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MEMOIRS OF THE FACULTY OF ECONOMICS
IN THE KYOTO UNIVERSITY

THE FEUDAL STATES AND THE COMMERCIAL
SOCIETY IN THE TOKUGAWA PERIOD

Yasuzo HORIE 1

LAW OF INCREASING RETURNS IN THE
NEO-CLASSICAL THEORY

Izumi HISHIYAMA 17

DEVELOPMENT OF POSTWAR JAPANESE SHIPBUILDING
INDUSTRY AND REVIVAL OF MONOPOLY

Kazunori ECHIGO 35

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THE FEUDAL STATES AND THE COMMERCIAL SOCIETY IN THE TOKUGAWA PERIOD

by Yasuzo HORIE*

I. Introduction

The problem, "why and how could Japan emerge as a modernized and an industrialized country, alone among the underdeveloped countries of East Asia, when they came into contact with western civilized countries in the middle of the nineteenth century," still remains a puzzle to me. As a successor to my previous article,¹⁾ which appeared in this journal in 1956, I want here to deal with the same theme from a somewhat different angle, and to dedicate it to Dr. Eijiro Honjo, to whom I am greatly indebted, for the seventieth anniversary of his birth.²⁾

By "modernization" is meant casting off the yokes of the feudal society, shifting from a static society to a dynamic one and from the conventional way of thinking to the unconventional one. It is often believed that the core of such transformation lies in economic development—from the feudal economy to the capitalist one. Economic development, however, in my belief can not take place automatically and independent from other

* Professor of Economic History at Kyoto University.

1) The Problem of the Modernization of Japan. (KUER, Vol. XXVI, No. 1.)

2) The original of this article written in Japanese appeared in *Kinsei Nihon on Keizai to Shakai* (The Economy and the Society of Japan in the Early Modern Period), 1958, which was dedicated to Dr. Honjo for the seventieth anniversary of his birth.

fields of life, because the master of the economy is the human being. Especially in the academic world of Japan, there prevails a type of theory which intends to explain modernization from the view-point of class differentiation and class struggle. The problem of modernization, however, seems to me to be not so simple as to be solved by any such method of approach because, in the case of Japan, the momentum of modernization was induced from the outside, by the contact with Western civilization. Thus, the problem of modernization in the case of Japan is very complicated: it was, I believe, a process both in scope and nature not identical with that of advanced countries, especially of Great Britain.

In the present article, the author, by dealing with the political structure and governmental organization in the Tokugawa period and with the commercial society which had grown under the Tokugawa regime, attempts to trace what kind of tendencies and factors there were in the political and economic aspects toward the modernization of Japan. The reason the author takes up these aspects is his belief that, owing to these tendencies and factors, Japan at the time of the Meiji Restoration was saved from the bloody disorder often seen in the political revolutions of other countries, was permitted to proceed smoothly and rapidly along the path of modernization, and, at the same time, absorbed special features in her modernization.

II. Governmental Organization and National System

True, the Tokugawa feudal system collapsed with the coming of the Meiji Restoration. The collapse, however, did not take the form of a big tree suddenly shaken to its very roots. One reason for the success with which the leaders of the new regime achieved national unity quickly and embarked upon the course of modernization, can be found in the fact that most of them had hailed from the same *samurai* (warriors) background, and had arrived at a similar point of view through similar experiences. Another reason, which is more important here, was that they inherited almost intact the strong and reasonably efficient Tokugawa government. The central administration had not been eaten away by decay and corruption, as had often been the case in other countries when revolutionary governments came into power.³⁾ To put it quite concretely, national unity of Japan was realized by replacing the Shogunate with a modern central government, the *han* (domain of a *daimyo*) with a modern prefectural government, and the oligarchy in the hands of feudal bureaucrats with one of modern bureaucrats. The administration of the Tokugawa government had been so reasonably organized that

3) Reischauer, E. O., Japan, Past and Present (second Japan printing), 1954, p. 117.

Japan, through the Meiji Restoration, was able to set sail on a voyage to the new age.

To describe briefly the organization of the *Bakufu* (the government of the Tokugawa *Shogun*): all administrative jobs, allotted to several agencies, were presided over by *rōjū* and *wakadoshiyori*, both composed of four members, selected from among the inner *daimyo* of the smaller domains. *Rōjū* and *wakadoshiyori* were, so to speak, equivalent to the cabinet of a modern state, and important affairs were decided only after consultation among the members. Under the command of *rōjū* and *wakadoshiyori* there were *ō-metsuke* and *metsuke* (overseers) respectively, the main duty of the former being to keep eyes on the movements of *daimyo* and of the latter, to supervise *hata-moto* (direct retainers of the *Shogun*). Moreover, *ō-metsuke* and *metsuke*, while subordinate to *rōjū* and *wakadoshiyori* respectively, were endowed with independent authority and could impeach the cabinet for mal-administration. Among other high offices, the most important were three *bugyo* (magistrates): *jisha bugyo* (magistrate of temples and shrines), *machi bugyo* (magistrate of civil affairs), and *Kanjō bugyo* (magistrate of public finance), the first being the most important and selected from among inner *daimyo*. Through such an organization, the *Bakufu* administered the domain of the *Shogun*, on the one hand, and ruled the *daimyo*, on the other. *Daimyo*, on their part, each had a similar system of administrative organization and ruled his own domain.

The political rights of *daimyo* as feudal lords, differed from those of the lords of manors in the Heian and Kamakura periods and those of *daimyo* in the early Ashikaga Shogunate, when the right of levying taxes was extremely emphasized; they had what by nature was a sovereign right. In this sense, each *han* in itself was substantially equivalent to a sovereign state. This characteristic of the *han* was especially distinct for the outer *daimyo*. Thus, supposing that each *han* was substantially tantamount to an independent state, it was natural that there was realized a type of unified administration all over Japan through the hierarchical structure of the *Bakufu* and the *han*.⁴⁾

Thus, according to Prof. Lockwood,⁵⁾ there was realized in the Tokugawa period a form of unified rule based on plurality, the functional parts standing in a relation of checks and balances. Under such unified rule, Tokugawa Japan could not only maintain the peace which lasted for nearly three centuries, but also could hand over a reasonably efficient administrative organization to Meiji Japan.

4) Maki, K., *Kaitei Nihon Hōseishi Gairon* (An Outline of a History of Laws of Japan, rev. ed.), 1941, pp. 281 ff.

5) Lockwood, W. W., Japan's Response to the West: The Contrast with China. (World Politics, Vol. 9, No. 1, 1956.)

True, it was handed over. There was, however, a considerable difference which, among others, is found in the fact that, while the Meiji regime followed the basic principle of not questioning the stock or social position of those in government employ, the Tokugawa Shogunate had strictly limited government posts to the *samurai* class and every post, as a rule, was predetermined according to the stock and established status of *samurai* families. In this point we can find one specific feature of the feudal state. Another feature may be indicated in the fact that the supreme subject of the administration and, accordingly, the final target of loyalty and fidelity was the *Shogun* himself. This was the natural consequence of the view of society in the Tokugawa period. In other words, it was the fundamental principle underlying all kinds of behavior that every one should discard even his life for the sake of his family, and every family should forfeit even its prosperity and happiness for the sake of its lord. Upon such a principle the hierarchical society of the Tokugawa period had been established and maintained for so long a time. After the Meiji Restoration, all feudal lords, the *Shogun* being at their top, were replaced by the Emperor. Judging from the fact that the national unity was realized through such a process, it might justly be said that the prototype of the Meiji state can be found in the feudal states of the Tokugawa period.

Some words must be added here about the rôle of Confucianism, which served as the ideological lining of the feudal system under the Tokugawa Shogunate.

Iyeyasu, the founder of the Tokugawa Shogunate, was clever enough to adopt, as the philosophical lining of the military administration, the Confucian doctrine, the orientation of which was to establish a moral state. To the Confucianists, men were unequal——in birth, in capacities, in occupation, and in a host of other ways. When the inconveniences of anarchy required the institution of government, it was logical that the morally and intellectually superior should rule their inferiors. The inferiors, however, should expect justice due them if, content with their status, they rendered the same type of unswerving obedience as was to be expected from children to their parents. The position of the governed was thus essentially dependent, not upon legal safeguards, but upon the virtue of the ruling class. It was the ruler's duty to reward or discipline with the attitude of a father watching over his children.

Again, in the Confucian teaching, the individual person was not considered as an end in himself; he was important only as he offered some service or other for the completion of the social unity to which he belonged. By social unity was meant a vast patriarchal family state, in which he played a

very small rôle, dependent upon his sex, age, and position in life. It was thought that it was his duty to identify his rôle and to be assiduous in his given job; both teaching and learning were for the purpose of helping him to identify his rôle. Accordingly, that aspect of Confucianism known as *mimponshugi* (民本主義) should never be equated to democracy. *Mimponshugi* signified the importance of the people to the wealth and power of the state.⁶⁾

This view of the relation between the state and the people, however, contained the idea that, without popular support, no ruler could long survive, and the idea that for internal stability and external power, there was a compelling necessity to pay attention to the general welfare of the people. Thus, Confucianism originally reserved for the people "the right of revolution" (the right to replace the ruler).

Tokugawa Shogunate was shrewd enough to introduce the entire system except that part about the popular right of revolution. It made the most of Confucianism as an ideological lining to justify feudal rule. The direct effect of this can be found in the fact that the Shogunate could maintain the status quo of the feudal structure of the society.

The Tokugawa society consisted of four classes, the ruling class being, of course, *samurai*. It was natural in such a society that the administrative officials were selected only from among *samurai*, with an eye on the respective hereditary status and standing of their families. This system of official appointment, so to speak, was quite different from that in China, where, through almost all the succeeding dynasties, officials were elected from among the populace, provided that candidates successfully passed a set series of government-sponsored examinations. While in China it can be said that there existed no nobility as a class, in the sense it was understood in medieval Europe and in Japan as well; it can also be said that Japan, through the centuries of Tokugawa rule, prominently made practical use of Confucian doctrine concerning social structure, much more than did China, the motherland of the doctrine.

In the Tokugawa period, again, the attitudes of the rulers to the ruled were much nearer to Confucian teaching than were those of their Chinese counterparts. For example, Tokugawa bureaucrats had a strong sense of responsibility, based upon the consciousness as members of a social order of *samurai*, one of the results of which was their poor household, especially among lower *samurai*, while their Chinese counterparts, taking advantage of their positions, were used to having heavy purses.

It is more noteworthy here that the idea of "the rule by virtue" per-

6) Scalapino, R. A., *Democracy and the Party Movement in Prewar Japan*, 1953, pp. 6-7.

meated the ruled and, accordingly, there arose no separation between the state and the society, as there did in China, in spite of the rigid class distinction. We can find one important feature of the Tokugawa feudal society in the fact that it was exempt from getting into the condition of "non-state". In other words, under the Tokugawa regime Japan already demonstrated a condition making it possible to advance into a nation-state. Under such a condition, the social life of the Tokugawa period could be effectively maintained in its order, the Meiji Restoration could escape such tumults and bloodshed as were often common in political revolutions, and Japan could easily embark on the path of modernization in the political, economic, educational and other fields of life.

III. Establishment of Commercial Society.

Though it goes without saying that the Tokugawa feudal lords found their economic standing and support in agriculture, and hence in agrarian people, it must not be forgotten that they, unlike those in the medieval days, had to find another standing in trade and commerce, hence in *chōnin* (townspeople——merchants and artisans). This was manifested by the growth of castle towns, the biggest of which was Edo (now Tokyo), the castle town of the *Shogun*. These castle towns could have grown only when *chōnin* chose to come and settle down. Cognizant of various benefits attending settlement of the towns, including the convenience in supplying *samurai* with weapons and daily necessities, the lords, in their desire to have the towns prosper, would proceed to take measures to extend warm treatment to *chōnin*, such as exempting them from the payment of land tax. Steps were further taken and institutions formulated to facilitate commercial activities on the part of *chōnin*. One noteworthy instance was that the *Bakufu*, in pursuance of the stand taken earlier by Oda Nobunaga and in accordance with the policy of prohibiting any clique among *samurai* and commoners as well, left the commercial activities to the freedom of individual *chōnin*. The nation-wide unification of currency and weights and measures was also a means of encouraging *chōnin* in their activities. In the early days of the Tokugawa Shogunate, several wealthy merchants were called to government service in the capacity of fiscal and economic advisers, while foreign trade by government-authorized ships was energetically encouraged.

The reasons feudal lords thus treated *chōnin* so generously were these : they had access to the goods they required only through *chōnin* ; they could get money to buy those goods only by advance sale of their rice-tax-in kind, also to *chōnin*.

In recognition of the importance of trade and commerce, the *Bakufu* set up the *jōdai* (a Governor, so to speak) in Osaka, under whom two members of the civil magistracy were charged with the administration of the city. Osaka, which had already grown as a commercial center since it was founded as the castle town of Toyotomi Hideyoshi, became more and more prosperous during the Tokugawa period. Warehouess, established to handle tax-rice not only for the *Bakufu* but also for the respective *daimyo*, increased in number year after year and many kinds of commodities——rice, the largest in volume——were gathered into and distributed out of the city through the hands of the Osaka merchants. Thus, Osaka had turned virtually into the so-called “kitchen of all Japan”, around which developed a nation-wide economy. In the various domains of the *daimyo* were established territorial economies, so to speak. Their independence, however, was possible only in the framework of the nation-wide economy above mentioned. Such might justly be said to be the economic side of the unified political rule based upon plurality.

The development of a commodity economy, through increments in quantity and the velocity of circulation of currency, was tending to raise commodity prices. This proved to be a serious issue for both lords and *samurai* who depended on rice for the main source of their revenue and income, because, while they were naturally desirous of improving their living levels, they could not expect to have their income materially increased. Thus, in the middle of the Tokugawa period, notably in the Genroku era (1688–1703), when people in general fell into luxurious habits, both the *Bakufu* and the *daimyo* began to suffer from serious financial deficits, while the livelihood of the general run of *samurai* was rendered extremely difficult.

Those were the days when matters began to be discussed and measures taken with an eye on economic phenomena, but not on the activities of merchants as a class. In other words, the existence of economic phenomena and economic laws apart from individual consciousness and actions had begun to be recognized by some scholars and government officials of those days. For example, Ogyu Sorai wrote: “As the merchants have increased their influence, the result being that they act as a single body throughout the whole country, and as the commodity prices are balanced and unified from Edo through the remotest regions, it is no wonder that no decrees or statutes by the *Bakufu* are powerful enough to curb effectively the rising tendency of commodity prices.” (*Seidan*, written about 1720.)⁷⁾ Muro Kyūsō wrote: “The reason why the rise of one commodity is followed by that of other related

7) *Nihon Keizai Taiten*, Vol. IX, pp. 6–7.

commodities is as already indicated in the statement by the magistrates." (*Kenzan Hisaku*, written about 1715.)⁸⁾

Yoshimune, the eighth Shogun, in the attempt to adjust the price of rice, ordered rice merchants to buy up rice because of his recognition of the effect of the function of demand and supply on the price of rice.

As it began to be known that mere political prestige or rule by virtue was powerless in the face of fluctuation in the value of money and, therefore, in the commodity prices, or generally, the function of the law of supply and demand, the *Bakufu* authorities were compelled to ask or utilize the power of *chōnin* in an attempt to bring about economic stability. As has been mentioned above, the *Bakufu* relied upon the financial power of *chōnin* in its attempt to adjust the price of rice. A word should be said here about *kabu-nakama* (chartered trade associations) or guilds. As stated before, *nakama* or cliques among *samurai* and commoners were prohibited, except for such occupations as almanac dealers, public bath-houses, and others which required strict regulation to keep order. Despite this prohibition, since the early part of the Tokugawa period, there were moves on the part of merchants and artisans to form guilds for the purpose of getting rid of evils arising from free competition. But the *Bakufu* persisted in its original stand of banning any such organizations. Later, however, probably with a view to stabilize and control commodity prices, the *Bakufu* gradually relaxed the stringent stipulation and took a stand of tacitly permitting their existence, and eventually in the sixth year of Kyōho (1721) went to the extent of permitting officially the organization of guilds,⁹⁾ through which the *Bakufu* tried to adjust commodity prices and to exercise control over the activities of merchants. *Kabu-nakama* thus came into being. This shows that the *Bakufu*, confronted with the development of money economy, was forced to give up the ancestral rule of banning cliques, as far as *chōnin* were concerned.

It was also in the Kyōho era (1716-1734) that the *Bakufu* officially permitted the *han* to issue paper money. The *han*, on their part, had to rely on well-to-do merchants in the issuance, because it was expected that the smooth circulation of paper money was dependent more on the financial power of *chōnin* than on the political force of the *daimyo*.

Again, almost at the same time, Shogun Yoshimune, listening to the advice of Ōoka Tadasuke, a noted civil magistrate, embarked upon the encouragement of native products on a nation-wide scale. The policy was favourably responded to by the *han*, for they, almost without exception, were

8) *op. cit.*, Vol. VI, p. 293.

9) *Ofuregaki Kampo Shusei* (Kampo Collection of Decrees and Statutes), p. 1019.

in the grips of acute financial difficulties. Ironically, however, the prerequisite for the execution of the policy was to gain the co-operation of wealthy merchants and farmers, for their prestige and knowledge were absolutely necessary in point of finance, production, and marketing as well.

As stated above, the position of *chōnin* in the Tokugawa feudal society had changed since the Kyōho era; prior to this era, they were either treated warmly or utilized merely as purchasers of tax-rice, suppliers of daily necessities, and money lenders, but afterwards, they came to be thought much of as to become the objects of economic policies. This fact may be taken as an indication that the commercial society was in the making.

Other facts which tell us the same thing were the policy of encouraging native products and the monopoly policy of native products, the latter the developed form of the former, policies which were promoted by numerous *han*. These policies were formulated for the purpose of rehabilitating the finance of the *han*, which no longer could get along with the land tax alone. In other words, those policies were nothing but measures whereby the *han* tried to cope with the expanding money economy.¹⁰⁾ In the execution of those policies, *han* officials ranging from *karō* (the highest official) down to the lowest, had to talk personally with wealthy merchants in the province or in the central market, Osaka. What they talked about on such occasions could never concern only matters of their own households.

Again, the enforcement of those policies exercised an influence on the peasants; that is, the peasants through the industries (most of which were agrarian handicrafts) for which those policies were formulated, came to find themselves increasingly closer to a money economy. The peasants who were thus affected, however, were not those in general but those in the out-of-way places, where they could not maintain their livelihood depending solely upon ordinary farming. The agrarian handicrafts, moreover, were hardly worth the name, for they consisted, in most cases, of such activities as could be undertaken along with farming or in the leisure season. Accordingly, the policies were not originally intended to have the peasants' households actively adjusted to the money economy. It may be said, however, that one of the basic principle for dealing with peasants, that "good peasants shall be those lacking in knowledge of rice price," was given up.

At present it is very hard to know how much the peasants of those days became aware of money-making in accordance with the development of a money economy. In almost all cases, no specific efforts on the part of peasants were made for improving farm management so as to cope with a

10) Horie, *Kinsei Nihon no Keizai Seisaku* (Economic Policies of Japan in the Early Modern Period), p. 338.

money economy, it is guessed, and even in the case where there were intentions for doing so, materialization of such intentions would have been a matter of extreme difficulty under the circumstances, in that the peasants were burdened with heavy land tax and were prohibited from utilizing farm fields for other than raising cereal crops.

In view of the fact, however, that modifications in the living of peasants were gradually brought about, according as money economy became prevalent,¹¹⁾ and that peasants rose up in revolt in protest against the forced buying up of native products at monopoly prices by the *han*, it could easily be presumed that the practice of money accounting was gradually penetrating into the daily life of peasants at large.

Under such circumstances, there had already appeared among the people, around the middle of the seventeenth century, the notion that "money is almighty." The tendency to evaluate every thing in terms of money became more and more evident towards the later years of the Tokugawa period. This inclination was, in a sense, a manifestation of rationalism, which might have been contained in the Confucian doctrine, but had to await the development of money economy for its manifestation in concrete form. It is worthy of note that among scholars of Chinese classics in the period, who generally either disapproved of any commercial activities on the part of feudal lords or tacitly approved them only as a necessary evil, there appeared a few scholars who positively encouraged those activities, recognizing that they were right and just. The boldest among them was Kaiho Seiryō who wrote to the following effect:

"We might never be able to buy anything if we could not get money by selling something. It is a funny thing to say that *samurai* never sell anything. Because of this notion, they are plunged into poverty. Where does money to buy things come from! If the reasons of things were sought after a little bit, it will very soon be clear that the notion, that *samurai* are not ashamed of buying but are very ashamed of selling, is partial and one-sided. *Samurai* can sell rice because they receive it from their lords in compensation for services. *Daimyo* in reality, sell salt-fields and rice-fields to the peasants, and receive as a price, salt and rice in the form of tax. They also sell tax-rice and native products. It becomes a case of not being ashamed to sell goods. Because of the notion that *samurai* should not sell things, national production does not prosper."

(*Keikodan*, written in 1813.)

It was just as Seiryō said, that *samurai* were from the outset not beings

11) Hojo E., *Hyakushō Chōnin no Rekishi* (A History of the Peasants and the Townspeople in Tokugawa Japan), pp. 47-53.

elevated over buying and selling. He tried to explain further every feudal relation in terms of buying and selling, saying "it is said since olden times that relation between lord and man is in reality a relation of buying and selling." In the modern eye, it is easily understood that feudal relation between lords and men was a kind of give-and-take relation. It would, however, have been not so easy to comprehend it in this light from within the feudalism at work. That, in spite of this, Seiryō could understand the feudal relation in such terms would seem to indicate that the spirit of rationalism above stated had already affected the world of learning.

In short, after the commodity economy had so advanced as to involve the whole people in a single nation-wide economy, and after all households could no longer get along apart from the money economy, the *Bakufu*, the *daimyo*, the *samurai*, and the peasants alike had to endeavor to cope effectively with the new situation. And, at the same time, the spirit of rationalism, originating among *chōnin*, had gradually penetrated into all the strata of society. This, in essence, indicates the establishment of a "commercial society." By a commercial society is meant here that all the people of a society are linked together on the give-and-take basis; such a society has a tendency to develop into a citizens' society when the relation would come into consciousness and the whole social and political order would be established along this line. The development to that extent, of course, could not be effected during the Tokugawa period. The reason why it could not so develop will be stated later. The establishment, however, of the commercial society mentioned above, side by side with the formation of feudal states, indicates that the economy in the Tokugawa period was on the road to modernization.

IV. Limits to the Further Development of Commercial Society.

While becoming aware of the existence of economic laws, independent of personal activities, Japanese made almost no effort throughout the Tokugawa period to develop an analytical approach to economic phenomena. It was generally thought that it was because of mis-administration on the part of rulers, or because of selfishness on the part of *chōnin* who could be eliminated, or because of monopoly of commercial rights in the hands of *chōnin*, that the *daimyo*, the *samurai*, and the peasants were plunged into poverty. Many among the *daimyo* and the *samurai* had to bend their knees to *chōnin* for loans; they did so not to *chōnin*, but in reality to money.

Thus, while encharging merchants with an important rôle in economic policy, on the one hand, those in power took measures as ever to suppress them, on the other. To cite instances; several times the *Bakufu* issued a

decree of *aitaisumashi*, which provided that no suit concerning loans with interest would be accepted. It was evident that the credit merchants would be placed in an disadvantageous position by such a measure. In the Kansei and Tempō reforms, a decree of *kien* was issued, respectively, which provided that all debts of the *hatamoto* (retainers of the *Shogun*) to the *fudasashi* (financial agents in Edo) would be cancelled unconditionally; in the Tempō reform, *kabu-nakama* were ordered dissolved in an effort to lower prices. On occasions, wealthy merchants, on the pretext of their extravagant living, were sentenced to confiscation (*kessho*); and, in the later half of the Shogunate, they were often ordered to undertake *goyōkin* (forced loans). That the *daimyo* frequently did not discharge debts to wealthy merchants eventually resulted in oppression on the merchants.

At the back of such policies of suppression was the Confucian view of the moral state, which asserted that "the basis of a country is in agriculture, and the main ways and means to the wealth of a country is diligence and thrift." From such a view of the moral state, there arose a view of merchants as follows: "The *samurai* and peasants have no means of subsistence besides their land. They are constant factors in government and it is the duty and basic principle of government to see always to their well-being. Merchants, on the other hand, carry on an insignificant occupation..... it should be no concern of government if they ruin themselves."¹²⁾ (Ogyu Sorai, *Seidan*.)

Again, most of the government authorities are thought to have had an opinion similar to the following passage from a book by Sato Shin'en (1769-1850), one of the outstanding scholars in political economy in the Tokugawa period.

"From early times the occupation of trade in commodities has been only in a general way under the supervision of the ruling authorities. Due to the fact that they left the merchants even such an important power as control of the market, merchants and others have given free rein to their cleverness and greed, have caused prices to go up and down at will, all making huge profits, many making themselves extremely wealthy, and they are confronting the authorities with their wealth..... Despite the high position of the ruling class, the wealth is all falling into the hands of merchants. It has become difficult to control them, and rulers have come to bow their heads before them. By this it should be recognized what a great loss to the country has resulted from

12) *Nihon Keizai Soshō*, Vol. XVIII, pp. 217-8. (The English translation of this quotation was cited from Sheldon, C. D., *The Rise of the Merchant Class in Tokugawa Japan, 1600-1868*, 1958, p. 105.)

leaving to merchants the privileges of trade.....For these reasons, the power of the merchants should be crushed, privileges of trade taken away and made the possession of the rulers, the *ton'ya* (wholesale merchants) all put under their supervision operated by their appointees. Also, merchants should be ordered to build markets, live there, and they should be strictly forbidden to be in the fields." (*Keizai Teiyō*)¹³⁾

The merchants, on their part, were not without opposition to such policies of oppression. Opposing the decrees on *aitaisumashi* and *kien*, they evinced their reluctance to advance any further loans: they opposed *daimyo* who would not discharge their debts by rejecting, on the strength of their syndicate-like association, any additional request for loans. Steps to dissolve the *kabu-nakama* in the Tempo reform drove the merchants, contrary to the expectations of the *Bakufu*, to a position of non-co-operation with the government and eventually, in the fourth year of Kaei (1851), the *Bakufu* had to decree the re-establishment of *kabu-nakama*.

Though *chōnin* were thus unshakable in their economic and financial power, they were not rulers of the country. Since the country was as ever under the rule of *samurai*, the opposition of *chōnin* to the political authorities could become only passive. Since around the Kyōho era, wealthy merchants, especially in Osaka, had in fact come to seek security for their family business. The method they had taken for this purpose was to exercise diligence and thrift, and they preferred to "let money gain money," instead of scheming in enterprises such as required entrepreneurial spirit. Thus the general situation had come to a point where the prosperity of family business, it was thought by the *chōnin*, would be brought about not by entrepreneurial projects, but by relying upon their rentable funds and credits, and they walked steadily along this line.

In those days, it was generally thought that business was inseparably connected with the family. The Japanese people of those days were accustomed to thinking of laying stress on the standing of a family rather than on the individual personality. Such thinking was perhaps the outcome both of Confucian teaching, which taught that the *raison d'être* of the inferior would be found in serving the superior, and of the original mind of the Japanese people, who respect their families and their ancestors. Any way, in the community of *chōnin* family business was looked upon as the host of a family. Thus the master of a commercial family, whose main concern was to succeed to his father's business and to hand it down to his son, used to trust his *bantō* (chief clerk) with the management of the business and

13) *Satō Shin'en Kagaku Zenshu*, Vol. II, pp. 582-5. (Sheldon,.....Merchant class....., p. 134.)

retire himself to the inner room of the shop. Such was the most reasonable way virtually to seek the security of his family and of his family business. Probably because of this tendency, no such rise and fall as had been seen prior to the Kyōho era were found afterwards in the commercial community. The discovery of individual personality, as was the case in Western Europe, could not take place, and the commercial society could not raise itself to the level of a citizens' society, until the time of the Meiji Restoration.

V. Conclusion (Factors for Modernization)

The Meiji Restoration or the transition from the Tokugawa regime to the Meiji regime is often referred to as a collapse of the feudal society. The reality of the change, however, was never so simple as could be expressed in a single word "collapse."

The first point in the "collapse," to be mentioned was, of course, the downfall of the government of the *Shogun*. On the heels of this downfall, the *han* governments, which were instrumental in the unification of Tokugawa Japan, were destined to fall down. The second point was the abolition of class distinction among *samurai*, peasants, artisans, and merchants, a stratification which was the most important support to keep the Tokugawa government in shape. The third point was the abolition of the exclusionist policy. Though the ports were opened by the hands of the *Bakufu*, it should be noted that, contrary to the positive attitude of the Meiji government towards the opening ports, the attitude of the *Bakufu* was passive.

As against these changes, there were several points which were changed only in form or in view-points, and not actually changed in entity. One, already referred to, was the change in governmental organization. To repeat briefly, the newly established Meiji government, although it was grasped in the hands of modern bureaucrats instead of feudal bureaucrats, was nevertheless the same in type as the Tokugawa government; both were oligarchical. Moreover, most of the high officials in the Meiji government had hailed from the same *samurai* stock, though of lower grade, as had the rulers in the Tokugawa Shogunate. Thus, it might easily be guessed that leader-follower relationships in political, economic, educational, and in many other fields remained unchanged, the result being that any policies emanating from above would easily be responded to from below.

Another point unchanged was the view of loyalty, although the target of the loyalty was changed from feudal lords to the Emperor or the state itself. As has been stated, in Confucianism the individual was important only as he served to complete social unity, and he was taught that the main

duty of the inferior was to serve the superior. This teaching had permeated so deeply among the people that loyalty to the feudal lords could easily be replaced by that to the Emperor or to the state. It must here be remembered that each *han* was in reality a small state, generally called *kuni* (国), often called *kokka* (国家), in the Tokugawa period. Under the pressure of strained foreign relations in the closing days of the Shogunate, the term *kokka* came to be used as indicating the state of Japan, and was definitely accepted with the realization of the national unity of a modern type. It is also noteworthy that no change had taken place in the notion that the ultimate constituent units of the state lay, not in individual persons, but in individual families.

Another important thing which remained unchanged was the commercial society. Views of it changed radically, however: the principle on which a state is founded should be changed from agriculture to industry and commerce and, accordingly, businessmen should come to be respected in contrast with the consideration, in the pre-Meiji period, that they were useless. True, in the later half of the Tokugawa period the execution of economic policies was partially undertaken by merchants; especially in the closing days of the Shogunate, such scholars as Kanda Kōhei, Sakuma Zōzan, Oshima Takatō, and others courageously theorized about the importance of commerce and industry for the founding of national wealth and national power. It can not be said therefore that the change in views above listed occurred suddenly with the coming of the Meiji Restoration. In spite of this, it can not be denied that the views of the commercial society and the persons in charge of it had altered considerably with the advent of the new regime.

With the facts mentioned above in mind, it seems to me that the most important among many aspects involved in the so-called "collapse" of the feudal system was the abolition of class distinction. In spite of the fact that the commercial society had already assumed a definite shape during the Tokugawa period, class distinctions were strictly followed and efforts were made for their maintenance, and herein should be found the main cause for the eventual bankruptcy of the Shogunate regime. The bankruptcy was plainly manifested in the financial difficulties confronted by the *Bakufu* and the *daimyo*, as well as in the privation suffered by the general run of *samurai*. The financial difficulties of *daimyo* were made heavier by *sankinkotai* (the system requiring all *daimyo* to attend the court of the *Shogun* at periodical intervals), *otetsudai* (national construction works undertaken by *daimyo* at their own expenses), and other measures taken by the *Bakufu* for the purpose of controlling the *daimyo*. The situation unavoidably worsened the living levels of especially lower grade *samurai* of the various *han*. They

were driven into a corner of their living by the cutting down of their allowances. It was natural, in the light of this situation, that the high-souled among them aligned themselves with the anti-*Bakufu* movement.

Among them, although evidently limited in number, there had grown an entrepreneurial spirit and a rationalistic mind, through the experiences they had gained in the management of their own living and in the financial affairs or the policies of encouraging native products of the *han*. Especially in the later part of the Tokugawa period, they were affected both by Dutch learning and by the sailing to Japanese shores of Westerners, and they were enlightened by the study of Western sciences at Nagasaki and elsewhere. Thus they gradually came to desire a change in the situation and, with the advent of the new Meiji regime, were called forth on the stage of the state to play important rôles of the pioneering *élite* in the fields of politics, economy, and so on. Through them, the relics of the old regime were considered obsolete and unneeded and were boldly cast away; those which had to be retained were fostered and all those factors, combined, paved the way for Japan to quickly change into a state in the modern sense of the term.