

# History of Japanese Economic Thought

## Lecture No. 4

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## 4. Market and Trade

● A market constitutes a place where given goods and services are exchanged with currency. And competition is considered effective as a means to realize an efficient exchange in a marketplace. This kind of idea of economics is assumed for theoretical research and is totally separated from a generally accepted notion of what the word *Ichi* [fair or market] means in realistic societies.

● *Ichi* is not only a place to trade a variety of merchandise, but to a greater extent, is full of diversity and polysemy. It seem to be appropriate to say that in a traditional society, *Ichi* was not merely limited to economic activities, but also “carried out its function as a place for people to make contacts in all kinds forms.”

## 4-1 *Ichi* as Place for Gala

### ● Unity with festivity



近郊の農村の人々でにぎわう山形の初市。(山形新聞社提供)



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### Kite *Ichi* at Tokyo Oji Shrine

Home page of Kita-ward 「KISS」  
<http://www.city.kita.tokyo.jp/misc/kiss/spot40401.htm>

### New year's *Ichi* in Yamagata city

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# Fish Market, Street Vendor

Pictorial cut “Crowded Fish Market: around the time of the Sino-Japanese War” removed due to copyright restrictions

Masaru Nakamura, *Modern Age of Japan Narrated by Markets*, Soshiete Bunko, 1980, p.94



露天の野菜売り（鹿児島市）

Tsuneichi Miyamaoto, *History of Bread-and-Butter Job, Miraisha*, 1993, p.214

Picture removed due to copyright restrictions

Masaru Nakamura, *Modern Age of Japan Narrated by Markets*, Soshiete Bunko, 1980, p.164

# Morning *Ichi* in Wajima



Picture of “Morning *Ichi* in Wajima”  
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Source: 3 pictures taken from Wajima City's HP  
<http://www.city.wajima.ishikawa.jp/kanko2/freepic/asaiti/asaiti.htm>

# Morning Glory *Ichi* (Iriya Kishibojin)

Picture of “Morning Glory *Ichi*” removed  
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# “Tori no *Ichī*” [Cock’s Fair]

Picture of “Tori no *Ichī*” removed  
due to copyright restrictions

# Battledore *Ich*i (Sensoji Temple)

Picture of “Battledore *Ich*i” removed  
due to copyright restrictions

# Role of *Ichi* and Polysemy of *Ichi*

Toshio Kitami, *Folk Custom of Ichi and Peddlery*, Iwasaki Art, 1970, and new version in 1995

- Some of *Ichi* strongly carry down a character of religious ritual.
- "Tori no *Ichi*" that decorates Tokyo's yearend is customarily pronounced as "Tori no Machi", and which implies *Ichi*'s meaning connected to festival.
- That "in Tohoku district, 'kuchiyose's miko' is called '*ichi-ko*', and in some regions, female attendants of shrines are named '*ichi-ko*'" demonstrates such character of *Ichi*.
- *Life in Mountain* by Kunio Yanagida points out: "Down to present, *Ichi* means females serving gods."
- → Should a spontaneous area of exchange have been originated out of a place where people congregated for a "festival", then, festival and *Ichi* are in a harmonious combination.

## “Kure *Ichi* and Bon *Inchi*”

● “‘Kure *Ichi* and Bon *Ichi*’ correspond to two important annual occasions relative to the traditional ancestor worship,” and “those express interesting aspects as folk-customary practices in which twined are an opportunity to run Mitama Matsuri [a festive ceremony held in memory of the spirits of the dead] for ancestors and a time for settlement of traditional business transactions.”

## Kanjo *Ichi* in Sengoku, Kita-azumi County, Nagano Prefecture

● In Sengoku, *Ichi* is opened on 20th and 25th of the yearend, and “it is passed down that, one on 25th was called Kanjo *Ichi*, where merchants in the neighborhood showed up and made annual settlements of debit and credit, interest, tenant-farming rent, rent for store, payment to workman, doctor’s prescription charge, and down to invocation fare of shrine/monk. Thus, even doctors and monks came out to this *Ichi* to receive payments so as to leave off time and effort for going round each door.”

## 4–2 Business at *Ichi* in Extraordinary Status

### Information provided from the outside world

- Peddlers and “Brides’ *Ichi*”
- Information exchanged together with business

## Visit of Peddler

- Peddlers brought a variety of information into feudalistic rural communities. Though mixed with falsehood sometimes, this played a great stimulant role to the thirst for knowledge on the part of villagers so eager to learn about the outside world.
- In Nakakanbara County, Niigata Prefecture, peddlers being named Tabeto used to come over to purchase a small amount of goods such as eggs and miscellaneous cereals, which constituted the supplier of pocket allowance and news to local housewives until the early years of Meiji period.
- In earlier villages, so much new knowledge was provided by peddlers, and while subscription to newspaper started a little, it was by persons like members of village assemblies and ward heads; thus, there was a great deal of phase that villagers were enlightened by peddlers.

## Visit of Peddler 2

- Peddlers getting into villages frequently provided such cares as introducing maidservant jobs and arranging on sending girls into factories. And some villagers are said to have often lost money in markets, and their initial motives seem to have been influenced by peddlers' stories. Except some aspects of bringing about bad influences, peddlers offered many advices regarding, e.g., improvement of farming implements and encouragement of handicraft industries.

- ... There is an expression of "to sell oil", used even today, to describe an act of spending time engaging in idle talks, or wasting time more than necessary along the way of some errand; It must be that salespersons of hair oil slowly conducted business in long talks.

- An example of a sickle salesman in Shinshu was that, while doing business, he spent an evening with village folks having pleasant chats, sang *jyoruri* [ballad drama] and *naniwa-bushi* [recital of stories of loyalty and human feeling to *samisen* accompaniment] and played *go*.

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# “Brides’ *Ichi*” in Suburbs of Tokyo

- Once every year, there were *Oeshiki* held at each of the following temples located in the villages in Kita-toshima County, outer area of Tokyo, and visual scenes which Saburo Yasunari named “*Yome Ichi*” [Brides’ *Ichi*] were unfolded whereat: Sanpo-ji [-temple] in Shakujii on Apr. 15, Chomei-ji at Yahara in the same village on Apr. 21, Honryu-ji at Seki in the same village on Dec. 10, Myofukuji in Oizumi village on Nov. 20 and Nyoirin-ji in Hoya village on Mar.15.
- It is said that on the days *Oeshiki* were held, farming implements fairs were also conducted in the temple compounds, where old-clothes dealers and gardeners set up their stores, and village people had a custom to prepare all items to be used in the following year at those occasions.
- Religious events were being tied to *Ichi*. The reason the naming of “*Yome Ichi*” was given was in accordance with the custom that, on the days of *Ichi*, “New brides who married into farming houses surrounding the temples came out to the sites attired in the same formal dress as on the days of wedding accompanied by mothers-in-law and other in-laws. They paraded slowly through clouds of fairs.”
- While a patrimony defines that the parade was once for young males to choose their brides, later in the early Showa period, it developed into a custom to introduce brides, as in the following appraisal: “ On the surface, the purpose for brides to come out to *Ichi* can be interpreted as showing off of their formal dressing to many people, and simultaneously, as a sigh of saluting to the cloud that they have become the same villagers.”

## 4-2 Business at *Ichi* in Extraordinary Status

Information provided from outside world

- Stuff that was exchanged was not limited to “information” constituting subject of business. In case of “*Yome Ichi*”, for example, it is easy to imagine that village people not only got to know new brides having married into neighboring families, but also exchanged recent events of that family and this family.

Noneconomic aspect of *Ichi*

- From the viewpoint of a developmental history, *Ichi* contains a considerable variety of functions, and it is sufficient to clarify that *Ichi* had another significance of “opportunities for people to make contacts” not intended for economic trading per se. *Ichi* was a site not just for goods and services, but also for various information to come and go accompanying businesses thereof.

## 4 – 3 Configuration of Trade

- Limiting the scope to *Ichi*'s economic role, this function came to be clearly identified in inverse proportion to fading of religious aspects with the times.
- Furthermore, from the early phase to middle of modern times in Japanese history, *Ichi* as a place for commercial trade rather headed down to the course of decline, and gradually business at stores became the mainstream of commercial trading in castle towns around the country; So goes a commonly accepted theory of the history of commerce.
- With frequent occurrence of merchandise trading; merchants with stores came to flock in downtown areas as their sole engagement in such business adequately afforded their livelihood.
- It is purported that, in the first half of modern times, “regular *Ichi* started showing retrogressive signs in prominent castle towns, and a general trend was that they evolved into *Toshi Ichi* which was held a few times a year.” Although some *Ichi* were still prosperous in Kanto and Tohoku districts, they were showing the signs of decay in early modern times in Kinai which was the central area of Kinki district that is said to have been economically developed, and on a nationwide basis *Ichi* entered into a decline phase around the mid-Meiji period.

- With such transition in mind, let us consider what kind of function *Ichi*/marketplace carried out, and what its mechanism was.
- It is not that mechanism to be discussed here means competition. For, mechanism that works in actual marketplaces cannot be simplified into competition, and competition is just a means to actualize *Ichi*'s function.
- In light of function that commerce/exchange carried out in marketplaces more broadly, various information exchanged along with merchandise was indispensable to smooth daily life in individual society. As seen already, in times when degree of dependence on commodity economy was small, *Ichi* carried out a significant function in that aspect.

- This function to intermediate information is not actualized by way of competition.
- Further, with a view to an area that draws interest of cultural anthropology and folklore such as “*Zoto* [gift-giving]” or “*Goshu* [reciprocal gift-giving]”, one-dimensional description of mechanism of marketplace becomes more and more difficult. Therefore, historically speaking, market mechanism and competition are not synonymous.
- In that case, one of the important points is that such were occasions in extraordinary space like festivals, and were implemented as exceptional incidents in extraordinariness and extraordinary life; Hence configuration of such trading was largely different from our daily purchasing behavior.

## *Ichi* as Place for Commercial Transaction

- (1) Scene at open-air *Ichi* near Okunitama Shrine in Musashi-fuchu according to folklorist Tsuneichi Miyamoto:
- *Ichi* held once a year was quite busy as a variety of goods were placed on show. But things were enormously leisurely, as in the following episode:
- A customer called to a hardware store, "I want a pan."
- The store person responded, "I don't have any." But he promised, "I'll bring one next year." Waiting for a year was nothing.
- Next year, the merchant brought a pan, but it was too large.
- So he made another promise, "Then, I'll bring a good-looking one next year."
- Another year later, the customer came to the same store at *Ichi* again, and there was what he wanted in the first that the merchant brought in.

Tsuneichi Miyamoto, *History of Bread-and-Butter Business*, Miraisha, 1993, p.185

# Central Market in Modern Era

● Among the tens of thousands those who come in and out of the central market, ones directly tied to this place are, starting with pullers and pushers of carts, merchants of the market, bamboo-basket shop, tobacco-pipe fixer/cleaner, sign-painting shop, tiny shop of sweets, wooden-clog shop, old-clothes store, and other small earners who cater to laborer. And others indirectly related are various types of peddlers carrying goods on a shouldering pole like *Hogakushi* or *Miyamonoshi* as named in downtown or *Norenshi* named in uptown, who buy and sell odd lots that get daily poured out of the market; they buy in excessive cheap goods at giveaway prices and hawk these everywhere. Back in the slum quarters they live, scenes that seem just like the mid-day central market continue all hours of the night, as the following: A fish market opens at a crossroads of a tradesman's house; lined up on a door panel of a small green grocery shop are rubbishes of egg plants, cucumbers, potatoes, taro plants, devil's tongues and lotuses; a handy-shop dealing dried fish of salted salmon, cod, squid, mackerel and horse mackerel, in addition to skewered persimmon; a vendor of household goods and baked sweet potatoes; a pickles shop showing old pickled radish, crushed egg plant, shallot, pickled plum in a lot priced at 100 Mon; a neighboring pub bakes at its store front chicken on skewers, dried squids and corns on the cob, filling the spot with their smell.

## Central Market in Modern Era 2

● Why were such evening fairs busy in slum quarters? The question leads directly to the state of livelihood *Ichi*. And that is: only in the evening can a daily cash income in hands bring relief to their hungry mouth and belly. Their purchasing power changes in many ways depending on weather, though, in general, 30% of the money is allocated for day-part and 70% for evening. Whatsoever, it is not until a master of the house comes back home that his wife dashes outside and can procure daily necessities.

(Masaru Nakamura, *Modern Age of Japan Narrated by Markets*, Soshiete Bunko, 1980, pp.102-3)

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## “Age Ichi” in Omachi, Kita-azumi County, Nagano Prefecture

●(1)“In mountain villages in this local region, there is a custom that horses are rented to farm houses during busy farming seasons. Lenders are village people in the mountains of Omachi, who take out horses they regularly employ for transportation in mountain paths, and borrowers are farmers on a plain land who need horses to prepare rice paddies for planting. When lenders get together leading their horses to the road on a set date, borrowers shop around for easy-to-use ones and fix up rents. As soon as a promise gets made, borrowers quickly take off with horses without leaving their names or deeds, which is said to be a traditional system. A procedure to return horses is called *Age Ichi*; both parties get together at the same place where they made lease arrangement earlier, and a portion of the rent is paid in straw laden on horses being returned to lenders. Cash part of the rent gets settled at the evening *Ichi* on the 10th where they have a rendezvous again. At this occasion, according to old examples, lenders take their horses to the site, and if they come and visit borrowers’ homes, these horses are treated with *mochi* [glutinous rice jelly] cooked from the rice transplanted back in May aided by themselves.”

(Toshio Kitami, *Folk Custom of Ichi and Peddlery*, Iwasaki Art, 1970, pp.66-67)

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## 4 – 4 Ethics of Business

- A key point in the example of *Age Ichi* is that, albeit a once-a-year chance of business, there was an implicit contract between sellers and buyers.
- This sort of relationship of mutual trust was important for coming-off of business smoothly. In fact, looking at functions of *Ichi* in historical context, it is obvious that there is a great significance in the framework of “trust” which was built over a long time period.
- Such a state of business leaves a great influence in the concept of commercial trading to Japanese people.
- In case of trades conducted repeatedly, an act of dishonesty or an “outwitting each other” that may be passable just once could be precluded in the medium and long terms. Otherwise, one’s opportunistic behavior was highly likely to strangle oneself with own hands. Under the business perspective to seek for permanence of a family business, as observed in the proceeding chapter, it was important to secure customers with a long-time relationship based on trust, not on an immediate gain.

## Trust in Business in Sale at Store

- “A quick-fix line as seen in farmers’ life won’t be allowed. Simultaneously, a capacity beyond a full-fledged level will be required. And, as all production is up to manpower, an improvement of skills will be demanded ever stronger, while merchandise per se could not enhance its production infinitely.  
(Tsuneichi Miyamoto, *History of Bread-and-Butter Business*, Miraisha, 1993, p.212)

- “Not many articles that craftspeople make are ones for general populace anyone buys, and most of them are made to orders. Despite a saying that ‘merchandise is free,’ it was never free. At the same time, there was a close relationship between consumers and producers. So, mutual trust was the top priority among merchants because it was no product unless that should catch customers’ fancy.”  
(Tsuneichi Miyamoto, *History of Bread-and-Butter Business*, Miraisha, 1993, p.213)

# Historical Personality of Kyoto Merchant

(From Shigeaki Yasuoka, *Management Philosophy, System and Employment of Modern Merchant Families*)

- “Stores of long standing in Kyoto are not strong in their aspiration for a large-scale operation, and lukewarm about the expansion of their operational scale. So, their business transaction is in ‘the style of order production’”.
- “A characteristic of made-to-order is that when a producer faces an orderer, both know each other. Clearly aware of the user, the producer cannot make a stuff irresponsibly. While buying and selling products are economic behaviors, they on the other hand constitute extremely humane relationships.”

# Historical Personality of Kyoto Merchant

● In Kyoto, a relationship between merchants and consumers, and one between manufacturers and consumers (or merchants sometimes), is heavily tinged with the one in the style of made-to-order, which now of course has become a market production. **The mental posture of handicraftsmen in made-to-order is not a hunt for profit:** It is a consistent trade not to be talked about behind one's back. **Basically it's suffice to have an income for maintaining lives of self, family and employees,** and which is in a configuration of a family business. Even now it is not rare that confectionary stores and delicatessen shops close up as soon as produced/scheduled quantity gets sold out. They do not strain to boost up the production or expand their scope of business. It was the old style of Kyoto merchants to secure their family business obscurely, dealing with those who adequately assess the value of own goods, and still now there is not negligible number of merchants and manufacturers that maintain the same value. Such is observed in many restaurants and inns that do not receive customers they don't know.

**(Shigeaki Yasuoka, *Management Philosophy, System and Employment of Early Modern Merchant Families, Koyo Shobo, 1998, p.13*)**

## Ad Hoc Trade

● Of course, it is not true to say that Japanese merchants never behaved opportunistically. Many of merchants that grew in early modern times were from Omi and Ise, who were purported contemptuously as “Omi thieves, Ise beggars” behind their back, and merchants of Osaka who managed kitchens of the whole country got laughed at as being called “squirts of the Kyoto-Osaka area.” Nominal designations as such were not only based on people’s views on merchants or commerce (an idea that commerce is a shameless business) nurtured by the social standing order of *Shi-no-ko-sho* [the four social ranks: warriors, farmers, craftsmen, and merchants], but were also indicative of their suspicion about ways those merchants conducted their business.

# Ad Hoc Trade

- “Omi thieves, Ise beggars”
- “Merchants and folding screens don’t stand unless twisted.”
- “Lie is a part of the seed money.”
- “Merchants firm up with lies.”

Selective ranking “Crop of lies of all ages and cultures”

- “A merchant who says, ‘you lose money.’” “A merchant who says, ‘it’s beneficial to you.’”

*Ichii* in Hirakata, Osaka on Aug. 12:

- “Folks flock here from the neighborhood further than one *Ri* [some 3.9 km], and they name this *Ichii* as a ‘Blind *Ichii*’ because, though merchandise at the fair are all cheapies, the merchants try to deceive customers with high prices. As customers know that, voices at dealings are said to be very loud.”

(Toshio Kitami, *Folk Custom of Ichii and Peddlery*, p.66)

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● Craftsmen, “unable to live properly by dealing with a limited number of customers, made products aiming at the consumption by people in an unknown world, but which were all inferior stuff. And inferior stuff were turned over at *Ichi* and by local peddlers.”

(Tsuneichi Miyamoto, *History of Bread-and-Butter Business*, Miraisha, 1993)

· Example of Kotsuma merchant, Osaka

● “Kotsuma located in south Osaka produced many peddlers, who were called Kotsuma merchants. They were known to hit on poor-quality goods tactfully, and in the mountains of Nara and Kyoto Prefectures remains a pun, ‘There is nothing above Kotsuma’s mosquito net.’ Local people were nearly forced into buying the mosquito nets by Kotsuma merchants saying, ‘There is nothing above Kotsuma’s mosquito net’, and upon hanging these nets the people found no tops to them. When the merchants returned following year, the people pressed hard with the claim for the defect, to which Kotsuma fellows’ cool answer was, ‘We told you, there’s nothing above.’ That is why the phrase, ‘There is nothing above Kotsuma’s mosquito net’, came to be employed when referring to stuff one can do nothing about.”

(Tsuneichi Miyamoto, *History of Bread-and-Butter Business*, Miraisha, 1993)

· Vicinity of Nihonbashi Horidome Izumibashi

● “In the vicinity of this bridge was the so-called Yanagihara, where *Ichi* for cheap and coarse old clothes was held, as in a satirical poem, ‘Yanagihara where a pull at textile tangles up thread.’”

(Takashi Shiraishi, *Historical View on of Textile Wholesalers of Nihonbashi Horidome Tokyo*, p.67) Haruhito Takeda

## ▪ Mercantile Society of Yokohama in 1862

Hugh Cortazzi, *VICTORIANS IN JAPAN: In and around the Treaty Ports*, translation by Tetsuro Nakasuga, Chuo Koron Sha, 1988)

● "Dunghill of Europe" = Yokohama

"... goodly crowd of people crossed the sea, with no fund to earn a living, or not having some reserve fund desirable on top of it , and plunged into achieving their objectives without self-reproaching hesitation. ..."

**Pictorial cut of "Opening of Yokohama Port" removed due to copyright restrictions**

*Illustrated History of Japan, vol. 13*,  
Shueisha Inc., 1976, pp.82-83

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## ▪ Mercantile Society of Yokohama in 1862

● Nevertheless, majority of those Japanese they dealt with were crowd of speculators having no funds, no knowledge of international trade; Cancellation of contracts and fraudulent transactions were not unusual at all. Although foreigners advanced a large amount of moneys to those Japanese with no funds in order to purchase goods, none was ever delivered. Or, when foreigners passed orders of products to their native countries for those Japanese, if market rates declined, Japanese rejected to receive such products incurring losses to them.

**Pictorial cut of “Mercantile Society of Yokohama in 1862” removed due to copyright restrictions**

*Illustrated History of Japan, vol. 13,*  
Shueisha Inc., 1976, p.82

## ▪ Mercantile Society of Yokohama in 1862

- Raw silk was mixed with sand and was put into packages with heavy paper twines, so foreigners had to inspect inside bundles of silk one by one before paying the money. Likewise, tea in packages could not be judged on trust to be as good as its samples. Sometimes Japanese merchants were retaliated with similar tricks, but in weighing both sides in a balance, Japanese were worse by far. With that, a conviction got around incorrigibly among foreigners that Japanese were synonymous with dishonest merchants; hence no chance for friendly affections between the two parties.
- Immoral in the extreme were customs officials who rigged an amount of payoffs from foreigners trying to be rid of import taxes.”

# Buy Cheap and Sell High

- Merchants could stock up cheap and sell high because prices were not the same everywhere. But even if a higher profit could be earned by selling higher, this occurrence itself has nothing to do with enhancing productivity of that society, or increasing social wealth.
- Needless to say, in case commercial trading expands in a format to correct a regional bias in demand and supply, the production of specialty goods of each region gets stimulated, and the production quantity in that society increases as a whole. Accordingly, products that could be marketed in other regions were quite important to each individual society.
- However, in the process a modern society was being formed, outstanding as its economic mechanism were that, amid developments of division and collaboration of labor, the utilization of machines progressed, productivity expanded, and uniform products came to be produced in large quantities.

- What classical economics focused attention on was this kind of characteristic of a new economic system. They took notice of emerging industrial capitalists who, utilizing modern machinery, actualized an upswing on labor productivity to the extent that could not have been realized in the prior history of mankind.
  
- Business method of “Buy Cheap and Sell High” = **Merchant-capitalistic activity**
- Business method pursuing source of wealth in the improvement of production methodology that actualizes upswing on productivity = **Industrial-capitalistic activity**
  
- To distinguish these two, the latter modus constitutes the source of economic growth. Competition is a means to promote such activities.

- When viewed from such criteria, opportunistic behaviors of merchants lacking commercial ethics, in terms of means to accumulate wealth, should have gradually lost their stage along with the development of modern society.
- But an actual economic development did not necessarily happen that way.
- For example, in case of cotton spinning business that belonged to a leading sector of the industrial revolution in modernization of Japan, many of business entrepreneurs were obsessively devoted to finding how to earn much mercantile profits in activities pertaining the purchase of material in raw cotton and sales of product in cotton yarn, which has been revealed by a research on the history of spinning business by Mr. Naosuke Takamura.

*(Preface of History of Japanese Spinning Business, Hanawa Shobo, 1971)*

- Because of the merchant-capitalistic activities of those spinning capitalists, some point out that spinning business of Japan “was not spinning industry, but was rather spinning commerce.” Inasmuch as even the industry that represented modern industrial developments was in this sort of modality, it can be easily imagined that Japanese corporate activities in Meiji period were full of such opportunistic behaviors.

● Nonetheless, such phenomena was not particularly limited to Japan: Researches on the English spinning business in the post WWI period point out that spinning-business capitalists amid an unprecedented boom exerted themselves to increase their wealth by taking advantage of methods to be criticized as “**capital watering**” to sponsor business firms and to buy and sell them. This status signified that capitalists as investors sought immediate gains having **abandoned the responsibility for managing their capital**, and an aggravation of financial standing after the war which was brought about thereby was one of the factors, and that was the most important one, that caused spinning business, the central industry for England as the world’s factory, to lose its international competitiveness, according to Hidaka’s indication.

(Chikage Hidaka, *The decline of the British Cotton Industry*, University of Tokyo Press)

● In China where the operation of spinning business blossomed under capitalists of the ethnic origin during the same period, the inside of its management was criticized as “**heavy on commerce, light on factory.**” Which was a straightforward expression depicting Chinese managing executives of the spinning factories who prioritized trading activities in cotton and cotton-yarn markets and slighted improvements of production in factories.

# Summary

- Merchant-capitalistic activities were observed everywhere in modern economic developments. Opportunistic behaviors of merchants were as old as commercial activities throughout the ages, and at the same time, the more modern economic institutions increased their reliance on business in markets, the more such behaviors broadened arenas for their emergence.
- In addition, amid economic development involving an expansion of market business, there were some phases to enlarge the roles of merchants. For, craftsmen who used to earn their livelihood with the weapon of their proficient skills dealing with fixed customers became unable to operate in traditional scanty ways they ran things.

# Summary

- For example, in an interview research in a village of Furuma where the traditional manufacture of sickles was conducted, Sanejiro Terada, craftsman who succeeded the tradition, said, “Striking sickles in one-man operation cannot keep up with wholesalers’ pace, so I lose business.”
- “Wholesalers don’t deal with blacksmiths who cannot provide products of a certain level of uniform quality in a given quantity, namely, a quantity within a period that wholesalers want. Even if they are sickles that man and wife stroke elaborately, or however good the quality is, if small in quantity, those cannot constitute wholesalers’ business,” points out Kiyoshi Mori, noting that craftsmen lost their independence as the result of an expansion of markets.

**(Kiyoshi Mori, *Back-Street Factories*, 1981, pp.16-17)**

- institutionalization of small-sized operations by wholesalers came to press forward, and which signified that wholesale merchants found their new role under economic developments.