Modern Asian Studies, **17**, 3 (1983), pp. 477–488. Printed in Great Britain.

Merchants and Society in Tokugawa Japan

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MERCHANTS in the Tokugawa period were placed at the bottom of the *shinōkōshō* hierarchy of samurai–peasants–artisans–merchants. This social hierarchy was produced by a combination of social reality at the time Japan was unified in the late sixteenth century and an ancient Chinese physiocratic theory, never taken very seriously, in practical ways, in China. Once the country was unified, the social mobility of the previous years, of a kind which permitted men of ability to climb from the lowest ranks to join the military nobility—Hideyoshi is the prime example of this mobility—was viewed, by Hideyoshi above all others, as a cause of prolonged chaos and internecine warfare. With the argument that war had been abolished and common people therefore no longer needed weapons, Hideyoshi carried out his 'sword-hunt'. He thus established the most fundamental of the class distinctions, between the samurai, the ruling class, who now enjoyed a monopoly of bearing arms, and the common people, who were henceforth expected simply to produce the food and other necessities of life, and to pay their taxes, which remained high even though warfare was supposedly ended.[1]

Artisans and merchants, between whom not much distinction was made in legislation, were also expected to carry out the duties assigned to them, providing the services required by the samurai class. But in 1600, Japan's economy was still chiefly an agrarian one, and the prevailing political wisdom was that the samurai and the peasants should be the principal concern of the rulers. In the 1720s Ogyū Sorai

This paper was prepared for and presented at the Colloquium on Edo Japan held at the School of Oriental and African Studies, University of London, in December 1981, to coincide with the Great Japan Exhibition, at the Royal Academy, of art of the Edo (Tokugawa) period, 1600–1868. The author wishes to thank Professor William Beasley, who organized this international colloquium, and those participants who joined so fruitfully in the discussion of this paper.

[1] Actual tax collections in the Tokugawa period are estimated at from 35 per cent (the average revenue from Bakufu direct territories, *tenryō*), to 40 per cent.

0026-749X/83/0602-0000

expressed this idea in *Seidan*: '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 of no concern of government if they ruin themselves.'[2]

This more highly defined social order, which made the ideal society one in which the four classes should remain, as it were, watertight compartments, was basically established by Nobunaga, Hideyoshi and Ieyasu as an organic unity in which each class had its duties and obligations defined by class, and, within the class by the particularities of status. Movement from class to class was, in principle, prohibited. *Mi no hodo wo shire* (Know your station in life!) was a typical exhortation put up in *hiragana* on roadside notices throughout the country. 'The offspring of a toad is a toad; the offspring of a merchant is a merchant,' though a false analogy, was a popular saying of the time. This idea was supported even by Confucianists and writers of merchant class like Nishikawa Joken (1648–1724) and Ishida Baigan (1685–1744), who, although justifying what they considered 'just profits,' also emphasized the need for merchants to serve the system as it was.[3]

These rigid class lines were established initially by force or the threat of force, which may go some way towards explaining the general acceptance of them. A long tradition of acceptance of the priority of group interests over private, or family, interests, may also have been a factor. Doubtless the benefits of peace and stability were universally welcomed, and an increased role for the rule of law, even though harsh, was considered preferable to the even more arbitrary, more personal rule of the military dictators of the sengoku period, whether local,

[2] *Nihon Keizai Sōsho* (Tokyo: 1914–17), III, p. 427. See J. R. McEwan, *The Political Writings of Ogyū Sorai* (Cambridge: 1962), especially p. 63, and Olof G. Lidin, *The Life of Ogyu Sorai* (Lund, Sweden: 1973).

[3] See *Chōnin Bukuro*, by Nishikawa, Vol. I, as cited by Nomura Kanetarō, *Tokugawa Jidai no Keizai Shisō* (Tokyo: 1939), p. 78. On Ishida Baigan, see Robert N. Bellah, *Tokugawa Religion, the Values of Preindustrial Japan* (Glencoe, Ill.: 1957). Although there was supposed to be no movement from one to any other of the *shinōkōshō* categories, thousands of peasants whose labour was not needed on the land due to increasing efficiency and productivity, did in fact move to cities and towns in the early years of the Tokugawa period. Here, practicality came to the fore, and a simple procedure was provided whereby anyone (usually a child entering another family, peasant or other) would give prior notice to the local headman. For the translation of a regulation of 1637 to that effect, see Sheldon, *The Rise of the Merchant Class in the Tokugawa Period* (New York: 1973), p. 28. (This is a reprint, by Russell & Russell, of the original edition of 1958, with the addition of a chapter and a new introduction.)

regional or national. For the merchants, a more immediate consideration was a recognition of the very close interdependence between themselves and the ruling class, including the ordinary samurai. In return for their acceptance of their position at the bottom of the *shinōkōshō* hierarchy and for the loss of some degree of independence and of certain privileges which merchants enjoyed in some ports and commercial towns like Sakai, a fast-developing and expanding money economy gave them opportunities in domestic commerce and finance. They set to work diligently to take full advantage of these opportunities, and to ingratiate themselves with the feudal rulers, making their services indispensable to them, organizing complex distribution and financial systems which proved to be largely beyond the understanding of the samurai. As a response to a generally hostile environment, they organized themselves into monopolistic organizations to improve and to protect their position in the economy.

Samurai were prohibited legally from engaging in trade, and this gave the merchants a monopoly which they proceeded, naturally enough, and with skill, to exploit. However, there developed, during the period, many limitations on the freedom of their commercial and financial operations. One was the ban on going abroad for purposes of trade and the limitation of foreign trade to the small Dutch trading station at Dejima, under Shogunal (*bakufu*) control, and the permission of some limited trade with Korea and the Ryūkyū Islands and with Chinese merchants in Nagasaki. In Europe, foreign trade proved an essential means for the merchants to gain both financial, and eventually, political power and/or influence. But this door was not open to the generality of Tokugawa merchants.

It was thought wrong for *daimyō* and samurai to be in debt to moneylenders, and despite the high risk of such loans, interest rates were legally limited to, at most, 15 per cent per annum, and at times further reduced. Suits for nonpayment were generally discouraged. The requirement that merchants bringing cases had to crawl on hands and knees from the door of the court to the judgment room might, one supposes, have deterred some, but, more importantly, courts often refused to hear cases involving overdue debts of samurai to merchants.[4] In the reforms of the Kyōhō period (1716–35), the Shogun Yoshimune, no doubt influenced by the advice given him by Ogyū Sorai quoted

[4] Dan F. Henderson, 'Some Aspects of Tokugawa Law', *Washington Law Review* 21, 1 (February 1952), pp. 96, 98–102, and Henderson, *Conciliation and Japanese Law* (Seattle: 1965), Vol. I, pp. 106–17.

above, barred the courts from accepting litigation from merchants in the *bakufu* cities to recover unpaid loans owed them by samurai.[5]

Efforts were made periodically, and usually unsuccessfully, to hold down prices, and by 1789, when the first *kien* order was made by the *bakufu* cancelling the balance of old debts unpaid after five years owed by *bakufu* retainers to the *fudasashi*, the 109 rice merchants and financial agents of the Bakufu retainers in Edo, a whole arsenal of economic weapons had been developed both to counter and to siphon off what were seen as unjustifiable profits made by money grabbing merchants: confiscation of property (*kessho*) because of conspicuous consumption violating the sumptuary laws; registration and the collection by the *bakufu* (and some *daimyō*) of fees from trade associations (*nakama*), forced loans (*goyōkin*), and refusal to pay debts (*o kotowari*) reinforced, as we have seen, by the discouragement of cases against defaulters of the samurai class. The fact that the feudal authorities were ultimately responsible for the debts of their feudal retainers gives some reason, if not justification, to these policies. One more *kien* was issued by the *bakufu*, in 1843, which cancelled all interest on loans owed the *fudasashi* and reduced future interest rates from 12 per cent to 10 per cent.[6]

In response to this, the merchants reacted mostly with passive resistance, and negotiated, when possible, with the feudal authorities to moderate the effect of arbitrary exactions. One suspects that these negotiations were supplemented by some private financial inducements. Fees collected from *kabu nakama* (chartered trade associations) were reduced by negotiations, and when forced loans were demanded, as they were sixteen times by the *bakufu*, beginning in 1761, and by *daimyō* as well, the merchants succeeded in reducing the total amounts actually collected, sometimes to half.[7] Despite these modest victories, however, merchants became even more cautious, as they needed ready assets in case of arbitrary exactions. Although glad to have the scale of *goyōkin* reduced, there is evidence that to be high on the list of large contributors, whether in the castle towns or in *bakufu* cities, was actually a source of pride. When the *bakufu* attempted to cut prices, merchants countered by withholding goods or by giving short weight or measure, or offering goods of inferior quality.[8] Difficulties about collecting debts led

[5] Sakata Yoshio, *Chōnin* (Tokyo: 1939), p. 54. Similar bans had been made against the *fudasashi* in Edo in 1685 and 1702, and were repeated, covering all the Bakufu cities, in 1736, 1746, 1797 and 1843, making one wonder, as with much Bakufu legislation, if it was being observed . Conciliation out of court was usually urged.

[6] *Nihon Keizai Shi Jiten (NKSJ)* (Tokyo: 1940), p. 1137.

[7] *Ibid.*, pp. 596–7.

[8] Neil Skene Smith, 'Materials on Japanese Social and Economic History: Tokugawa

moneylenders to require security for loans. *Nakama* members also began making a practice of not lending to anyone who had broken a contract with any *nakama* member unless all arrears were paid.[9]

The merchants we have been discussing thus far have been the city and castle town merchants and moneylenders who established themselves early and did much to make possible the remarkable economic expansion and increase in general standards of living of the first hundred years of the Edo period. These included the rice merchants, the *fudasashi* of Edo and the *kakeya* and *kuramoto* of Ōsaka who were in a sense commercial retainers, some of whom were permitted to wear the two swords which were otherwise the mark of the samurai. But this focus on the élite of the class risks overlooking the many lesser *chōnin* (townsmen), the artisans and artisan-merchants who sold their own wares, petty merchants who lived in rented shops or rooms, itinerant peddlers, and such people as entertainers and day labourers. As commerce and industry spread through the country, provincial merchants took on new importance, and often came into competition with, and even conflict with, the established city merchants. It also overlooks the interesting and important differences between the merchants of the 'three great cities', Kyōto, Ōsaka and Edo. Kyōto merchants were perhaps less famous than Kyōto artisans, but to the extent that merchants were associated with the fine things made in Kyōto, and had historic roots in the ancient Imperial capital they could therefore regard Ōsaka and Edo, mere villages until the late sixteenth century, as uncultivated places and their merchants as upstarts. While Kyōto merchants emphasized culture, those of Edo stressed power, and those of Ōsaka, money.[10]

According to Saikaku's *Nihon Eitaigura*, the Ōsaka merchant's special privilege and sole aim was to make money. Once he had succeeded in

Japan', *Transactions of the Asiatic Society of Japan* (*TASJ*), 2nd series, 1931, p. 99. In the 1720s Ogyū Sorai warned against trying to lower prices: 'The power and prosperity of the merchants is such that, organized together throughout the entire country, prices are maintained high, no matter whether in remote districts or in the castle towns, and it is impossible to oppose so many millions of merchants so closely organized together. Prices will continue to rise, no matter how many inspectors are placed in the castle towns to watch them.' Sheldon, *The Rise of the Merchant Class*, p. 45. A very similar translation can be found in McEwan, p. 45.

[9] Sakata Yoshio, 'Meiji Ishin to Tenpō Kaikaku', *Jinbun Gakuhō* II (1952), p. 6; John Wigmore, 'Materials for the Study of Private Law in Old Japan,' *TASJ*, XX (1892), Supplement I, p. 193. The work begun by Wigmore, a major compilation of primary material on Tokugawa customs and law, is being published in ten volumes by the Kokusai Bunka Shinkōkai.

[10] Ishida Ichirō, *Kinsei Bunka no Tenkai*, in Kobata Jun (ed.), *Kinsei Shakai* (Tokyo: 1958), p. 409.

this, and was well established, it was customary for him to put his heir in charge, retire, and turn to the cultivation of the arts, poetry, music, tea ceremony and archery, to participate in incense meetings, and to lose his vulgar speech.[11] Such house heads were at the top of their social status as merchants, and were the objects of the personal loyalty and service of apprentices, shop supervisors and branch house heads, all brought up in the paternalistic tradition of the apprentice system. In a city with very few samurai, the more important Ōsaka merchants were proud of being 'merchants of the nation' (*tenka no shōnin*), with an importance which extended throughout much of the central, southern and western parts of the country, and Ōsaka merchants provided goods for the Edo market, although quantities diminished after the seventeenth century.[12]

In traditional China, making money in trade was often seen as a way to rise socially by buying land and educating boys to pass the examinations to become officials, when this was possible. The result was that quick profits were sought, the enterprise had a short-term purpose and would often be abandoned when the entrepreneur could move out of the merchant class. In Japan, we know that there were cases from the time of Yoshimune of merchants who bought samurai status by allying with impecunious samurai families, because Yoshimune issued a law specifically illegalizing it. But on the whole, merchants were content to build up the family business over the generations. Particularly in Ōsaka, merchants recognized that success was not made up of separate deals but of continuous business. Good will, honesty and credit were considered indispensable, and one of the purposes of the merchants' organizations was to assure that members conformed to these requirements.[13] Dedication to the family enterprise, hard work, sincerity and frugality were values handed down in family instructions and constitutions.[14] All the members of a merchant family enterprise formed an organic unit, and the economic success of the enterprise meant success for all its

[11] Quoted in Sakata, *Chōnin*, p. 30.

[12] Ōsaka, perhaps because it represented, with Sakai and Kyōto, a centre of about a million consumers by 1714, had become 'more important as a consumption centre than as a market for the collection and distribution of goods to other areas of Japan.' William B. Hauser, *Economic Institutional Change in Tokugawa Japan* (London: 1974), p. 29. Hauser has shown how in the early years of the Tokugawa period, Ōsaka received mostly unprocessed goods, but with the growth of local industries throughout the area, more and more finished goods were sent to Ōsaka which in consequence became more of a consumption than a reprocessing centre.

[13] Sakata, *Chōnin*, p. 31.

[14] For one example of such instructions, given to the Mitsui house, see Sidney Crawcour, 'Some Observations on Merchants, a Translation of Mitsui Takafusa's *Chōnin Kōken Roku*', *TASJ*, Third series, VIII (1961), pp. 1–139.

members. 'This gave the merchant code a real motivation not seen in peacetime in the code of the warriors.'[15]

The situation of merchants in Edo was quite different. It was a city dominated by samurai who, with their families, attendants and servants, it is estimated, made up as much as half the total population of the city. They lacked the Ōsaka merchants' pride in being merchants, and tended to separate morality from making money, whereas the Ōsaka merchant integrated them. Influenced by the samurai, the Edo merchant admired manly spirit and enterprise, even when anti-social. Kawamura Zuiken (1618–1700) embodied these qualities. He began as a coolie pushing a cart in Edo, and became a very successful trader, often consulted on how to get rich quick. The moment the great Edo fire started, one day in 1657, he made a quick trip to Kiso, the major source of timber for Edo, and bought up all he could, selling it later at very high prices in Edo.[16]

The Edo merchants were especially known as great spenders. The Edo merchants Kinokuniya Bunzaemon and Naraya Mōzaemon and others, according to Professor Honjō, gained the admiration of all in the gay quarters by throwing away money with a nonchalant air. The wives of Kyōto as well as Edo merchants paraded their expensive clothes in the streets, and in the sumptuous mansion of Yodoya in Ōsaka, before 1705, when the *bakufu* confiscated all Yodoya's property,[17] care seems to have been taken to violate every *bakufu* prohibition on the use of lacquer furnishings, gold, silk, etc.[18] Some stories of Edo merchants throwing away their money seem apocryphal, but Professor Tsuchiya apparently believes a contemporary description of Naraya enjoying a snow scene until Kinokuniya threw coins into the snow so that a mob would frantically trample and scatter the snow.[19]

The merchants of all the cities were alike in their fascination with the theatre and the gay quarters, described by one observer as 'by day like paradise and by night like the palace of the dragon king . . . guests rival each other in spending. When one spends a hundred, another spends a thousand.'[20] This description dates from the Genroku period, the high

[15] Sakata, *Chōnin*, pp. 70–1.

[16] *Ibid.*, pp. 125–6; *NKSJ*, p. 295.

[17] On the Yodoya confiscation, see Sheldon, *The Merchant Class*, pp. 102–4, and, on Professor Crawcour's statement that it did not happen, see my comments in *Pacific Affairs* (Winter 1969–70), pp. 528–9.

[18] Honjo Eijiro, *The Social and Economic History of Japan* (New York, reprint edn: 1965).

[19] Tsuchiya Takao, *Nihon no Seishō* (Tokyo: 1956), p. 56.

[20] *Waga Koromo*, by Ei Bian, in *Enseki Jisshu*, Vol. I, pp. 141–2, quoted in Sakata, *Chōnin*, p. 25.

point in the development, in Ōsaka, of the townsmen's culture. Spending was less free in the less affluent eighteenth and nineteenth centuries, but the theatre and gay quarters remained the chief focus of the leisure-time activities of the townspeople in general. In 1816, a writer complained, 'All the women in the cities, married or unmarried, take no greater pleasure than in the *kabuki*. No one is more idolized than the *kabuki* actors, and women never cease in their constant infatuation with them. The plays no longer imitate society; rather, society imitates the plays as models for life.'[21] In the popular literature, there are many stories of spendthrift sons of merchants who ruin their families in the gay quarters, even in Ōsaka, where the merchants' code insisted on frugality. The house constitutions of merchant houses, especially of those in Ōsaka, abound in warnings to sons to avoid such 'bad places' (*akusho*), not bad for moral reasons, but bad for the family finances.[22] Pictures of well-known courtesan beauties and actors depicted in famous scenes attained great popularity from Genroku times on.

There were restrictions in the opportunities for self-expression and a certain sense of frustration felt by the merchants whose social and economic positions were poles apart and who no doubt felt the general contempt and hostility of the samurai. In Saikaku's novels can be discerned 'a yearning for greater social or cultural opportunities, for a wider arena in which to spend energy and develop talent.'[23] Fads, mostly originating in the gay quarters, such as kimono and hair styles, or from the theatre, swept the cities, where it was considered a social necessity to be absolutely up to date.[24] Merchants expended their energies in 'sexual adventures, in continual experiment with luxury and extravagance; this is the only field in which the new *chōnin* class could express its increased power with impunity.'[25] Practical considerations seem to have overruled the Confucian morality of the Bakufu, which apparently decided it was better to permit the theatre, so long as women and boys were not employed in it, and to maintain the gay quarters which were at least physically cut off from the rest of the urban society by walls, and were off limits to samurai (but not always effectively so, as some did go disguised as townsmen), and in which the energies of the townsmen could be expended in relatively innocuous and trivial activities.

[21] *Seji Kenmon Roku*, in *Kinsei Shakai Keizai Sōsho* (Tokyo: 1926–27), Vol. I, p. 242.
[22] Sakata, *Chōnin*, p. 36.
[23] E. Herbert Norman, 'Andō Shōeki and the Anatomy of Japanese Feudalism', *TASJ* 3rd series II (1949), p. 74.
[24] Ishida, *Kinsei Bunka no Tenkai*, p. 395.
[25] Norman, 'Andō Shōeki', p. 76.

From about the end of the seventeenth century, the *bakufu*, as well as most of the *daimyō*, suffered from financial difficulties. This was basically because a very numerous samurai class, underemployed in terms of official duties in the Bakufu and in the *han*, had become accustomed to a high standard of life which they considered appropriate to their rank and status, in the period of economic expansion of the seventeenth century. But their incomes depended on the crops, of which a fixed portion was taken in tax, and the rate of increase of agricultural yields was slowing down markedly as limits were being reached in exploitable land, in the possibilities of land reclamation, and in further progress in agricultural technology.[26] Increased acreage devoted to cash crops did not help the tax collectors, particularly those of the *bakufu*, who had less success than some of the *han*, who organized *han* monopolies in particular products, in shifting the tax taken from food crops, mostly rice, to other types of production. A basic problem of the economy was that by the end of the seventeenth century, much of the increased agricultural production was being absorbed by an increased population, which rose from roughly eighteen million in 1600 to about twenty-eight million in 1700, after which it rose only about another two million, to thirty million, in 1868, and this proved to be too large a number to feed, given the technology of the time, in bad crop years.[27]

Due to overspending, retrenchment policies were adopted by the *bakufu* and most of the *han*, which further slowed the economic expansion, and as the samurai went into debt to merchant moneylenders, interest charges joined higher prices on the things samurai needed, to raise significantly the expenses of living. Rice prices varied greatly, and seem often to have been low relative to other prices, which

[26] Technological improvements continued in the middle and later years of the Tokugawa period. See Thomas C. Smith, *The Agrarian Origins of Modern Japan* (Stanford: 1959), and his chapter, 'Okura Nagatsune and the Technologists', in Hall and Jansen (eds), *Personality in Japanese History* (California: 1970), pp. 127–54. But the diffusion of techniques was hampered by the tendencies of the feudal domains to keep improvements in techniques secret to give them advantages over other domains.

[27] A contributing factor was the virtual impossibility of moving food from domains with plenty, who wanted to hold onto it, to domains of want. There was an increasing gap, with the growth of cash crops and capitalistic farming, in the standard of living of the poor peasants who had difficulty adjusting to a money economy, and those 'peasants' who did very well in trade, moneylending and in the managing of handicraft industries. Such well-to-do farmers provided a demonstration of considerable affluence in the village which, one suspects, had much to do with the discontent of the less fortunate peasants, and on the resulting abandonment of fields, infanticide and peasant rebellions. The severe problems of the *mizunomi hyakushō*, 'water-drinking peasants', in view of evidence of increasing production throughout the Tokugawa period, can probably be best understood in terms of the mal-distribution of wealth.

was disadvantageous to the samurai whose income depended on rice prices.[28]

The only sector of the economy which continued to flourish was the mercantile and banking sector and the merchants whose monopoly it was, though the monopoly of city commerce was increasingly challenged by provincial merchants. *Bakufu* policy switched back and forth between supporting the merchants' monopolies in the *bakufu* cities as a means of regulating commerce (and collecting fees from it, although this was not a major item) and permitting provincial competition, thus benefiting *han* monopolies, in the hope of bringing down prices.[29] One finds occasional recognition, though reluctant, by samurai writers, that merchants were necessary evils, but they insist that merchants should not live too well, certainly not better than their betters. There was something profoundly disturbing about a society that permitted the merchants, properly the lowest in the social hierarchy, to enjoy a higher standard of life than the upper samurai, even the *daimyō*. The anonymous author of the *Seji Kenmon Roku* (1816), complains,

> Because everyone from the greatest feudal lords on down to the lowest samurai uses money, the merchants make huge profits. In prosperity they far outstrip the samurai class, and enjoy far more conveniences and amenities of life. Without moving an inch, they supply the necessities to all the provinces, they act as official agents of the ruling classes down to the lowest samurai, changing money, handling rice and all other products, even military equipment, as well as providing facilities for travel, horses and trappings, etc., and merchants are indispensable for any kind of ceremony.[30]

Ogyū Sorai's solution to the problems raised by the upstart merchants was to stop the 'hotel existence' associated with the *sankin kōtai* and the

[28] Kozo Yamamura, in *A Study of Samurai Income and Entrepreneurship, Quantitative Analyses of Economic and Social Aspects of the Samurai in Tokugawa and Meiji Japan* (Harvard: 1974), suggests that the real incomes of the *hatamoto* (bannermen) may not have decreased much after 1700, but he leaves debt repayment out of account. Other evidence he cites indicates that the real incomes of other samurai did decrease considerably. This book, although sometimes mystifying, and flawed in many ways (see my review of it in *Monumenta Nipponica*, XXX, 2 (Summer 1975), pp. 212–16) does introduce a few points which contribute to our knowledge of the periods covered. Horie Yasuzō, *Kinsei Nihon no Keizai Seisaku* (Tokyo: 1942), the best study available of Bakufu economic policies, points out that prices of goods other than rice tended to go up with rice prices, but not down (p. 58). Also, Hauser, *Economic Institutional Change in Tokugawa Japan*, pp. 33–4, states, referring to the period 1716–35, 'Symptomatic of the growing problems faced by the samurai was a rise in commodity price levels which was accompanied by a decline in the price of rice.'

[29] For some of the changes in Bakufu policies, see Hauser, *Economic Institutional Change*, esp. pp. 16–19; 51–8; 185–8.

[30] *Kinsei Shakai Keizai Sōsho*, Vol. I, p. 157.

residence of the samurai in Edo and the castle towns, the two factors probably most responsible for the growth of the money economy, by sending the samurai back to the land from which they had originated. This was clearly considered impossible by the *bakufu* in the 1720s, but Sorai's description of the dilemma of the ruling classes is interesting enough, allowing for the hostility towards merchants and the hyperbole which Sorai shared with most polemicists of his time, to quote at some length:

For the period of each alternate year during which the daimyō live in Edo they live as in an inn. Their wives, who remain in Edo all the time, live permanently as in an inn. So do the hatamoto who live permanently in Edo. This is also true of the majority of the household retainers of the daimyō who do not live on their lands (chigyōsho) but live in the castle-town of their lord. What is more, the number of retainers living in Edo has increased in recent years. The result of all these circumstances is that there is now not one member of the military class who does not live 'as in an inn', while the number of common people from the fiefs who pursue the occupations of artisan or merchant, together with pedlars (botefuri), day-labourers, and other idlers (yūmin), who have been leaving their homes in the country to come to Edo has been increasing from year to year. If the inhabitants of Edo realized that they were 'living in an inn' their expenses might be less, but since they have not the slightest awareness of the fact and regard their 'inn life' as the normal state of affairs the expenditure incurred by the military class is extremely great and the income from their lands is being completely absorbed by the merchants. The entire emoluments granted them by their lords in return for their loyal and devoted service fall into the hands of the merchants of Edo. They are now reduced to the pitiable condition in which they cannot afford to keep a horse or to maintain the services of retainers, but must meet their needs by pawning their property in the period between the receipt of their winter and spring kippu,[31] or must give away their substance by asking chōnin to arrange credit for them . . . All this has come about because everything down to the last chopstick has to be provided by means of money purchases. Not only this, but the finances of the Bakufu are subject to the same consequences of 'living in an inn'. This is because the needs of the Bakufu are satisfied by means of money purchases of the articles required.[32]

At present it is the practice among the members of the military class, including the Bakufu and the daimyō, to retain from their annual rice-incomes only the amount required for consumption as food. The remainder is sold and the money received used for the purchase of goods from other localities and in meeting day-to-day expenses. Since they cannot live for one day without buying things, the military class cannot do without the services of the

[31] 'Retainers of the Bakufu who received stipends from the Bakufu in rice (kirimai) received certificates (kippu) entitling them to receive a portion of their stipend on three occasions during the year. These were known as the summer, winter and spring kippu.' Footnote 2, p. 36, McEwan, *The Political Writings of Ogyū Sorai.*

[32] Translation from *Seidan*, 51, in *ibid.*, pp. 36–7.

merchants. Since the merchants have possession of the goods and since the members of the military class meet their needs by buying these goods, it is possible for the merchants to raise their prices but it is not possible for the members of the military class to force them to sell. The result of this is that the members of the military class are forced to buy by circumstances of urgency, and the merchants can demand any price they please. The cause of this situation is the fact that the military class live as in an inn. As a result of it, the profits made by the merchants in the last hundred years are unprecedented in Chinese or Japanese history as can be seen from historical records, and, nearer at hand, from the prices of goods imported through Nagasaki . . . Everything is now easily and conveniently procurable and no one need be in want of any kind of goods, for no matter how fine or expensive the article may be it can be supplied at once. It is because of this convenient supply of all kinds of goods in Edo, added to the fashion of trivial bustle[33] and the absence of regulative institutions, that the military class, no longer thinking highly of rice but valuing only money, are deprived of their substance by the merchants and forced into even greater impoverishment.[34]

The reasons for the financial embarrassment of the daimyō is that they must spend every second year in Edo and, since they feel that they must maintain the style proper to their station while they are in the city, they sell all their rice-income and waste the money they receive for it during their stay here. Such is the life of the daimyō. Because of the rise in prices in Edo their expenditure continually increases . . . Because of their fear of the power of the Bakufu they borrowed money from the merchants of Kyōto and Ōsaka, regardless of the poverty which might overtake them. They were unable to repay the money and in many cases the merchants refused to lend them any more. Their impoverishment was made even more extreme when the gold and silver coinages were changed. They have now no means of observing economy and there are many of them who find themselves unable to pay the rice stipends of their retainers.

If we look into the reasons for the fact that the daimyō are unable to observe economy we will find that they are prevented from doing so by 'the style proper to their station' (kaku) and that it is this which has reduced them to a condition in which they cannot practise economy.[35]

Despite this eloquent plea, I rather doubt that many tears will be shed on this page for the *daimyō*, nor will Tokugawa merchants be much blamed for doing what no doubt came naturally.

[33] 'Sewashiki fūzoku. Sorai uses this expression to describe the delight in empty ceremony and concern for formal correctness rather than effective action which characterized the officers of the Bakufu.' Footnote 1, p. 38, *ibid.*

[34] Translation from *Seidan*, 52, in *ibid.*, pp. 37–8.

[35] From *Seidan*, 67, in *ibid.*, pp. 39–40.