globalisation strategy and expanded to peripheral European as well as overseas countries. In 1919, the conglomerate established the sales company Columeta (Comptoir métallurgique luxembourgeois) in order to better place its products on not yet explored markets. Columeta held the monopoly of selling the products of the Arbed and Terres Rouges10 factories and played an important role in information gathering.11 The first Columeta offices opened in nearby commercial centres such as Brussels, Paris and London, followed by offices in South America as well as in Northern and Eastern Europe.12 Besides the establishment of Columeta, Arbed’s conquest of global markets also comprised the acquisition of participations in steel plants

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8 According to common usage, names of European actors are rendered with forename followed by surname, names of Japanese actors are rendered with surname followed by forename.


10 The Société métallurgique des Terres Rouges was established in 1919 and took over industrial sites which had been under German ownership before the First World War. Arbed formed an interest community with Terres Rouges in 1926 and the two companies merged in 1937.


12 Chomé, Aciéries réunies de Burbach-Eich-Dudelange (cf. n. 5), 171-172.
in various parts of the world, such as in Brazil and Argentina.\textsuperscript{13} Placing foreign direct investments, Arbed as an expanding multinational enterprise made use of its location advantage in the minette region and its ownership advantage of a superior technology.\textsuperscript{14}

Whereas the Grand-Duchy’s role in projects of European integration has been well analysed,\textsuperscript{15} the study of Luxembourg’s participation in a larger global network is of more recent origin.\textsuperscript{16} The quest for Luxembourg’s hidden worldwide connections is part of a historiographic movement to analyse how smaller European countries without direct access to sea ports participated in circuits of global interconnectedness.\textsuperscript{17} Not by coincidence, Luxembourg’s embrace of global markets started after the First World War. The decades proceeding the war are generally seen as characterized by a highly interwoven economy,\textsuperscript{18} whereas the decade after the war has been interpreted as a period of disintegration.\textsuperscript{19} As Christoph Dejung suggests, however, the post-war era was not necessarily a period of deglobalisation. Exactly as in the case of Swiss trading companies, the lack of a sufficiently large home market and an insecure European environment fostered the embrace of global markets by Luxembourg’s industrial leader.\textsuperscript{20}

This article discusses how Arbed became active on the East Asian market in general and in Japan in particular. After having been insignificant before WWI, Arbed sold about one tenth of its steel in the Asia-Pacific region including Japan, the countries under Japanese control and China during the early 1920s.\textsuperscript{21} In order to still further profit from opportunities in East Asia, Columeta opened a Japanese representation under the name of Columeta Tokyo in 1925.

A series of «unequal treaties» that were far-reaching in their economic, political, social and cultural consequences opened the Japanese market from the 1850s on and enabled European producers to sell their products in Japan.\textsuperscript{22} Specialised trading houses established by European merchants such as the German Illies & Company played a crucial role in facilitating trade.\textsuperscript{23} Bigger producing companies, for example Siemens, created
their own branches and daughter companies in Japan from the 1890s on. In the inter-war period, in total 15 American, five British, five German, two Swiss and one Czech company ran sales offices in Japan, not taking into account joint-ventures and other companies with foreign participations.

Based on the Columeta Tokyo files of the Arbed archive preserved in the National Archives of Luxembourg, this article discusses Columeta Tokyo as a European sales office in interwar Japan. It aims at demonstrating how industrialists of a small European country embraced the conquest of overseas markets after the First World War and which difficulties they encountered in the following two decades. The paper starts out with an analysis of the political setting and the strategic decision for establishing a representation in Japan. It then focuses on the involved European and Japanese actors and approaches intercultural issues evolving from their interaction. The commercial activities will be summarized. Finally, the causes and handling of the closure of Columeta Tokyo will be outlined.

Initiating Luxembourgian-Japanese Relations

The new global situation after the First World War enforced an expansion of Luxembourg’s diplomatic and consular network. As the Grand-Duchy’s foremost industrial conglomerate, Arbed exercised a remarkable influence on national policy-making and played a crucial role in determining the country’s place in the international setting. A significant overlap between industrial and political elites and interests also characterized Arbed’s expansion to East Asia and the beginning of state relations between Luxembourg and Japan. Most of the individuals that were appointed to consular and diplomatic positions belonged to the steel industry or acted in its interests. In 1922, Adachi Mineichirō, the Japanese minister plenipotentiary in Brussels, suggested to institutionalise relations between the two countries and to appoint a Luxembourgian national as Japanese honorary consul in Luxembourg. The Luxembourgian side thereupon proposed Jean-Pierre Arend for the position. Arend was one of the few Luxembourgers during the First World War, in: Past & Present (2010), 205-209.


29 Adachi Mineichirō to Emile Reuter, 10.6.1923, in: Archives Nationales de Luxembourg [hereafter ANLux], AE-00450.
with experience in East Asia. Upon graduation from the University of Geneva with a doctorate in physical sciences, he joined the Hanyang Iron & Steel Works in Hankou, China, in 1907. Established in 1894 with mainly Belgian capital, the Hanyang Works were the first modern steel producing plant in China. 25 out of in total 30 Luxembourgers who lived in China before 1914 worked for this company. Arend was recruited in order to build up the chemical and physical laboratories, oversee research activities and train future chemists. The revolution that overthrew the Qing Dynasty in 1911 interrupted operations and brought an end to Arend’s career in China. He left the country and entered Arbed at its Dommeldange plant in January 1913. Arbed relied on his global experience, charging him, for example, with a commercial mission to India, China, Japan and Northern America in August 1921. When Arend was appointed Japanese honorary consul in Luxembourg in December 1923, he was one of the directors of Arbed and belonged to the Luxembourgian industrial elite.33

Concomitantly, Imaizumi Kaichirō was appointed grand-ducal consul general for Japan in August 1923. By placing a consul in Japan, the Luxembourgian state responded to a demand of the national steel industry and attempted to gain independence from Belgian competitors. The engineer and industrialist Imaizumi was a graduate of the metallurgy and mining department of Tokyo Imperial University and the Bergakademie of Freiberg in Saxony. According to historian Tessa Morris-Suzuki, he was «one of Japan’s most brilliant pre-war technicians». Imaizumi served as a director of the state-owned Yawata Works from 1896 and co-founded Nihon Kökan Kabushiki Kaisha, Japan’s first private steel producing company in 1912. It is not clear why the choice fell exactly on Imaizumi. While his role in the steel industry certainly played a role in his favour, Imaizumi – as president of Nihon Kökan – was also one of Arbed’s competitors in Japan. It can be speculated that Imaizumi wanted to use his appointment in order to obtain commercial and technological information on his European rivals.

While Imaizumi henceforth dealt with Luxembourgian consular affairs, the Netherlands were still in charge of Luxembourg’s diplomatic representation in Japan as in all other countries where the Grand-Duchy did not send its own diplomats, a reminis-
cence to the country’s complicated history. In 1922, Adachi had also proposed to accredit the Japanese minister plenipotentiary in Brussels to the Grand-Ducal Court in addition to his accreditation to Belgium. This idea took some time to take shape. In the meantime, the Great Kanto Earthquake which devastated Tokyo and surroundings on 1 September 1923 served as a catalyst for fostering official relations between both countries. In the following November a group of Luxembourgian and French women organised a «journée japonaise» including a theatre performance as a charity event in favour of the victims of the earthquake. The Luxembourgian side invited Adachi from Brussels and prepared a substantial programme for him, including promotional visits to steel factories. Because of a tight schedule, Adachi eventually had to concentrate his visit on the theatre performance and an audience with the duchess. It took four more years until Adachi finally became the first Japanese diplomat to be accredited to the Luxembourgian Court in November 1927. Alluding to the steel industry, Adachi reminded in his allocation that the Japanese nation would not ignore the growing role of Luxembourg in the global economy. Meanwhile, a Treaty of Commerce and Navigation between the UEBL and Japan was concluded in June 1924, putting economic exchange between Luxembourg and Japan on a formal basis.

The Tokyo and Osaka Offices

Taking advantage of this new institutional framework, Columeta’s headquarters started preparations for a Japan branch in 1924. According to a confidential strategy paper, several arguments motivated this decision. Firstly, Arbed’s decision makers considered that the Japanese market was big enough to establish a permanent presence. A considerable amount of Luxembourgian steel had already been sold in Japan and the outlook for further transactions was regarded as positive. Probably Columeta wanted to profit from the boom sparked by cheap credits after the Great Kanto Earthquake. Secondly, Columeta saw the establishment of a Tokyo branch as an advantage vis-à-vis European competitors. Most of them did not have a big sales apparatus and dealt with Japan either through appointed agents – European trading companies in Japan – or the sales offices Japanese conglomerates had established in Europe. Columeta had hitherto accomplished business with Japan through the European bureaus of Mitsubishi in London and Paris. Business through European trading companies in Japan had proved ineffective. Thirdly, the envisioned opening of a Japan office offered the chance of more direct

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40 Direction des affaires étrangères to Adachi Mineitaro, 10.11.1923, in: ANLux, AE-00450.
43 Documents regarding the conclusion of this treaty and an issue of the official gazette with the treaty text can be found in: ANLux, CI-076.
44 Note confidentielle. Programme de notre représentation au Japon, 18.9.1824, in: ANLux, Arbed-02-0402.
46 Before 1925, the Japan agent of Columeta was the Nichi-Futsu Shokai (Franco-Japanese Trading Company), run by Robert Fouque, brother-in-law of Imaizumi.
contact with potential clients. Finally, it was expected that the new office would facilitate the collection of information on local competitors and clients as well as on political and administrative procedures in Japan that could positively affect business transactions. Therefore, the Tokyo office would actively promote Columeta products, furnish information on the Japanese market and assure close contact with customers and official agencies. The Columeta headquarters, however, wanted the cheapest and simplest solution possible.

The Japan representation was created as an independent society under the name of «Columeta Tokyo» in the course of the year 1925. Columeta rented office space in central Tokyo in August and the branch was officially established through registration in the commercial registry book of the court in Tokyo one month later. The office was located on Nakadori Street in the Marunouchi district in central Tokyo, the best business address that existed in Japan at this time. Two years after the Great Kantō Earthquake, the Japanese capital had recovered. Obviously, Tokyo was still the political, commercial and financial centre of the archipelago where most foreign companies had their offices. However, many Japanese companies – Columeta’s potential customers – had their headquarters and production sites in Osaka, the chief city of the Kansai region. During the First World War when the Japanese economy experienced an unprecedented boom, Osaka’s main output shifted from textile to heavy industry. Numerous new firms were established and tens of thousands of migrant workers flocked into the city, forging Osaka’s new status as the unchallenged industrial centre of Japan. Consequently, Columeta opened a bureau in Osaka in September 1928 which operated under the same name of «Columeta Tokyo», as a branch of the main office. Columeta seriously took its decision to go for the cheapest possible option. When the Osaka office was established in 1928, the local court demanded a proof of tax payment in Tokyo for registering the new branch. It was decided not to register the Osaka office and to keep the financial advantage. This episode also revealed that Columeta Tokyo never paid taxes to the Japanese state during all of its existence.

European Managers

European representatives occupied the leading positions in the Japanese offices. Columeta Tokyo employed in total four Luxembourgers. Initially, Guy Noesen was in charge of establishing the Columeta presence in Japan. From the late 20s, Hugues Le Gallais served as director of Columeta Tokyo. Similar to many Luxembourgers who made a career in the steel industry, Le Gallais had studied in Liège and Zurich, joined Arbed in 1918 and worked for Columeta from 1921 on, among others in London and
Paris. Son of the factory director and later member of Arbed’s administrative council Norbert Le Gallais, he belonged to one of the Luxembourgian families that had been active in the steel industry for generations. Pierre Ruppert succeeded Le Gallais in 1936. Ruppert’s family had long-time connections to East Asia, as a certain Eugène Ruppert, possibly his uncle, had been a director of the aforementioned Hanyang Works in China in the late 19th century and had also been in charge of a mineral survey of Japan carried out for the Japanese government. Furthermore, Antoine Rollmann served as assistant director and general manager in both Tokyo and Osaka until the mid-30s.

The German Diedrich Mainzer was hired for the Osaka office in 1928. Mainzer had been an employee of the German firm Otto Reimers & Company which had sent him to its Tokyo branch in 1927. The company, however, gave up its activities in Japan and closed its Tokyo office in 1928. Hired by Columeta in September of the same year, Mainzer was content to have found a position with similar payment. Le Gallais was «exceedingly glad that we have been able to secure for Columeta Mr. Mainzer, as he knows the Japanese ways so well […] and is such a reliable man». Especially Mainzer’s capacity in «getting on in his personal contact with Japanese peoples» seemed to have been an argument in his favour. Mainzer worked for Columeta for a term of three years, but his contract was not extended. The Columeta headquarters gave notice of the termination of the contract during Mainzer’s leave in Europe in summer 1931, explaining their decision with the difficult economic situation. Although Le Gallais suggested Mainzer stay in Germany, the latter preferred to go back to Japan because of the pessimistic economic situation («absoluter Tiefpunkt») in his home country. In 1934 Mainzer became the manager of the Chemia Überseehandels Company, a company specialising in the import and export of chemical products, established in Tokyo that same year by two Germans. The decision to end Mainzer’s contract negatively affected the sales figures of Columeta’s Osaka bureau. In retrospect, the Columeta headquarters judged his disengagement as a mistake. When Rollmann decided to leave Japan in 1935, Le Gallais and the Columeta headquarters discussed for a short while, but without result, a new engagement of Mainzer as replacement. As will be shown below, Mainzer would again attract the interest of Columeta some years later.
The Luxembourgian employees were part of the country’s industrial elite. They were well integrated in national networks and showed a high commitment to their employer. Together with other Western expatriates, they were part of a temporary elite migration. Mainzer, on the other hand, had adopted to the Japanese context. He had carved out a niche for himself and acquired enough cultural capital as a foreigner in Japan that allowed him to move from one European company to another in case of necessity. A permanent return to Germany was not an option for him. All in all, the European staff was part of a technically oriented business community in interwar Japan.

Japanese Employees

Besides the European staff, Columeta hired in total 13 Japanese employees. Some of them had considerable responsibilities. Ōno Yoshikatsu was the first Japanese to be recruited in 1925 after Le Gallais had placed a job announcement. He stayed with Columeta until 1932. Kobayashi Kinichi joined the Tokyo office in the same year. Kobayashi left Columeta for a company of the Mitsui conglomerate in 1934, after Le Gallais had tried unsuccessfully to keep him with a higher salary. Eventually, the Columeta Tokyo director saw Kobayashi’s departure also as a chance, as «he might pass us orders.» Kobayashi was succeeded by Takatsuka Nozomu who had studied in the United States and had previously worked for the American Westinghouse Electric Company in Tokyo. When Westinghouse decided to close its Japan branch, Takatsuka subsequently joined Columeta. Initially, Takatsuka was a promising employee praised by his superiors. For unclear reasons the relationship with Takatsuka worsened significantly in the following years until Ruppert saw him as a nuisance for the company. Takatsuka, therefore, handed in his resignation in late 1937. Yano Tsuruji took over Takatsuka’s duties. Yano had joined Columeta already in 1930. Takatsuka’s departure occasioned his promotion in salary and responsibilities. As will be shown below, Yano would stay for a long time in the service of Columeta.

62 Guy Noesen to Paul Palgen, 14.8.1925, in: ANLux, Arbed-02-0402.
65 «Mr Takatsuka was very active in 1935 and he is on good terms with our customers.» Hugues Le Gallais to Jean-Baptiste Henckes, 17.3.1936, in: ANLux, Arbed-02-0401.
66 «Our employee, Mr. TAKATSUKA, left our TOKIO office. I saw myself obliged to address him several times with observations on his work. His departure frees us from taking the necessary measures, because he has become a nuisance for the interests of the company.» Pierre Ruppert to Hector Dieudonné, Tokyo, 13.11.1937, in: ANLux, Arbed-02-0401.
67 Ibid.
There was also staff for easier secretarial tasks («boys») who received a substantially lower salary. Finally, the Tokyo office also successively engaged three drivers until economies made it necessary to sell the company car in the late 30s.

The Japanese Columeta staff shows that well-qualified employees had sometimes been trained abroad for an internationalized economy and moved, if there was need, from one foreign company to another. As sararīman – the Japanised form of the English term salaryman that came into common use by the 20s – they were urban salaried employees, a group that by then made up ten per cent of the Japanese population. They could afford to participate in a thriving middle-class culture characterized by a flourishing consumption of print media, movies and jazz music.68

The Tokyo staff also included a female secretary (called «dactylo» in most documents). The first secretary, Masuda Miyo, joined the Tokyo office at its opening in August 1925 and left already one year later «pour des raisons de famille».69 Probably, Masuda, a young woman of 22 years got married and for this reason quit her job. This reflects the contemporary gender models, in Japan as elsewhere in the world. Only 15 to 20 per cent of female secretaries were married in interwar Japan, making the job a transitory occupation before marriage.70 Masuda’s successor, Itō Masako, was of the same age, but stayed single and worked in the Columeta office until 1939. Although consigning secretarial work to young women and the quasi-compulsory end to salaried work after marriage were clear signs of asymmetric gender roles, both female Columeta employees belonged to the first generation of generalized female office work. Female secretaries had served foreign and Japanese companies since the late 19th century, but only in the interwar period did secretarial work become a predominantly female occupation. Alongside the «modern girls» with their bobbed hair, trendy clothes and peculiar consumption practices, professional working women marked the departure from older gender ideals.71

Intercultural Dynamics

Communication between the European and Japanese staff in the offices of Columeta Tokyo took place in English, as most of the Europeans did not speak the local language and as it was apparently difficult to find francophone staff. It is not easy to judge what the European Columeta representatives thought of their subordinates. In a note of 1925, right after the recruitment of the first Japanese employees, Noesen wrote as follows of his staff:

71 In the mid-1920s, about 100,000 women were employed in office jobs in Japan. Barbara Sato, The New Japanese Woman: Modernity, Media, and Women in Interwar Japan, Durham 2003, 114–151.
«Mr OHNO, hired six months ago, good office worker. He develops normally, writes short letters, even listings in English without that I would have to dictate or prepare drafts. He shows great interest and initiative, sometimes even too much. As he lives in Yokohama, he regularly sees our only customer Yagishita in this city. Married and head of his family.

Mr KOBAYASHI, hired two months ago. Better trained, knows better English, but after all less smart than the other one. The Japanese seem often very young, even when they are thirty years old, because they finish their studies later than we in Europe. Handicapped by the heavy burden of the Japanese language and characters, their mind has more difficulties to form itself. K. can be best compared to a good section chief at home. He is quiet, maybe a little bit too much and I do not think that I can already prepare him for Osaka. His wife who is expecting a baby is with her parents in the countryside until the end of the year.»

On the one hand, Noesen’s evaluations cannot hide a paternalistic undertone. Japanese culture is seen as a burden rather than a resource and in the eyes of the European manager infantilises the two employees. Moreover, the Luxembourgers did not unconditionally trust their Japanese staff. Noesen once stated: «Some stupidities done during my absence confirm my impression that someone of us is necessary» in the office. Similarly the notion of the «indigenous personnel of Tokyo and Osaka» employed by Ruppert in the late 30s cannot hide an Orientalist attitude. On the other hand, Noesen’s report in its essence was well-meaning. It testifies to a high degree of collegiality which, according to Christoph Dejung, characterized interactions between foreign and Japanese staff in the local subsidiary of the Volkart trading house, an observation further confirmed by a note of 1936 that sheds light on how tasks were split among the Tokyo staff:

«The main employee [Takatsuka] spends his time, with or without Mr Ruppert, visiting customers (some of them live more then ten kilometres away from the centre of Tokyo) and his office work is limited to preparing cables, some letters and translating newspaper clippings into English. The undersigned considers that long and as frequent as possible visits to customers are an absolute necessity in Japan.

The dactylo types the cables, confirmations, letters, orders and statistics; she checks the cables (code). The undersigned thinks that another employee cannot do the work of the dactylo as she is very busy.

The youngest employee [Yano] is very active and renders many a service. He deciphers the cables and encodes those that leave (which takes much time for the orders of steel bands). He is furthermore in charge of the telephone and he negotiates when the main employee is absent.»

72 Guy Noesen to Hector Dieudonné, 24.8.1925, in: ANLux, Arbed-02-0402.
73 Ibid.
74 See for example Pierre Ruppert to Hector Dieudonné, 18.8.1936, in: ANLux, Arbed-02-0401.
75 Dejung, Die Fäden des globalen Marktes (cf. n. 20), 244.
76 Note. Réduction des Frais généraux à Tokyo, 18.11.1936, in: ANLux, Arbed-02-0402.
This quote shows that, besides general secretarial work, the Japanese employees were used for extracting information from Japanese journals and making contact with clients, tasks the European employees were not qualified for, due to the lack of language skills. The Japanese staff was essential in providing the know-how to successfully contract commercial partners. Furthermore, Japanese employees were responsible for the telegraphic communication with the headquarters. Tokyo directors repeatedly complained about the costs and speed of telegrams between Japan and Luxembourg.77 Telegrams were usually encoded with a sophisticated system that Columeta had set up for all international correspondence in order to make sure that competitors would not get to know sensitive information.

Despite the indispensability of Japanese employees, the use of Europeans could also be an advantage. Le Gallais remarked that Japanese business partners enjoyed negotiating with Europeans. In his opinion, Japanese would feel inferior to Europeans and, therefore, be flattered when having the chance to negotiate with a foreign representative on an equal basis.78 Consequently, having European staff on the spot in Japan was also an advantage in negotiations vis-à-vis European companies that only had Japanese agents on the spot.

Accordingly, during the mid-20s, Noesen and Le Gallais controversially debated the question if a European should preside over the envisioned Osaka office or if its direction should be left to a Japanese employee. Le Gallais wanted a Luxembourger as head of the Osaka branch; Noesen, on the contrary, preferred a Japanese in Osaka having in mind that a local employee would build up better contacts with customers and instead favoured the recruitment of a second European for Tokyo.79 The Luxembourgian decision-makers initially followed the latter option. Their idea was to train a Japanese employee in Tokyo for him to get acquainted with Columeta business and then send him to Osaka. Following this plan, a certain Mashiko who had joined Columeta in 1927 was to be sent to Osaka in 1928. However, Mashiko declined the offer, stating that he preferred to sooner or later start his own business. Columeta, therefore, immediately ended his contract.80 Eventually, it was a European, Mainzer, who managed the Osaka office during its first years.81 The difficulties to staff the Osaka bureau show how difficult it was motivating Japanese employees to move to a branch within or outside Japan proper. Japanese employees saw a move away from the capital as a degradation and refused the transfer. In the 30s, the project of sending a Japanese employee to Dairen (Dalian) in Manchuria where he would promote the sale of Columeta products were met with similar resistance. Le Gallais decided to send Ōno who, however, refused the transfer.
and consequently left Columeta.82 The repeated failures to send Japanese staff to provincial and colonial branches were undoubtedly the result of an insufficient acquaintance with the peculiarities of the Japanese labour market.

Negotiating Salaries

The question of salaries and related benefits played out on several levels and elucidates intercultural issues in the Japanese setting. The remuneration of both European and Japanese employees consisted of a fixed salary (traitements) and flexible bonuses (gratifications). The bonuses had been introduced for white-collar employees of Arbed’s forerunners in the late 19th century. Paid in April, they were based on performance and could reach up to 30 per cent of the salary.83 The system of salary and bonuses was culture-specific, as can be observed regarding the salaries of Japanese employees. In one of his letters to the Columeta headquarters, Le Gallais underlined that an annual bonus at the end of the year was a Japanese custom. Families planned ahead with this bonus to cover necessary expenditures. Not paying such a bonus would mean financial hardship for families and a loss of face for the company.84 The Columeta headquarters reluctantly paid the bonuses as suggested by Le Gallais, but made clear that they did not appreciate this custom.85 This episode excepted, there is no evidence of organised unrest among employees. This could have been different. As Andrew Gordon has shown, Japanese sales representatives of Singer sewing machines went on strike demanding a retirement and severance pay system, both of which did not exist for Japanese Columeta employees.86

From the early 30s onwards the economic crisis led to a devaluation of the Japanese yen and high inflation. Japan left the gold standard in late 1931 after it had been re-introduced only one year earlier. Although this policy helped the comparatively quick recovery of the Japanese economy, it negatively influenced Columeta’s business – as will be shown below – and immediately affected its employees on the spot. Imported products were especially affected by higher prices which particularly hit expatriates in Japan, as they mostly consumed foreign food.87 Consequently, the living expenses of

82 «I regret very much indeed that I cannot see my way to go to Dairen, as requested, with the decreased salary of yen 220.00 only without subsidiary, and I sincerely hope that you will kindly admit my family circumstances.» Ōno Yoshikatsu to Hugues Le Gallais, 1.9.1932, in: ANLux, Arbed-02-0404.


85 «During your next stay in Luxembourg we would like to examine with you the possibility whether we can reconcile Japanese customs with the rules in vigour within our group which we would like to apply generally as possible.» Jean-Baptiste Henckes to Hugues Le Gallais, 17.12.1929, in: ANLux, Arbed-02-0401.


87 Hugues Le Gallais to Hector Dieudonné, 18.12.1931, in: ANLux, Arbed-02-0401. «The rise of prices is more sensitive for imported products and foodstuff than for local products. As Europeans consume mostly the former, the devaluation of the yen affects much more the Europeans than the Japanese population.»
foreigners in Japan rose dramatically. The salaries of Illies & Company's German employees in Japan were on subsistence level during the economic crisis. See Bähr et al., *Handel ist Wandel* (cf. n. 23), 132.

90 Antoine Rollmann to Columeta headquarters, 12.5.1932, in: ANLux, Arbed-02-0401.

91 "The living costs, far from stabilising, continue to grow continuously." Pierre Ruppert to Columeta headquarters, 13.4.1938, in: ANLux, Arbed-02-0401.

92 Hugues Le Gallais to Diedrich Mainzer, 4.8.1928, in: ANLux, Arbed-02-0404.

European Columeta employees in Japan could take paid leave when they left for Europe. Diedrich Mainzer’s contract, which was typical in this regard, stipulated that the employee had six months of paid leave every three years. The six months period started with his departure from Japan and ended with his return so that the comparatively long travel time belonged to the vacation period. Columeta paid a second class passage to Europe which was a heavy financial burden for the company. In the interwar period, travellers between Europe and Japan could choose between several options. Firstly, it was possible to travel by steamer via Suez and India. This usually implied an initial rail trip to one of the Mediterranean port cities, such as Marseilles or Genoa. Secondly, European travellers could reach East Asia via North America. After a transatlantic steamer passage, passengers took a train through either the United States or Canada, before crossing the Pacific Ocean. Thirdly, the Trans-Siberian Railway provided an overland passage between Europe and East Asia and was the fastest option. Columeta employees made use of all three options. In 1930, Le Gallais took a train from China to Luxembourg via Siberia. When Rollmann went back from his leave in Europe to Japan together with wife, two children and a two months old baby in 1932, he insisted on taking a steamer via Suez and India because, according to him, it was the best route with
an infant child and the cheapest one as well.93 Ironically, three years later, when he prepared his final departure, Rollmann urged Columeta to pay him a more expensive ticket via North America, «in order to spare the children the tiring heat of the route via Suez.»94

Living in Japan

Housing in Japan was a theme that repeatedly resulted in complaints by the European employees. Tokyo was a particularly expensive city. In 1926, Noesen had rented a house in the name of Columeta where the directors lived on company expenses. When Le Gallais left Tokyo for Luxembourg in 1936, the Columeta headquarters advised his successor Ruppert to rent the house in his own name and to do so without housing subsidies. This decision entailed long discussions until a compromise was found.95 Another case occurred when Rollmann was transferred to the Osaka office in 1933. Rollmann moved to nearby Kobe, where he had to live in a hotel for 18 days, because it was difficult to find proper accommodation on short notice. Columeta refused to pay the stay in its entirety, paying only eight nights, much to the frustration of Rollmann.96

Family and health issues also troubled the lives of European Columeta employees. A case in point is again Rollmann. As early as in 1933, he wrote how difficult it was for him and his wife with three children and asked for his transfer to Luxembourg. Twins were born in Europe where the family sojourned on furlough. During his service in the Kansai area, Rollmann left his six-year old daughter in a boarding school in Tokyo, because there was no appropriate Catholic school for her in Kobe, spreading the family over hundreds of kilometres.97 The health of his children was constantly a reason for concern.98 Rollmann wrote about his wife: «During the nine years that we have been here, the circumstances forced us to live in twelve different houses, and the instability of family life, the continuous relocations, the sickness of the children, the climate, Japan eventually, have exhausted the capacity of resistance of my wife.»99 In another letter, Rollmann mentioned the «ennuis moraux et physiques» of the frequent relocations.100 This situation, Rollmann argued, made an extension of his contract as wished by the headquarters impossible and eventually resulted in his premature departure from Japan. Le Gallais confirmed Rollmann’s poor health condition, arguing that he himself had problems with his liver which was in his opinion a frequent trouble of Europeans living in East Asia. Moreover, Le Gallais continued, Rollmann followed a dietary regime because of an intestine bacillus that he also labelled as a common complication of Europe-

93 Antoine Rollmann to Columeta headquar-
94 Le Gallais to Columeta headquarters,
95 Pierre Ruppert to Columeta headquarters,
96 Antoine Rollmann to Jean-Baptiste
Henckes, 22.11.1933, in: ANLux,
Arbed-02-0405.
97 Antoine Rollmann to Jean-Baptiste
Henckes, 22.11.1933, in: ANLux,
Arbed-02-0405. Le Gallais as well lived in
Japan with his wife and one daughter. See
Hugues Le Gallais to Columeta headquar-
98 Antoine Rollmann to Columeta headquar-
ters, 4.4.1934, in: ANLux, Arbed-02-0401.
99 Antoine Rollmann to Hugues Le Gallais,
100 Antoine Rollmann to Columeta headquar-
ters, 12.5.1932, in: ANLux, Arbed-02-0401.
ans in Japan. These different episodes added up to Rollmann’s dissatisfaction with his expatriate life.

Despite difficulties, Columeta employees in Japan showed a clear fascination for the culture of their host country. Le Gallais was interested in Japanese art and stood in the tradition of japonisme, the European fashion of Japanese art dating back to the nineteenth century. In 1929, for example, Le Gallais bought a painting of the 18th-century painter Tōshūsai Sharaku. When he came back to Luxembourg he sent 39 boxes including many objects of Japanese art.

Selling Steel

Like all Columeta representations in the world, Columeta Tokyo sold the finished and semi-finished products of the Arbed and Terres Rouges factories. In July 1925, when the Tokyo office was in its founding phase, Columeta was proud of announcing an order from the municipality of Osaka to deliver rails for the local streetcar network. However, the by far most important commercial partner of Columeta in Japan was Iwai & Co. Iwai Shōten, to use its Japanese name, was a trading company established in Osaka in 1862. By the 20s, it had been transformed into a stock company, ran branch offices in Tokyo and Kobe and controlled over 50 daughter companies. Although it had been dealing with a diversified range of products since its inception, it concentrated mainly on steel and iron. In the interwar period, Iwai also controlled steel producing plants in Japan and became one of the key players on the steel market, although it did not reach the size and prominence of the really big players such as Mitsubishi and Mitsui.

In 1925, Columeta concluded a first agreement with Iwai foreseeing that the latter addressed all its orders for iron and steel products to Columeta. Columeta, in turn, provided the most favourable and rebated prices. One year later, another agreement made Iwai the only consumer of Arbed’s famous sheet piles in Japan. Iwai bought a large amount of sheet piles from Belval and sold the stock on its own account. Besides Iwai, Columeta had several smaller firms among its customers, such as Osaka Gōdō Kabushiki Kaisha, on Osaka-based trading house.

The Tokyo office also represented a limited number of third party European companies in Japan. Most of these companies were located in Germany and stood in a close

102 «Je m’intéresse toujours à l’art japonais et j’ai acheté un sharaku.» Hugues Le Gallais to Columeta headquarters, 17.2.1929, in: ANLux, Arbed-02-0401. The Hugues Le Gallais collection is nowadays on display in Venice.
103 «Because of the large number of art works, the packing took much time.» Pierre Ruppert to Columeta headquarters, 26.11.1936, in: ANLux, Arbed-02-0401.
106 Contract between Columeta and Iwai, 1.4.1925, in: ANLux, Arbed-02-0405.
107 Iwai hyakunen shi, Osaka 1964, 287.
relation to Arbed through participations. An agreement with Felten & Guillaume Eschweiler Draht was made in 1928. Furthermore, contracts existed with Felten & Guillaume Carlswerk on the copper and cable business and Norddeutsche Seekabelwerke in Nordenham. In the late 20s, Felten & Guillaume Carlswerk sold considerable amounts of cables in Japan. Carlswerk managers praised Le Gallais for his skills in initiating contracts. Felten & Guillaume Carlswerk and its agent Columeta were involved in plans for the construction of sea cables between Japan and Shanghai. Their bid was unsuccessful, as pressure was exercised so that Japanese companies were awarded the contract. In 1935, Columeta Tokyo signed a contract with Sogéco (Société générale pour le commerce de produits industriels) foreseeing the sale of manganese from Sandur in India. Manganese was an important mineral for the steel industry. The idea was to import and sell it to the big Japanese steel conglomerates and to profit from commission charges. This deal was never carried out. An agency agreement with Meirowsky & Company of Porz (Germany) on high voltage condensers was terminated after only two years and almost no sales in 1931.

From Boom to Slowdown

Generally speaking, Columeta Tokyo was successful during the first years of its existence, but increasingly failed to fulfill expectations during the 30s. Initially, sales figures were high in the 20s. «Columeta has established itself on the Japanese market», rejoiced Le Gallais in 1928. But from the turn of the decade on things changed. Many letters sent by the staff in Japan and the headquarters in Luxembourg made reference to the crisis that made it difficult to sell enough products. In 1931, Le Gallais still wrote that «in hot-roll and cold-roll strips the situation of Columeta remains dominant because of the quality and reputation of these products, the situation is similar for steel girders and sheets but to a lesser degree». Indeed, the sales figures stabilized on a lower level during the first half of the 30s and fell dramatically from the mid-30s. Hector Dieudonné, director of Columeta, had conceded already in 1930 that «we cannot hope for a betterment of our placements in this country». Four years later, Pierre Rollmann wrote of a «desperate retreat» of Columeta in Japan. In a letter he sent to the headquarters in 1935, Le Gallais complained that it was impossible to persist against the prices of Japanese factories, adding «quant aux affaires, elles vont mal».

109 Felten & Guillaume Carlswerk to Columeta Tokyo, 30.8.1928, in: ANLux, Arbed-02-0403.
112 Diedrich Mainzer to Columeta headquarters, 3.10.1940, in: ANLux, Arbed-02-0402.
117 Antoine Rollmann to Columeta headquarters, 4.6.1934, in: ANLux, Arbed-02-0401.
Table 1: Sales in tons of metallurgical products by Columeta Tokyo

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales in Tokyo area</th>
<th>Sales in Osaka area</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1925</td>
<td>33,236</td>
<td>28,520</td>
<td></td>
</tr>
<tr>
<td>1926</td>
<td>50,496</td>
<td>20,701</td>
<td></td>
</tr>
<tr>
<td>1927</td>
<td>29,112</td>
<td>11,918</td>
<td></td>
</tr>
<tr>
<td>1928</td>
<td>42,330</td>
<td>14,677</td>
<td>Opening Osaka office</td>
</tr>
<tr>
<td>1929</td>
<td>24,350</td>
<td>20,047</td>
<td></td>
</tr>
<tr>
<td>1930</td>
<td>13,597</td>
<td>14,163</td>
<td></td>
</tr>
<tr>
<td>1931</td>
<td>11,237</td>
<td>9,090</td>
<td>Only until July</td>
</tr>
<tr>
<td>1934</td>
<td>21,622</td>
<td>23,245</td>
<td></td>
</tr>
<tr>
<td>1935</td>
<td>12,046</td>
<td>4,297</td>
<td>Only until October</td>
</tr>
<tr>
<td>1938</td>
<td>540 (overall sales)</td>
<td></td>
<td>Closure Osaka office</td>
</tr>
</tbody>
</table>

Four factors hampered the Columeta business in Japan in the 30s. Firstly, the world economic crisis engendered a general downturn. Many companies failed or left the Japanese market. Naturally, this development also hit Columeta Tokyo. It was in line, moreover, with the general output of Arbed and its sales in practically all markets. Secondly, devaluation of the yen made European imports less competitive.

Thirdly, Japan was increasingly successful in building up its own steel production facilities. Iron and steel production played an important ideological role for Japan’s industrialization process. Japan’s first steel works in Kamaishi started operation with a limited output in 1880. The state-owned Yawata Steel Works began operation in 1901. Even in the 20s Japan still imported most of the steel consumed in the country, a situation that changed after 1930. Nippon Seitetsu (Japan Steel Corporation) was created in 1934 as a semi-private conglomerate around the nucleus of the former state-run Yawata Works. Columeta decision makers were therefore pessimistic not only for the Japanese market. They also saw their position in international, especially East Asian, markets challenged by Japanese producers. An internal report of 1935 pointed out that Japanese steel production was growing rapidly and exports of metal products would

119 Hugues Le Gallais to Hector Dieudonné, 19.10.1931; Columeta headquarters to Hugues Le Gallais, 5.5.1933; Note. Activité de Columeta Tokyo, 20.7.1938, in: ANLux, Arbed-02-0405.
120 Chomé, Acieries réunies de Burbach-Eich-Dudelange (cf. n. 5), 196.
122 Yonekura, Japanese Iron and Steel industry (cf. n. 39).
soon be larger than imports. According to the document, the Japanese government pursued a policy of systematically eliminating foreign competitors and substituted them with Japanese production. Consequently, the Japanese steel syndicate Nippon Seitetsu would become a competitor to the European syndicate (Entente internationale de l’acier) on Asian markets, notably in China. Under these conditions, Le Gallais urged to fight for the Chinese market. These predictions were correct, as 1935 was the first year when Japan recorded an overall positive balance of trade. These evolutions were closely monitored by the Bulletin Quotidien Columeta, an internal daily newsletter, that informed on economic and financial developments in Columeta’s key markets and to which the Tokyo office regularly contributed.

Fourthly, Japan built its own economic bloc throughout the 30s. This translates into the transition from free trade to protectionism. The Japanese government turned to a more and more restrictive stance towards foreign companies. «Buy Japanese» campaigns aimed at eliminating foreign competitors from the market. It reflected the turn towards autarkic continental economic blocs. With the seizure of power by the military in 1936 and the turn to the war economy in 1937 when full-scale war with China began, international trade became much more difficult and went towards a militarized bloc economy. The army, henceforth, directly interfered with economic matters. The import of articles that were not relevant for the war effort was practically banned. International financial transactions needed to be approved and were in practice often rejected.

Towards Closure

As a result of the decreasing sales figures, Columeta prepared its retreat from the Japanese market. Already in 1930, during the world economic crisis, the Columeta headquarters considered the closure of the Osaka office. It was temporarily kept alive, but expenditures in both Osaka and Tokyo had to be reduced. However, hopes that the militarization of Japan and growing influence of the army and navy would entail a growing demand in metal products did not realize. The Osaka office was closed in November 1938. The contracts with both Japanese employees in Osaka ended with the liquidation of the office.

Soon afterwards, the closure of the Tokyo office was decided for economic reasons. During the first half of 1938 sales figures stagnated dramatically and countermeasures became necessary. Columeta Tokyo sold only 540 tonnes of mould and 600 metres of Felten & Guillaume cable. The sale of piles, one of Arbed’s specialties, had

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127 Udagawa, Business Management (cf. n. 25), 22ff.
130 Hugues Le Gallais to Columeta headquarters, 16.11.1934, in: ANLux, Arbed-02-0405.
131 Pierre Ruppert to Columeta headquarters, 23.2.1939, in: ANLux, Arbed-02-0402.
come to a stop. Therefore, results were «absolutely discouraging and one can ask
whether we have our sales organisation in Japan in its current form». Moreover, some
products were sold as part of a syndicate with guaranteed quotas for Columeta which
made a sales bureau in Japan – whose role was to fight with competitors – superfluous.
In the following months plans for the closure of the Tokyo representation became
more concrete. On 19 June 1939, Columeta closed its Tokyo office. The rent contract
ended at the end of June and furniture was sold. The archives were partly destroyed. Exiting the Japanese market was a logical consequence of changed market conditions
entailed by nationalistic and militarist policies.

The war situation at the end of the 30s preoccupied Ruppert personally. He did not
hide his desire to leave Japan as soon as possible and seemed relieved when he was fi-
nally able to leave Japan in summer 1939.

Although Columeta Tokyo ceased to exist physically, the registered company name
did not disappear. Columeta approached Diedrich Mainzer, who still worked for the
Chemia Überseehandels Company, to become its «representative in Japan» and take
care of its interests in that country. Mainzer agreed and the front door badge of Colu-
meta was transferred to the building of Mainzer’s company. Mainzer also took over the
Japanese employee Yano. Secretary Itō, the only remaining Japanese employee, re-
signed. She had been offered to join Mainzer but considered the gratification that Col-
umeta was willing to pay her as too low. The business relationship with Mainzer lasted
for only about one year. Because of the outbreak of the Second World War in Europe,
Columeta decided to end the contract with him by 15 November 1941. Nonetheless,
the Columeta headquarters hoped to revive the relationship in the future and asked
Mainzer not to erase the company name and to keep the remaining archives.

It is not clear what happened to Mainzer during and after the war. Yano moved to
his native city of Fukushima in 1944, and in this way avoided the allied attacks on
Tokyo. After the war, the remaining Columeta papers had been confiscated by the oc-
cupational forces. Still from Fukushima, Yano re-started to work for Columeta in 1949.
One year later he moved back to the capital. It was Yano’s «long-cherished desire to
live in Tokyo which after all is the centre of Japanese business activities». Columeta
Tokyo did not officially exist anymore as a company name. Nonetheless, Yano’s cable
address was «Coluyano Tokyo». In the immediate post-war years, «Japan, which had
been exporting considerable quantities of steel goods, has suddenly, though temporarily, turned into an importing country.\textsuperscript{138} Yano played a role in broader Luxembourgian-Japanese relations. He welcomed, for example, the secretary general of the Luxembourgian Chamber of Commerce, Paul Weber, in May 1955 when the latter attended the International Congress of Chambers of Commerce in Tokyo.\textsuperscript{139}

**Conclusion**

The opening of a Tokyo office was part of Arbed’s and Columeta’s strategy to become a global player and to expand into East Asian markets. Columeta’s (and in consequence Arbed’s) activities in Japan reflect well the global economic dynamics from the First to the Second World War. Luxembourg’s exclusion from the German Zollverein entailed a search for new markets. Expansion into the East Asian and Pacific markets where one tenth of Arbed’s products were sold in the 20s was part of this strategy. Japan was a key East Asian market. Far from being a period of de-globalization, for the Luxembourgian economy the interwar period started with a conscious globalization strategy through the foundation of Columeta. Only during the late 30s, when the Japanese economy was subordinated to the war effort, the creation of economic blocs and an increasing protectionism hampered the business.

The East Asian connections of leading Luxembourgian industrialists testify to the Grand-Duchy’s integration into global networks. At a moment when the diplomatic service was not yet fully institutionalised, Columeta Tokyo – as Columeta representations in other countries – served as an embassy avant la lettre.\textsuperscript{140} Moreover, it served as a spot for Luxembourgers travelling in East Asia and was connected to the Luxembourgian industrial and intellectual networks of social-educational reform.\textsuperscript{141} When Aline Mayrisch de Saint-Hubert, the wife of the late Arbed founder Emile Mayrisch, visited Japan in 1930 on a trip around the world, she stayed in the house of Le Gallais during her sojourn in Tokyo.\textsuperscript{142} Arend, honorary consul of Japan, was the director of the Institut Emile Metz, a cutting-edge industrial school established by Arbed.\textsuperscript{143} Rollmann’s activities in Japan prepared him for his future career. After World War Two, he not only worked for Arbed, but also served in leading positions of the United Nations and the European Coal and Steel Community, shaping the steel market of Western Europe. Rollmann’s alleged ability to converse fluently in Chinese and Japanese was still ad-

\textsuperscript{138} Yano Tsuruji to Hubert Pfiffer, 16.9.1956, in: ANLux, Arbed-02-0406.

\textsuperscript{139} Columeta headquarters to Yano Tsuruji, Luxembourg, 28. April 1955, in: ANLux, Arbed-02-0406.


\textsuperscript{142} Le Gallais to Columeta headquarters, 26.11.1930, in: ANLux, Arbed-02-0401.

mired at this time and Yano wrote of him as a «Luxembourg gentleman who knows about Japan».144 The technology and location advantages in global steel production completely changed after the Second World War with Europe losing its competitive edge. Thanks to the adaptation of the Basic Oxygen Furnace and the creation of littoral integrated steel plants, Japan became one of the world’s largest steel producers and exporters.145 In 1963, Rollmann as managing director of the ECSC headed a delegation to the Kawasaki steel plant in Chiba and was much impressed by what he saw.146 Finally, Hugues Le Gallais joined the Luxembourgian diplomatic service and became the first ambassador in Washington DC from 1940 to 1958, an important position at a time when the Grand-Duchy’s independence was in jeopardy. In this way, the trajectories of the main actors do not only represent the entanglements between Europe and East Asia, but also between the spheres of economy, politics and culture.

Address of the author: Dr. Klaus Dittrich, Education University of Hong Kong, Department of Literature and Cultural Studies, 10 Lo Ping Road, Tai Po, New Territories, Hong Kong, Email: ragaz zodelleuropa@hotmail.com.

144 Yano Tsuruji to Hubert Pfeiffer, 16.9.1956, in: ANLux, Arbed-02-0406.