1 Introduction

THE NATURE OF THE PROBLEM

The rapid development of Japan into a modern nation, beginning with its forced opening in 1853 and continuing down to the present, has focused considerable attention on the 'miraculous' transformation of this formerly 'feudal' Asian country into a modern industrialized state. The 'economic miracle' of Japan's recovery from the devastation of the Pacific War, like the 'miracle' of her rapid industrial development in the late nineteenth and twentieth centuries, reflects a combination of Western attitudes concerning the potential of Asian peoples and some fundamental misconceptions about the pre-conditions which enabled these developments to come to fruition. Just as economists have reinterpreted modern economic growth to take into consideration factors such as education and social institutions and have placed less emphasis on material resources, so have historians revised their interpretations of the nature of Japanese society during the Tokugawa period (1600–1868) prior to the Meiji era and the 'modernization of Japan'. Both processes of revision contribute to our understanding of why Japan, alone among non-Western nations, was able from the early twentieth century to participate as an equal in the world community. Economists and historians alike have noted the particular social and institutional factors which distinguish the modern Japanese experience from that of other non-Western nations.

Increasingly, revisionist interpretations of the Japanese experience conclude that neither European nor American models of economic development effectively explain the emergence of Japan as a major world power. This has resulted in a broadening of interest in the traditional base from which Japan's industrial and political development began. But, as a consequence, many studies of the Tokugawa period are distorted by their concern with the forces which lay behind the overthrow of Tokugawa 'feudalism and despotism' and resulted in the emergence of what is termed a militaristic, modern, or highly industrialized nation. Many Japanese scholars emphasize the militaristic aspect of the Japanese experience and have searched into the Tokugawa period for the roots of the authoritarian tendencies which they feel inexorably led to the humiliation of Japan in the Pacific War. Western historians, impressed with the remarkable progress of Japan and her transition into a powerful member of the world community, tend instead to emphasize elements of the Tokugawa period which contributed to modernization or industrialization.

The present study focuses on processes of social and institutional change which occurred during the Tokugawa period, but within the Tokugawa context rather than as the basis for subsequent developments. It is not its intention to analyze the causes of Tokugawa decline or point out the underpinnings of modern economic growth. Instead, it is a case study of economic institutional change in Ōsaka and three provinces of the surrounding Kinai region. Incorporating the major cities of Ōsaka and Kyōto and the provinces of Settsu, Kawachi, Izumi, Yamato, and Yamashiro, the Kinai region was the most economically advanced area of Tokugawa Japan and offers an excellent regional focus for this type of study.

This study was motivated by a number of considerations. To begin with, Japanese commercial activity changed significantly during the Tokugawa period. This was associated with increased urbanization and the need to supply the commodity requirements of urban residents and with the shift to a peacetime economy after a century of intermittent warfare. These factors contributed to the rapid expansion of trade during the Tokugawa period. Second, the rapid expansion of commerce resulted in the formation of new kinds of commercial institutions. The cotton trade in Ōsaka and the Kinai region illustrates many of them. Third, the structure of the Tokugawa political order and the concentration of trade in major cities made the urban merchants partially dependent on the goodwill of the government. Close ties developed between commercial groups and local political authorities. This study of the cotton trade indicates how these relationships changed over time. Finally, over the course of the Tokugawa period marketing patterns shifted from small-scale local marketing units to a focus on major urban centers and finally to a national system of commodity distribution with both urban and rural foci of marketing activity. The Kinai cotton trade offers examples of this transformation. By concentrating on the institutions associated with the marketing of cotton in Ōsaka and the Kinai provinces of Settsu, Kawachi, and Izumi, it is possible to analyze in detail changes in Tokugawa commerce.

The selection of the Kinai cotton trade as the focus of this study resulted from several qualifications. To begin with, there is abundant published documentation on Ōsaka and the Kinai region. Second, cotton was a major commercial crop in the provinces of Settsu, Kawachi, and Izumi, and both cotton farming and cotton-related by-employment had a major impact on village life in Kinai. Third, during the Tokugawa period cotton became the primary fiber used in Japanese textiles. With the expansion of cotton cultivation came increased demand for cotton cloth to clothe both urban and rural members of Japanese society. Consequently, cotton became an important staple commodity and was marketed throughout Tokugawa

Japan. Finally, the marketing system for cotton in Ōsaka and the Kinai region changed significantly between the mid-seventeenth and the mid-nineteenth centuries and offers an excellent focal point for a study of monopoly and competitition in Tokugawa commerce.

This study is divided into eight chapters: an introduction, six chapters which view economic institutional change from three perspectives, and a conclusion. Chapters 2 and 3 describe the characteristics of commercial activity during the Tokugawa period. Concentrating on Ōsaka and the Kinai region, and to a lesser extent Edo (modern Tōkyō) and the surrounding Kantō region, it examines the expansion of trade, the growth of marketing systems, and the appearance of functional differentiation in the mercantile community. An effort is made to illustrate the interaction of government policy and institutional changes in the commercial sector of society. These two chapters establish the context, in political, economic, and social terms, in which trade was conducted during the Tokugawa period.

Chapters 4 and 5 are a detailed study of the Ōsaka cotton trade. The growth of Ōsaka as a center for marketing and processing cotton and the development of merchant groups to establish trade rights and business procedures are treated. Interaction between the merchant associations and the Ōsaka city government is shown to pass through several stages of evolution. Finally, the growth of new sources of competition and efforts to preserve the trade rights of the Ōsaka merchants are viewed from the perspective of the Ōsaka commercial community.

Chapters 6 and 7 expand the inquiry into the towns and villages of Settsu, Kawachi, and Izumi. Chapter 6 is concerned with the expansion of cotton cultivation in Kinai, its impact on land utilization and cropping patterns, and the attractions, costs, and risks of cotton farming. The village perspective on cotton cultivation and cotton-related by-employment is presented. Chapter 7 describes the growth of the Kinai cotton trade. The roles played by rural merchants and cotton cultivators are shown to change in the late eighteenth and nineteenth centuries as they increasingly challenged the monopoly rights of the Ōsaka cotton merchants. The process of institutional change described from the Ōsaka perspective in Chapters 4 and 5 is reinterpreted from the viewpoint of the cotton cultivators and rural cotton merchants.

In the final chapter the implications of this study for economic and social change during the Tokugawa period are enumerated, and generalizations suggested by this case study are applied to our understanding of early modern Japan. The dynamics of economic institutional change, as illustrated by the Kinai cotton trade, are viewed as being characteristic of Japanese society during the Tokugawa period. Finally, the impact of these changes on traditional Japan are suggested as are their implications for modern economic growth and industrialization.

THE WESTERN HISTORIOGRAPHIC CONTEXT

This case study of the Kinai cotton trade is an attempt to present a micro-study of economic institutional change in Tokugawa Japan. It combines a synthesis of Japanese scholarship on Tokugawa economic history – particularly commercial history – with detailed examinations of the Ōsaka and Kinai cotton trades. Recent Japanese scholarship and published local histories were used for both the comprehensive discussion of Tokugawa commerce and the case studies. As a result, my findings in the Ōsaka and Kinai examples are shown to be consistent with current Japanese interpretations of Tokugawa economic history.

The need for a study of this kind was recently suggested by Kozo Yamamura in a review article entitled 'Agenda for Asian Economic History.'[1] Professor Yamamura notes that the dramatic increase in Japanese academic interest in Tokugawa economic history has not resulted in similar activity by Western scholars. For example, the major monograph in English on Tokugawa economic history, Charles David Sheldon's *The Rise of the Merchant Class in Tokugawa Japan: 1600–1868*, includes in its bibliography only seven Japanese-language studies published after 1950 – the most recent from 1956 – and most of the works cited were published prior to the Pacific War.[2] Further, this study views the Tokugawa period as a series of conflicts between urban and feudal influences and associates the rise of the merchant class with the decline of the Tokugawa shogunate. This greatly oversimplifies a complex process of economic and social change and is inconsistent with the results of current scholarship. While more recent Japanese studies are reflected in the work of E. S. Crawcour and Kozo Yamamura, neither offers a comprehensive view of recent work on Japanese commercial history.[3]

Evidence of the changing interpretations of Tokugawa economic history in Japan can be found in a bibliographic review article by Susan B. Hanley and Kozo Yamamura.[4] But this offers a guide to recent Japanese publications rather than a review of current interpretations in Japan. Chapters 2 and 3 of this book, based in part on works cited by Professors Hanley and Yamamura, attempt to fill a portion of this gap in the English-language bibliography.

Japanese agricultural history in English is largely dependent on the publications of Thomas C. Smith. His monograph *The Agrarian Origins of Modern Japan* is a comprehensive study of Japanese villages in transition during the Tokugawa period.[5] Professor Smith has also published articles on Japanese villages, the land tax system, and farm family by-employments during the Tokugawa period.[6] In addition are studies by William Jones Chambliss, Chie Nakane, Harumi Befu, and Susan B. Hanley, the last of whom examines demographic changes in a Japanese village.[7] Each of these works has contributed to our knowledge of Japanese rural history. My study differs from them in its concentration on the cultivation, processing, and marketing of a single commodity – cotton – and its concern with the changing nature of these processes.

Other studies of Japanese economic history deal in part with the Tokugawa period. For example, Henry Rosovsky's *Capital Formation in Japan, 1868–1940* includes a section on the traditional sector of the economy and discusses aspects of Tokugawa economic history.[8] Johannes Hirschmeier's study *The Origins of Entrepreneurship in Meiji Japan* also deals in part with the Tokugawa background to modern entrepreneurial activities in Japan.[9] 'The Tokugawa Heritage' which underlay the economic development of Japan is discussed in an article by E. S. Crawcour.[10] While this listing is by no means comprehensive, it illustrates the range of English-language scholarship on Tokugawa economic history. In none of these studies is a regional case study integrated into an examination of the institutional transformation of urban and rural trade. This study is an effort to supply an inquiry of this type and expand our knowledge of economic and social change in pre-industrial Japan.

This examination of economic and social change in Tokugawa Japan investigates evidence of institutional change from three perspectives. The first is by means of a discussion of Tokugawa commerce, with emphasis on the growth of urban market centers and the expansion of Ōsaka into the major market city in the Kinai region and western Japan. Second is the analysis of the Ōsaka cotton trade, focusing on the marketing of cotton goods in the city of Ōsaka. Third is the treatment of the expansion of cotton cultivation and the diffusion of cotton processing and marketing activities in the Kinai provinces of Settsu, Kawachi, and Izumi. Each section attempts to discuss the period from the mid-seventeenth century to the mid-nineteenth from a different perspective. Those topics treated from all three viewpoints are particularly important to the overall analysis. The object of covering the entire period from three different angles, with some unavoidable duplication, is to broaden the scope of the inquiry.

Throughout this study, a major concern is the delineation of social change in an historical perspective. Each formalizing of an institution is viewed not as the termination of a process of change but rather as a further step in a continuous process of social change. The transformation of economic and social institutions is seen as an ongoing action in which the form and function of institutions are regularly modified or reinterpreted. This inquiry is viewed as a study of Tokugawa commercial history in particular and of economic and social change in more general terms. I hope that the result offers new insights into the transitional nature of the Japanese tradition.[11]

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Excerpt
More information

One stylistic point which may confuse some readers is the use of dates in the text. The pre-modern Japanese calendar is divided into year periods of uneven length and is based on phases of the moon rather than on solar cycles. Consequently, translating Japanese dates involves first determining the proper year in the Gregorian calendar and then translating lunar months and days into solar-based units. This is a time-consuming process, and I believe that the dates referred to in the text are not sufficiently important to justify the effort. Consequently, only the years are translated into the Gregorian calendar. Thus 1841/6/11 refers to the eleventh day of the sixth lunar month of the traditional Japanese calendar of the Gregorian year 1841. In the few cases where the translation is complete, 1841/6/11 reads 28 July 1841. Readers who wish complete translations of dates are advised to use a set of Japanese chronological tables for assistance.[12]

2 Tokugawa Commerce: 1600–1720

ŌSAKA IN THE 'BAKUHAN' SYSTEM

Comprehension of the economic history of Japan during the Tokugawa period requires that the political framework within which all economic activity took place first be described. The consolidation of Tokugawa power and the unification of the country under the Tokugawa shogunate after 1603 were based on a balance of authority between the Tokugawa house including its immediate vassals and that exercised by the daimyo. The country was divided into areas directly controlled by the Tokugawa house (*chokkatsuryō*) and independent domains (*han*) administered by the daimyo. In addition, some areas were assigned to major religious institutions and for the support of the imperial nobility, but the scale of these holdings was sufficiently small to make them of minimal significance. In both the shogunate – the locus of national political power – and the daimyo governments – the locus of local authority within the *han* – fiscal requirements were supplied from tax revenues collected within the directly administered territories. No system by which the shogunate could regularly tax the daimyo was in operation. The shogunate was completely dependent on the revenues produced by Tokugawa lands, the profits from mines, currency debasement, and special exactions for its normal operations and expenditures.

Structurally, the Tokugawa political order is normally referred to as the *bakuhan* system. The term combines the Tokugawa *bakufu* (shogunate) and the daimyo *han* and suggests the division of authority between these two forms of political control. Within their own territories each possessed comparable political authority, the primary differences being *bakufu* control over foreign trade and issues of national significance. In addition, the Tokugawa house had the authority to certify daimyo claims to their domains and legitimate succession within the daimyo houses.[1]

Surveillance of the daimyo was a primary concern of the Tokugawa *bakufu*. To facilitate control a system of alternate attendance, the *sankin kōtai*, was required of all daimyo by the shogunate. Supervision included a requirement that the daimyo maintain permanent residences in the shogunal capital at Edo (modern Tōkyō), that their wives and children be resident in the capital city, and that they and a group of their retainers alternate between the shogunal capital and the castle town of their domains on a fixed schedule. This policy combined political control with fiscal requirements which were designed to prevent the daimyo from amassing excessive funds within their domains, for the costs of the ceremonial processions to and from Edo and the maintenance of families and retainers in the city placed a considerable drain on *han* finances.[2]

In addition to assuring the subservience of the daimyo, the *sankin kōtai* system also tended to have a stimulating effect on the economy as a whole. By requiring the daimyo to spend a large portion of their revenues outside their domains, the fiscal demands of the system indirectly encouraged the growth of a transportation network to ship tax revenues, normally paid in kind, to the central cities where they were sold for cash. The cash acquired was used for the expenses of the *sankin kōtai* system as well as other expenses for which payments in kind were inconvenient.

Ōsaka, located in the heartland of Japanese cultural development, with easy access to water-borne transport and close to the imperial capital at Kyōto, was a natural site for the development of a commercial marketing complex. The city had served as a port of entry for missions from Korea and a port of embarkation for expeditions to Korea and had been the site of a temporary imperial capital prior to the erection of the first permanent capital at Nara in the early eighth century. The modern history of Ōsaka began in 1496 when it was chosen as the location for the Ishiyama Honganji temple by the Buddhist monk Rennyō Shōnin. Surrounded on the north and east by rivers and by the sea to the west and situated on the primary land and water routes leading to Kyōto from western Japan, Ōsaka offered an excellent location for a branch temple for the *Ikkō* (single-minded) sect.[3]

From the time of Rennyō's death in 1499 until 1532 little is known about the Ishiyama temple at Ōsaka. A town grew before the gates of the temple and it expanded dramatically in 1532 when the main Ishiyama temple in Kyōto was overrun by rivals and the survivors fled to Ōsaka. The temple was then heavily fortified and became the new main temple of the *Ikkō* sect. Lying outside of the immediate Kyōto area and occupying a strategic position relative to the imperial capital, the Ishiyama Honganji at Ōsaka expanded rapidly as a temple and fortress between 1533 and 1580. Merchants and artisans migrated to the city and the *Ikkō* leaders expanded their military and political influence in the Kinai region.[4]

In 1580 the *Ikkō* concentration of power at Ōsaka was shattered. Oda Nobunaga, in his quest to pacify and unify the country, managed to overwhelm the *Ikkō* defenders and forced them to abandon their stronghold. The fortress was given over to Ikeda Nobuteru and subsequently given to Toyotomi Hideyoshi after Nobunaga's death in 1582. Utilizing the strategic location as a means of extending his influence in the Kinai area, Hideyoshi built a new and formidable castle on the site of the former Honganji temple.[5]

Under Toyotomi control the city expanded and had a revenue base of approximately 5000 *koku* of rice.[6] Daimyo closely associated with Hideyoshi constructed residences near the castle as a symbol of their loyalty to his authority. As the city increased in size and importance new lands were reclaimed and incorporated and canals dug to improve water-borne transport. By 1615 and the second battle of Ōsaka castle, when the Tokugawa obliterated the Toyotomi house and the last major source of organized opposition to its control, the city was well provided with internal waterways and had developed into an important market center.[7]

During the first quarter of the seventeenth century Ōsaka developed into a central rice market for western Japan. Hideyoshi had shipped rice from Shikoku to Ōsaka prior to his death in 1598. In preparation for the confrontation with the Tokugawa in 1614–15 great quantities of rice were collected from western Japan, Kyūshū, and the Kinai region and stored in the city. There is some question as to whether Ōsaka was already a major rice market by 1615 or whether the collection of vast quantities of rice in the city was singularly related to the impending battle. There is evidence that the quantity of rice received in Ōsaka in 1614–15 was less than normal, the result of a partial blockade set up by Ieyasu to divert rice to nearby Amagasaki.[8] But the establishment of Ōsaka as a major rice market may have followed the transition to Tokugawa control of the city.

Following the fall of Ōsaka castle to the Tokugawa forces it was given over to Matsudaira Tadaaki, a Tokugawa collateral whose domain it remained from 1615 to 1619. He encouraged the former merchant residents of the city to return, initiated a reconstruction program, and invited merchant residents of other cities including Fushimi to settle in Ōsaka.[9] Reconstruction of the city progressed rapidly and new canals were opened to improve internal transport facilities. The canals were financed and constructed by merchant groups who realized their importance to the development of trade.[10]

In 1619 Matsudaira Tadaaki was transferred to a domain at Yamato Koriyama and Ōsaka was made directly administered Tokugawa territory. Reconstruction and development of the city continued and various daimyo governments worked together with the *bakufu* to expand and improve the city. Both Satsuma and Tosa *han* constructed canals in the city which improved the sites of the markets used for sales of *han* goods. Because of Tosa's role in developing the lumber market, Tosa *han* lumber received special priority in subsequent market transactions.[11]

During the three decades following the battles of Ōsaka, the city was reconstructed and expanded as a market center. Although the city was initially developed as a political and military center by Hideyoshi, the Tokugawa encouraged its growth as a major market complex. This was emphasized when in 1634 the third shogun Tokugawa Iemitsu visited

Ōsaka and, as evidence of his satisfaction with the growth of the city as a commercial center, exempted it from all land tax payments to the *bakufu*. This absolved property owners in the city from regular tax obligations to the shogunate and added to their financial flexibility. To symbolize their gratitude the Ōsaka *chōnin* (townsmen) erected a bell tower to sound the time in the city.[12] Many of the merchants in the city assisted the *bakufu* in expanding Ōsaka and were rewarded for their efforts with special privileges of social status and local advisory rights, similar to those enjoyed by the purveyors to the daimyo in the latter half of the sixteenth century.[13]

As the reconstruction of Ōsaka continued, it began to replace other cities in the Kinai region in commercial importance. Under Hideyoshi many of the merchants from the formerly independent city of Sakai had been encouraged to migrate to Ōsaka and Sakai had declined in importance. Under Tokugawa control this process was continued and merchants were also encouraged to move to Ōsaka from the garrison town of Fushimi near Kyōto. In 1619 the *bakufu* razed Fushimi castle and moved the guard to Ōsaka, thus assuring the decline of Fushimi as a major power center and adding further to the expansion of Ōsaka. By the 1640s the position of Ōsaka in Kinai commerce had been greatly expanded and many local market towns which had formerly enjoyed close ties with the rural population had been displaced in importance. Towns like Amagasaki and Sakai decreased in importance as Ōsaka absorbed their function as markets for dried sardines, used for fertilizer, and other commodities.[14]

Internally, Ōsaka was divided into three administrative sections (*kumi*) and subsidiary residential neighborhoods (*machi*). Each of the residential neighborhoods had local officials appointed from among the *chōnin* who presided over the transmission of official notices, kept census records, settled minor law suits, oversaw property transfers, and controlled fires. These officials were appointed from among the property owning residents of the *machi* and were approved by high officials at the *kumi* level of city administration. The administrative hierarchy of Ōsaka included two city magistrates. Serving in alternate months, the eastern and western city magistrates took turns in taking responsibility for the administration of the entire city. A similar situation existed in Edo where administrative control alternated between the northern and southern city magistrates.[15]

Chōnin referred to urban residents who were not members of the samurai class. In the strictest sense it referred to urban property owners. It was the propertied *chōnin* who served as the officials within the *machi*. All others were excluded from administrative participation and from responsibility to the neighborhood offices for local expenses. The non-property owners included individuals who rented land, stores, or houses; often lived in lodging houses; and were the small shopkeepers, employees, service personnel, peddlers, entertainers, artisans, and laborers of the city.[16]