

Japanese Capitalism and the Extended Family System

— Modernization and Tradition in a Local Community —

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1. Introduction

The process of modernization may be regarded as universal, took place in its particular form in the West as well as in the East, for instance in Japan. Western scholars have used abstract and analytical concepts to compare men, societies and cultures. Modern capitalism took place in Western Europe where Christianity has been the only legitimate religion. Thus the spirit of capitalism was closely related to the ethos of Puritanism as Max Weber pointed out. In so far as modernization is regarded as the process of rationalization, it was thought to be opposed to the traditionalism which appeared in a variety of forms in the communities.

Modernization itself was realized in the West at first, therefore people in the West confused the universal form of modernization with its particular Western forms. More over, in Japan people considered the universal form of modernization Westernization. However, it must be pointed out that modernization in England is only one form of universal modernization just as modernization in Japan is but another form.

Social Scientists in Japan tend to regard Japanese modernization as atypical or distorted compared with the one of the West. It is true that the development of capitalism in Japan did not completely break through the traditional community structures such as household and village.

Furthermore Japanese have a communal religious reality which is quite different from the West. Therefore in Japan development of capitalism did not encourage individualism and privatization but encouraged collectivism and socialization. In the emperor system, where modernization process took place, we can observe the simultaneous creation of tradition.

In this paper the author examines the developmental process of the Katakura Silk Company in relation to the Katakura extended family system. The reason the silk-reeling industries in the Suwa lake area have been taken as an example is that indigenous and spontaneous industrialization in Japan was only possible in the field of silk industry.

No matter how one defines modernization, one can agree that the Japanese modernization took place after commodore Perry came to Uraga in 1853. After the Treaty of Peace and Amity in 1854, the Treaty of Amity and Commerce between Japan and the U. S. was concluded in 1858. Since then, while the cotton industry declined because of the import of cheaper cotton thread, the silk industry thrived through foreign trade.

Modernization in the area of Suwa lake began with the development of the silk industry. After Meiji

* A paper to be presented at the XII world Congress of Sociology. Madrid, Spain, July 1990.

Restoration in 1868, the newly established government bought machines from advanced countries and established government factories. The government hired Western engineers and trained Japanese workers to develop an indigenous modern industrial system.

In the silk industry the government bought spinning machinery and started a government factory in Tomioka in Gunma Prefecture near Tokyo in 1872. They hired a French engineer for the same amount of salary as the then Japanese prime minister. But it was too naive to believe that once the machinery was introduced the rational organization would be built up automatically. Machines, raw materials, and workers are the means of production. When we introduce machinery from the West, it is imperative to introduce free labor forces and raw materials which go with the machinery. Thus in Japan, private capitalists in the silk industry did not introduce the machinery from the West to make a profit. Instead, they tried to disassemble the machines and rebuild new ones in order to make machines that would fit with small household businesses.

In England where a massive free labor force was created and capitalists could organize rational labor groups, laborers worked in order to get money for their labor. In Japan there are neither capitalists nor laborers in the Western sense. Village communities and household communities still existed even after Meiji Restoration. The Japanese silk industry reached the stage of a domestic industry after Meiji, but there had been no large modern industrial organization in Japan. Early capitalists in the silk industry had to first develop their domestic industry based on the family system.

And as the scale of management was enlarged, the labor organization was built on the extended family system. At the outset the silk reeling industry was carried on by small nuclear families and when a scale of business became larger it was carried on by the larger extended family.

The peasants at the end of the feudal era were engaged in the silk industry as a side business. Before the opening of the country to the West, the peasant spun silk and cotton into yarn as raw material for textiles. However the silk that was spun after there was trade with the West was mostly for export goods. It has been assumed that when the products increased and the production scale was enlarged, wealthy farmers began to hire laborers and introduced machines from the West and started the capitalistic enterprise.

But this assumption is groundless. When Japan borrowed technology from the West, she must borrow also materials and labor forces which fit with the local technology. The machinery alone is not enough for the development of a capitalistic rational organization. It is necessary for a scholar to find some indigenous factors making possible this rationalization.

Therefore Robert Bellah searched for inner motivation for the development of capitalism when he tried to explain the Japanese process. He concluded that the Buddhism played a positive role in Japanese modernization, just as Western Puritanism did in the West. But later he revised these theories.

In the "Introduction to the Paperback Edition" of his *Tokugawa Religion*, he said that "the book's weakness ... come from my unwillingness to face the defects of the Japanese pattern or to count the costs that Japanese modernization would exact ... However, the greatest weakness of the book has nothing to do with Japan but with a weakness in the modernization theory I was using: I failed to see that the endless accumulation of wealth and power does not lead to the good society but undermines the conditions necessary for any viable society at all." (p. xviii)

He abandons his early assumption that modernization in opposition to tradition is itself an end. Now he assumes that tradition is an end and modernization is only one available means to achieve this end. If

modernization hinders tradition, he insists, modernization should be checked to preserve the tradition.

2. An Examination of History

In Japan, folklore has the core of national learning unlike in Western scholarship. According to Kunio Yanagida, a leading scholar of Japanese folklore, *ie* in Japanese originally meant a cooperative labor group and *oya* was the leader of this labor group and *ko* is the follower. Therefore originally the relationship between *oya* and *ko* had nothing to do with blood relationship.

A prominent Japanese rural sociologist, Kizaemon Aruga who was much influenced by Yanagida, has studied the landlord system and household system in modern Japan. In Japan where modern industry was introduced from the West after the Meiji Restoration in 1868, a semi-feudal landlord system developed instead of the development of a capitalist-laborer relationship in agriculture.

Tenants had to pay half of their produce — mainly rice — to the landlord as rent. This rate was almost the same as feudal land rent which peasants had to pay to a feudal lord. In the land lord system tenants were not formal members of the village community. They had no rights to decide the communal problem of the village, and the important matters were always decided by the landowners. Among these landowners a few large landlords had much decision making. There was a strict status order based on the amount of arable land owned.

Therefore Japanese Marxists tried to apply Marx's feudal land rent theories to Japanese rural villages. According to Marx, there are three kinds of feudal rent i. e. labor rent, product rent and money rent. The oldest form of rent was labor rent. For instance, a serf in Europe had to work on his master's farm three days a week and had to cultivate his own allocated land the remaining three days if he could rest on Sunday. However, whereas in Europe a serf was typically small family, in Japan independent peasants were included in their master's large extended family.

In Japan small family farming only began in the seventeenth century, and before that time the farming unit was a large extended household in which an *oya* was the leader and all the members of the extended family were the followers, *ko*. Therefore, professor Aruga argued, there was no labor rent in the Japanese land system, and even after the Meiji Restoration, in the area where landlords had cultivated their arable land and enlarged their household members to use them as laborers, the estate consisted of a large extended family in which landlord was the leader.

In a postscript to his book titled *Japanese Household System and Tenancy System* in 1943, professor Aruga said that:

"As for the formation of Japanese capitalism, many Japanese scholars tend to consider that only the developmental form of Western capitalism is universal. Even people who try to find some phenomena unique to Japan tend to regard Japanese capitalism as a latter development or atypical distorted form ... We must look at capitalism taking into account into two factors: one is its economic function and the other is the characteristic social relationships which exist under capitalism. Unless one can study the relationship between these two, one can not understand Japanese capitalism ... In the book the author studied the extended Japanese household system in rural areas, to prepare to solve this problem. Therefore next the big merchant families should be considered, because the development of Japanese capitalistic economy was only possible through the development of the big merchant family into large company organizations." (postscript,

p.2.)

One should pay attention to the fact that professor Aruga focused only on landlords and the privileged merchants and neglected entrepreneurs and wealthy farmers. It is unfortunate that he did not mention the development of the silk reeling industry in the Suwa lake area as a large extended family business. Aruga was born in 1889 in this area and entered Suwa High School in 1909 where he enjoyed his dormitory life for five years. One of the main enterprises of this area was the silk reeling industry represented by the Katakura and Company limited which was a family business like other small companies in this area. It can hardly be assumed that professor Aruga did not know the fact that the Katakura extended family ran the Katakura and Company limited. The reason Aruga did not mention the Katakura family business is not clear.

The fact that he was born as the heir to a large landlord family who served as the head of the village by succession, might be related to his underestimation of the role of peasants in the achievement of modernization. This would also connect with his disregard for modernization "from below." Also this is one of the tasks of sociology of Aruga sociology.

Professor Aruga presented same argument in his last article titled "Japanese Culture and Foreign Civilizations" in 1979. He said as follows:

"From 1876 to 1886, many government enterprises were established. The government employed foreign engineers to teach Japanese the manufacturing process. They were to teach managers how to run the factories and train workers. The Government disposed of these factories later at a bargain rate to the big merchants. Thus the government allowed the powerful merchants to take over the business and manage them as a family business.

"As I mentioned before James Abegglen wrote that in Japan the reason capitalistic production developed is unknown. In the West there are theories that the cause of the development of capitalism was a rational world view such as Puritan ethics. In Japan it seems that the cause of the development of capitalism was the governmental order to develop the factory as a family business. But one should not forget the fact that the government convinced the privileged merchants that this was the way to pledge their loyalty to the new Meiji state. It is important to see the spirit of the Meiji Era emerged through contact with international circumstances." (Aruga, 1980, pp. 24-25.)

It is clear that professor Aruga made a serious mistake in concluding that the government would be able to establish a profit making rational organization which would later be transferred to the hands of the big merchants. As we will see later, it was very difficult for modern Japanese private factories to make a profit. This was the reason why the government established factories. The situation did not change even after the big merchants took over this business. Thus professor Aruga believed that the merchants thought they could run factories as family business with financial aid from the government.

According to professor Aruga the extended family system was needed only in the case of modernization "from above." He neglected the fact that in Japan even farmers used the household system and the extended household system as a model to establish a new factory system. They could not create a new business form from nothing. And this has colored all of Japanese capitalism and modernity.

Japan is the only major industrial society yet to emerge from outside the Western tradition. Japanese society is very different from those of the West. Robert J. Smith argues in his book *Japanese Society* (1983) that the difference is found not so much in organizational and industrial forms as in the Japanese

view of man and society and the relationship between the two. He pointed out as follows:

"... If there is a conception of immorality, it is lodged squarely in the practice of the ancestral rites of the household. The head of a household had as one of his important duties to make certain there is a successor in the generation after his ... A person's spirit is sustained by his descendants, and ... it has been thought for centuries that the care of the souls of the dead is chiefly the responsibility of those they have left behind in this world. The spirits of the deceased delight in the success of their descendants, are fed by their hands the same food eaten by the living, and are linked to their households eternally through proper observance of the memorial rites ...

"In this world the living bear the heavy burden of an unrepayable debt to the collectivity of the ancestors who gave them life, and each must strive to contribute what he or she can to the patrimony of those who will come after. Human nature, essentially good, is nevertheless such that individuals must discipline themselves to meet the demands of society." (Smith, 1983: pp.123-24.)

However, he does not forget to add that "it must nevertheless seem to us that in their concern to maintain social order, the Japanese have too thoroughly discouraged the open expression of individuality, in which we are likely to see the ultimate strength of any social system." (*Ibid.*, p.134.) He pointed out a very important thing. Japanese must establish a new relationship between man and society in order to realize the open expression of individuality.

3. Development of the Silk Reeling Industry in the Suwa Lake Area

As I mentioned earlier, the traditional cotton-spinning industry was seriously damaged by the import of cheap cotton thread in the opening of the country. But later even though cotton thread was spun by machine, the traditional cotton fabrics survived because their products were bought by Japanese who favored the traditional clothes which felt good against the skin. The silk-spinning industry was developed because of the rapid growth in demand by foreign countries.

But at that time silk was spun by peasant wives on a wooden reeling instrument operated by one person. In the end of Tokugawa period (in the 1850s) there existed many silk merchants and wholesale dealers in the rural area who gave cocoons and instruments to peasant wives to spin thread.

Also some wealthy farmers hired women to work together in a cottage on their estates. Because each worker operated one reeling tool, we could not define this stage of production as manufacture. But separation between the sericultural industry and silk reeling industry was advanced during this period.

The amount of cocoon and raw silk production did not change rapidly even after the Meiji Restoration in 1868. We show the condition of raw silk production in 1875 in present Okaya city which consists of four former villeges in Table 3-1. Also Table 3-2 shows the amount of raw silk produced in the Suwa lake area from 1881 to 1912. From these data we can say that the rapid development of the silk industry in this area took place in the very beginning of the twentieth century. As we show in Chart 3-1 factories of silk production in Okaya city were few and most of them centered in Hirano villege in 1883.

But in 1893, ten years later, new established factories were built in Kawagishi villege on the large Tenryu river. And from 1893 to 1918 most factories were concentrated in Kawagishi villege.

Until the latter decade of the 1890s, most factories were small in size and the water wheel for automatic power was also small so that a small river like Yokokawa was enough to move the wheel. At that time the

Table 3-1 The Silk Industry in the Okaya Area in 1875

Villages	No. of household	Population	No. of horses	Products	
				cocoons	raw silk
Kawagishi	456	1,974	154	400 <i>kan</i>	180 <i>kan</i>
Nagachi	516	2,467	10	600	360
Hirano	987	4,501	45	1,200	1,440
Minato	341	1,572	5	--	10

Note : a *kan* = 8.267lbs.

Table 3-2 Number of Basins and Silk Produced by the Workers in the Suwa Ares

Year	Raw Silk products	No. of Basins	No. of Workers	Year	Raw Silk products	No. of Basins	No. of Workers
1881	6,661 <i>kan</i>	1,369	1,602	1897	85,956 <i>kan</i>	9,909	10,926
1882	6,670	1,290	1,510	1898	102,836	9,969	10,657
1883	7,274	1,301	1,522	1899	135,978	10,653	11,424
1884	11,107	1,524	1,900	1900	147,386	10,963	12,012
1885	17,966	2,242	2,622	1901	150,037	10,634	11,478
1886	24,779	2,752	3,009	1902	154,792	13,383	14,826
1887	29,427	3,159	3,696	1903	174,579	12,030	13,774
1888	41,634	4,234	4,953	1904	181,499	12,917	14,963
1889	53,252	5,352	6,262	1905	182,992	14,415	17,661
1890	70,087	7,337	8,584	1906	230,774	15,910	19,241
1891	79,392	7,452	10,445	1907	254,715	16,962	19,747
1892	102,646	8,420	10,890	1908	286,016	17,876	21,450
1893	110,133	10,883	12,881	1909	352,970	20,202	23,665
1894	144,131	13,426	14,995	1910	375,599	19,912	22,485
1895	153,657	13,499	15,110	1911	376,198	18,526	25,339
1896	126,335	12,212	12,415	1912	508,966	19,973	30,356

average number of basins to boil the cocoons in a factory was 10-20. But after that the scale of the factories became larger and the number of basins increased to 100-150. Thus the water wheels were set in the larger, Tenryu river.

In Japan machinery use in the silk industry began in 1872. The Meiji government established a factory in Tomioka, Gunma Prefecture. But the Tomioka silk factory faced great difficulty. The people in Tomioka who saw machines for the first time thought they must have been a product of Christian magic. Above all people believed that workers who worked under the control of foreign engineers had their blood drained used as the red "wine" that the Westerners drank.

Managers of the government business also had trouble getting trained laborers who could operate the

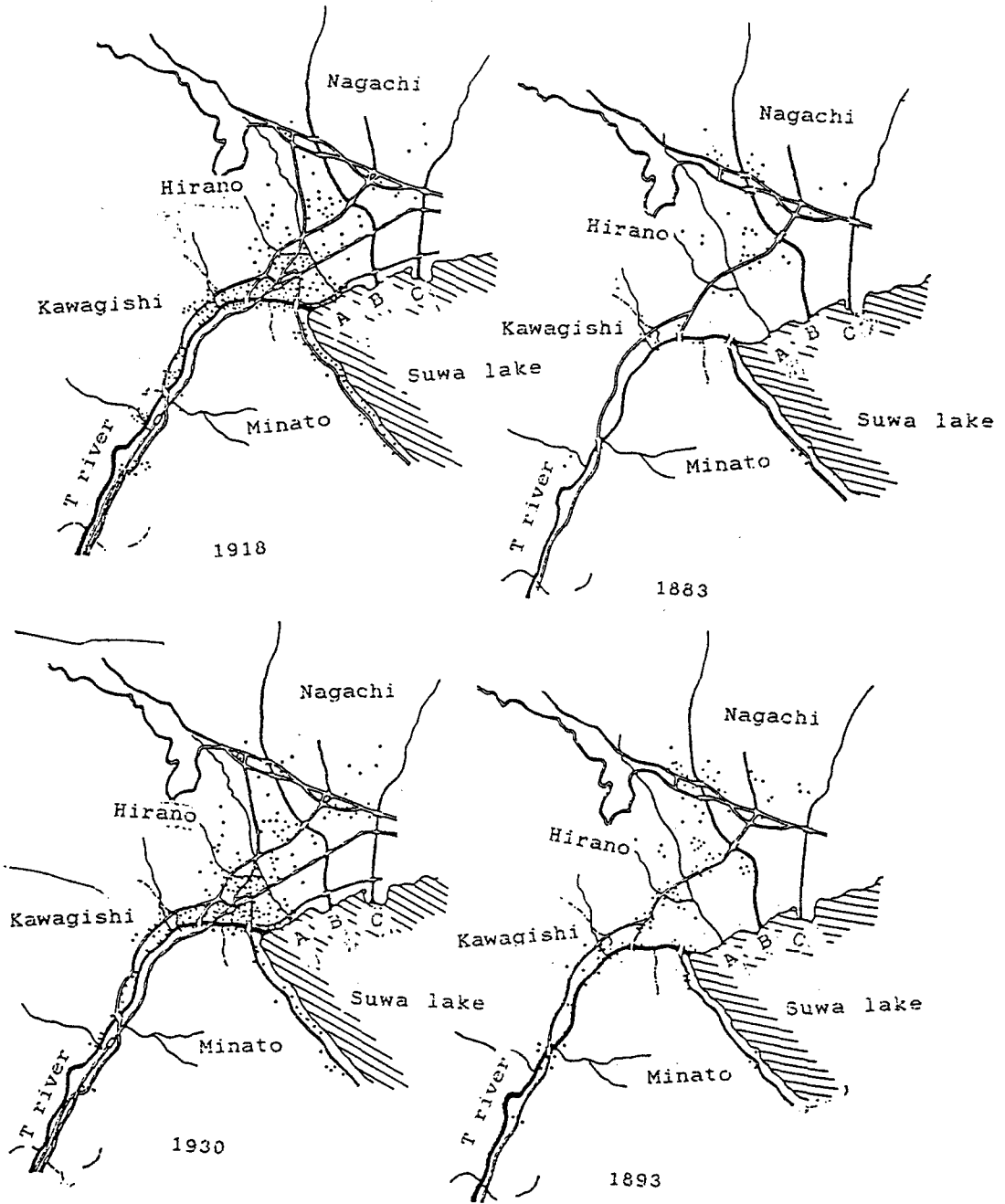


Chart 3-1 Distribution Factries (more than 10workers) in the Suwa Lake Area

machines. Western engineers who received a high salary which was almost the same as the prime minister's were of no use to train Japanese workers because they could not speak Japanese and were not accustomed to Japanese culture.

Red-tape was another problem. Kenso Hayami who was the second director of the Tomioka factory complained that officials thought only of protecting their own interests and were hampered by minute rules. It was impossible to make a profit under the conditions in which the government bought high priced machines from foreign countries, paid foreign engineers high salaries, hired unskilled workers and set down troublesome bureaucratic rules.

In 1875 before he became the director, Hayami recommended the Minister of Home Affairs, Hirofumi Ito, that the factory should be transferred to private hands. Ito said that it was unavoidable to sustain a loss because of the business which the government had recommended, Hayami replied that it should not be a business hidden from the people, but that it could be a model factory that all people could imitate. His point was that if the government did not correct this loss, even though a good product was made, people would not be interested in this industry.

Tomioka silk factory did not make a profit, but people in the private sector began to introduce machines and establish factories like Tomioka. The Tomioka factory had machines which allowed 300 workers to work together. These machines were large enough to deal with the cocoons that had been boiled 300 basins at once.

Some merchants and landlords bought French and Italian machines and built big factories right after the Tomioka factory was established. But none of these factories continued. On the contrary, like the people in Okaya they developed new machines which were a compromise between the Italian and French styles. It was simplified and made practical for Japanese. So they invented a new machine made of wood and tin which was very cheap and fit a small factory.

A high school textbook of Japanese history pointed out that the silk industry based on the rural sericultural industry had been developed rapidly because the export products for the Western countries increased, and then small factories in a rural area like the Suwa lake area were developed.

These small factories were equipped with the improved machines which were made by learning of the structure and function of the Western industrial machines. These improved machines by Japanese were very primitive ones which were linked each other by a water mill. Only in this point they were different from the traditional spinning tools manipulated by sitting workers.

The cotton textile industry declined because of the import of cheap cotton goods. But the Japanese people love the soft touch of the traditionally woven cloth, so the household textile industry recovered its production using the imported cotton thread and improved weaving machines.

On the other hand, the first cotton spinning mill was established by the government in 1878, and was transferred to private ownership in 1886. In 1883 a large private cotton mill was established by importing spinning machines and steam engines. Following this many merchants together established large cotton mills, therefore in 1890 products by domestic machines exceeded imported products.

These are accurate descriptions, but the textbook then described the transfer of these government factories to the privileged merchants who organized the *zaibatsu*, financial cliques. As shown in Table 3-3, Mitsui, Mitsubishi and Furukawa were transferred mines and mills from the government.

From these descriptions the readers would believe that in the silk spinning industry, as in the other

Table 3-3 Main Government Enterprises Transferred to Merchants

	Enterprises	Year	Marchants	Price
Mines	Takashima Coal Mine	1874	Goto later Mitsui	¥550,000
	Innai Silver Mine	1884	Furukawa	108,977
	Ani Copper Mine	1885	Furukawa	337,766
	Miike Coal Mine	1888	Sasaki later Mitsui	4,590,439
	Sado Gold Mine	1896	Mitsubishi	{ 1,730,000
	Ikuno Silver Mine	1896	Mitsubishi	
Ship-Building	Nagasaki Shipbuilding	1887	Mitsubishi	459,000
	Hyogo Shipbuilding	1887	Mitsubishi	188,029
Cement	Fukagawa Cement Manufacture	1884	Asano	61,714
Textile	Shinmachi Cotton Mill	1887	Mitsui	150,000
	Tomioka Silk Mill	1893	Mitsui	121,460

sectors, Mitsui succeeded in the industrialization from above by the disposal of Tomioka silk spinning mill. People might also believe the Katakura Silk Company followed the modernization process which took the initiative by the *zaibatsu* like Mitsui and Mitsubishi.

But in fact, it was just the opposite. Tomioka silk spinning factory was transferred to Mitsui in 1893, but Mitsui sold it to a general partnership, Hara & Co. which sold it again to Katakura. In this respect, there was a great difference in the development between the silk industry and the cotton industry.

In the early Meiji period it was imperative for the government to introduce the Western silk spinning machine, because the Western market demanded the homogeneous fine thread. As I mentioned earlier the government established Tomioka silk factory in 1872 at a cost of ¥198,572 including the French spinning machines which was capable to spin the cocoons of 300 basins.

Before the Tomioka silk factory, Maebashi feudal clan established the Maebashi silk mill with the Italian style machine in 1870. Also in the end of 1870 a private enterprise Onogumi established the factory in Tokyo with the Italian style machine which was capable sixty workers to work simultaneously.

An inducement to producing the machine woven thread was the higher price of the thread compared with traditional tool woven thread. In 1879 price of machine woven thread for 100 *kin* (=150 pounds) was \$710 and that of the tool woven thread was \$563, difference was \$147. However the large factory management which used the large Western machinery faced soon great difficulties.

Professor Mitsuru Takagi pointed out that the first introduction of the silk spinning machine in the Suwa lake area was done by Onogumi in Miyamada factory in 1872. (Takagi, 1975 : p.281.) 100 workers reeled threads on this Italian machine simultaneously. But the Onogumi company went bankrupt in 1874. In 1875 Nakayama Sha was established in Hirano village by nine persons. They ran the firm in partnership. It was equipped with the Western machines capable of work done by 100 workers to spin.

This machine was a prototype of the Suwa style which integrated the French and Italian machines and was improved to fit for Japanese small household business. The total cost of construction of the Nakayama Sha was only ¥1,350. In the case of Tomioka it was ¥198,572. In the case of Nakayama Sha each person invested only ¥150. The cost of construction per one basin was ¥13.50 in Nakayama Sha compared to ¥662 in Tomioka.

To understand the early conditions of the silk industry in the Suwa lake area, we would like to take the

Hirano village as an example. As it is shown in Table 3-4, at the end of the nineteenth century the population was overwhelmingly agricultural in Hirano village. Whereas the percentage of agricultural households in 1872 was 82.2, in 1902 it was 48.1 and in 1912 it was 38.9.

In Hirano village the production of the machines exceeded the production of the traditional reeling tools in 1879. Table 3-5 shows the development of the machinery production of the silk industry in Hirano village. Although the production and number of female workers increased in the 1890s, the machinery production in general did not develop rapidly.

As shown in Table 3-6 and Table 3-7, in 1879 in the Suwa lake area the size of the silk factories was small. Factories which had fewer than twenty basins were 80.6% of the total and 83.3% had fewer than

Table 3-4 The Change of Population and Occupation by Household in the Hirano Village

Year	Population	Household				
		Total	Agriculture	Industry	Commerce	Other
1872	4,412	972(100)	802(82.5)	46(4.7)	65(6.7)	59(6.1)
1879	4,735	?	925	56	62	?
1892	14,069	?	1,035	?	326	?
1902	?	2,586(100)	1,243(48.1)	432(16.7)	809(31.3)	102(3.9)
1912	37,461	3,088(100)	1,202(38.9)	572(18.2)	748(24.2)	566(18.4)
1924	49,014	4,173(100)	1,036(24.8)	729(17.5)	962(23.1)	1,446(34.6)
1930	53,878	6,453(100)	722(11.2)	2,318(35.9)	1,568(24.3)	1,845(28.6)

Table 3-5 The Mechanized Silk Factory in Hirano Village

Year	Factories with 10 Basins or More	No. of Basins	Workers		Cocoons as Raw Material	Silk Production	
			Male	Female		Amount	Money
1875					<i>koku</i>	1,125 <i>kan</i>	¥25,000
1876						1,800	76,000
1877	30	455		455			
1878	57	940		940			
1879	28	655	102	655		1,638	
1880	60	941	194	941		1,882	
1881	60	1,046	187	1,046		3,180	176,000
1882	51	1,008	181	1,008		4,712	
1883	44	912		975		4,828	
1884	50	1,234				6,664	251,000
1885	53	1,399				8,544	299,000
1886	50	1,386					
1887	65	1,755					
1888	70	2,192					
1889	72	2,594			41,180	29,853	1,393,000
1890	84	3,362				38,223	1,401,000
1891	87	3,461				46,640	1,653,000
1892	89	3,977				57,591	2,741,000
1893	86	4,764			63,369	60,576	2,725,000
1894	106	6,176			96,238	89,038	3,828,000
1895	109	5,772			65,984	81,927	3,440,000
1896	89	5,332			73,809	70,613	3,177,000
1897	58	4,889	387	4,873		53,597	2,840,000

Note : a *koku*=5.119 U. S. Bushels.

Table 3-6 Number of Mechanized Silk Factories by Number of Basins in the Suwa Lake Area in 1879

No. of Basins	Nothorn Lake Area Villages						Plain Area	Mount Area	Total
	Hirano	Kawagishi	Minato	Nagachi	Shimosuwa	Total			
10-15	7	4	3	8	4	27	16	6	49
16-20	15	1	1	4	3	23	11	4	38
21-25	1	1			1	3			3
26-30	1				1	2	2		4
31-35		2				2			2
36-40	2				3	5			5
41-45									
46-50	1					1		1	2
51-60					2	2	1		3
61-70									
71-80									
81-90									
91-100	1					1		1	1
	28	8	4	12	14	66	30	12	108

Table 3-7 Number of Mechanized Silk Factories by Number of the employees in the Suwa Lake Area in 1879

No. of Employees	Nothorn Lake Area	Plain Area	Mount Area	Total
10-20	33	21	6	60
21-30	20	6	4	30
31-40	4	1		5
41-50	4	1		5
51-60	2			2
61-70		1	1	2
71-80	2			2
81-90				
91-100				
101-	1		1	2
Total	66	30	12	108

thirty employees. Also in 1879 the factories which produced less than fifty *kan* of raw silk were 74.1% of the total as shown in Table 3-8. Therefore we should not overestimate the amount of Western style machinery in the silk industry in the Suwa lake area in the early Meiji period.

The introduction of machine in the Suwa silk industry did not mean direct import of large scale machine factories, but mainly an increase of the small household factory. In the area machine factories increased from 5 to 108 between 1873 to 1879 as we can see Table 3-9. But most of them were small factories with less than twenty basins, less than thirty employees, and producing less than fifty *kan* of silk.

The mechanization of the silk industry in the Suwa lake area was imperative not because of the need to reduce the cost of production but because of the need to make a uniform and fine thread. At that time it

Table 3-8 Number of Machanized Silk Factories Listed by the Amount of of Production in 1879

Production	Nothern Lake Area	Plain Area	Mount Area	Total
5-10 <i>kans</i>		1	2	3
11-20	1	8	3	12
21-30	17	6	1	24
31-40	16	6	2	24
41-50	13	4		17
51-60	4	1	1	6
61-70				
71-80	3	1	1	5
81-90	1	2	1	4
91-100	2			2
101-120	2			2
121-140	2			2
141-160	1			1
161-180	2			2
181-200				
201-250	2	1		3
251-			1	1
Total	66	30	12	108

Table 3-9 Number of Machanized Silk Factories by Number of the employees in the Suwa Lake Area from 1873 to 1879

No. of Employees	1873	1874	1876	1879
10-20	3	3	7	60
21-30				30
31-40				5
41-50			2	5
51-60	1	1	1	2
61-70				2
71-80				2
81-90	1	1	1	
91-100				
101-				2
Total	5	5	11	108

was impossible to run a factory like Tomioka as the profit making enterprise. The Tomioka factory which had iron machines with 300 basins and 300 (actually 210) female reel workers could exist only because it was a government factory.

In the Suwa lake area, a machine factory of one hundred reel could not successfully continue. For example it was planned that the Miyamada factory run by Onogumi would run the machines with 100 female workers, but actually they could be operated by at the most 36 and by 17 workers minimum. This was also true for Nakayama Sha in Hirano village.

The Suwa style machine silk industry which was introduced by Nakayama Sha was not directly im-

ported from the West and was very cheap compared with the cost of Western machines. But even though it was cheap it costed ¥13.50 per basin as well as ¥300 per basin for working funds. Thus because of costs most farmers started managing 10-20 basins factories as family businesses.

In addition, even though a considerable amount of capital was needed to adopt the machine silk industry, the effect of mechanization was greatly limited for technological reasons. Quality production was not possible because of the poor quality and miscellaneous cocoons. A basic necessity of the silk industry was a supply of quality cheap cocoons. Therefore an improvement of the cocoon breeding was a basic need before the silk industry could increase the amount of good quality and cheap cocoons. Cocoon breeding was a prerequisite to the development of the mechanization in silk industry.

4. The Katakura Silk Company and the Katakura extended Household System

The Katakura Silk Company was organized in 1878 as a family business in Misawa hamlet in Kawagishi village in the Suwa Lake area, and reorganized in Tokyo in 1920, as a joint stock company, Katakura Raw Silk and Spin Silk Manufacturing Company Limited. More than sixty percent of the company stocks were held by the Katakura families.

During this period of more than half a century, the company had expanded steadily, and it was widely known as one of the largest and oldest raw silk reelers in the world.

The first president of the Katakura Silk Company was Kanetaro I who was born in 1849. He went to Tokyo to study classical Chinese in 1868, but after few months he came back to Misawa. In 1889 he became the first Kawagishi village head. In 1873 his father Ichisuke, had established a traditional silk mill in his yard. In this mill ten female workers operated each reeling tool independently. Soon the management of this mill was handed to the second son, Mituharu. In 1874 Mituharu established a new family and moved the factory to his own household's yard.

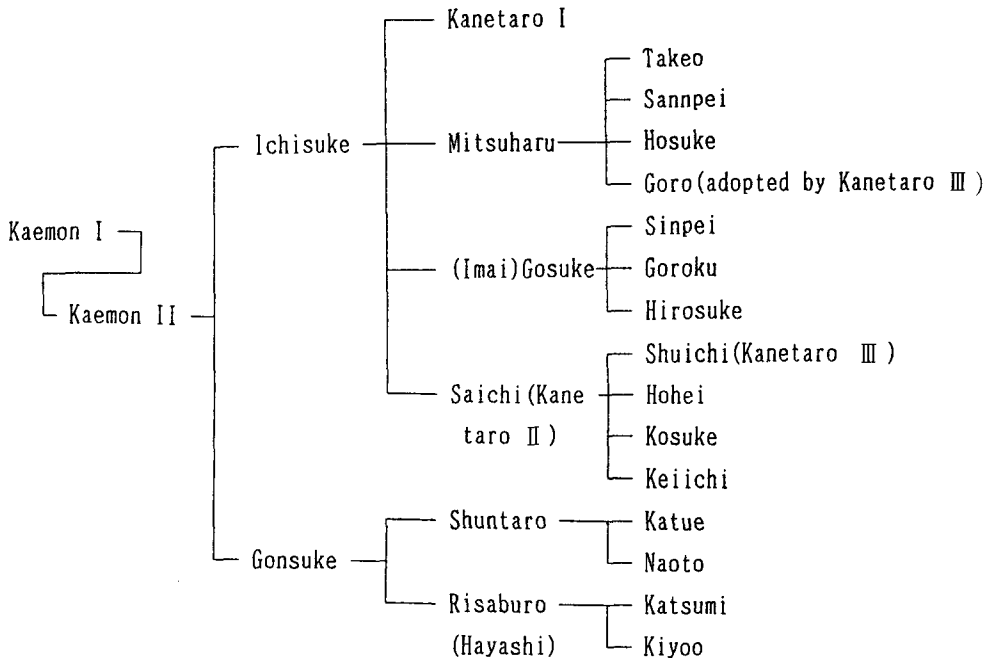
In 1876 Kanetaro's cousin, Shuntaro, and three other persons established Ichinosawa Sha, a machine mill of 32 basins in Misawa hamlet, which was the first machine mill in Kawagishi village. In 1878 Kanetaro and his brother, Mituharu, established Kaito Gumi, a machine mill of 32 basins the same as Ichinosawa Sha. Both of them depended for their power on a water wheel in the Tenryu river. In 1879 Kanetaro I, and twelve other persons established Kaimei Sha. It was a marketing cooperative and later it became a silk company. In 1881 Ichinosawa Sha was amalgamated by Kaito Gumi and later became a mill of 60 basins. Then Shuntaro became one of chief joint managers of Kaito Silk Company.

Now I would like to draw the readers' attention to the genealogical map of the Katakuras shown in Chart 4-1. As we can see in the chart, Kaemon II had two sons. The eldest was Ichisuke and the youngest was Gonsuke. It seems to be natural that the eldest son inherited the household properties.

But in this area inheritance by the youngest son was common practice in the feudal era. In fact Gonsuke inherited Kaemon's household and Ichisuke established a branch family. The success of his son Kanetaro I, as a silk business man was enough reason to change the genealogical fact that Gonsuke's household was a main family.

Ichisuke's third son Gosuke was born in 1859 and adopted by the Imai family as the heir in 1876. But immediately after he married into the Imai family, his father-in-law had a son, causing Gosuke a serious identity crisis. Gosuke went to a normal school and became a teacher in Matsumoto city near the Suwa lake

Chart 4-1 The Genealogical Map of the Katakuras



area. In 1886 ten years after his marriage, Gosuke quit teaching and went to Tokyo leaving his wife and children. The same year he went abroad to the U. S. and there he engaged in agricultural labor for 4 years. He learned the American way of life and acquired a rational and pragmatic thought.

He returned to Japan in 1890 and became the first president of the Katakura Company in Matsumoto, which had 48 basins. It is very important to understand that even though he learned American pragmatism in the U. S., his identity was as a member of the Katakura family.

Ichisuke's fourth son, Saichi, was Kaneraro II. Since Kanerato I had no child, Saichi was adopted as the heir of the Katakura family. He was born in 1862, when Kaneraro I was 14. In 1877 when he was fifteen he went to Tokyo to study private school. Within a few years he had to choose whether to stay in Tokyo and continue to study or go back to his home town to succeed in the family business. He decided to go back to Suwa and engage in the silk industry. In 1894 the Sanzen Sha in Misawa hamlet which had 360 basins was established and Saichi became the first president. It was the largest factory in Japan at that time. As mentioned earlier the government factory, Tomioka Silk Mill had 300 basins at that time.

Saichi was gifted with a splendid physique and as a youth he'd cultivated the land and cut the grasses for fodder much harder than the common people. Later after he became the manager of the factory, he worked hard to buy cocoons from the farmers and when the water mill did not work he jumped into the Tenryu river in the winter to repair it. He was the leader of the household business as well as a capitalist.

In 1895 the Katakura Gumi (Katakura Company) was established. The Matsumoto factory and Sanzen Sha belonged to the Katakura Company, and Kaito Gumi belonged to the Kaimei Sha. Finally in 1920, the Katakura Raw Silk and Spin Silk Manufacturing Company Limited was established. The president was Kanetaro Katakura II and the vice president was Gosuke Imai. The family members among the general

directors were Takeo Katakura, Shinpei Imai, Kanetaro Katakura III, Naoto Katakura, Kiyoo Hayashi and Katsue Katakura.

In 1929, immediately before the great depression, the Katakura Company, with its affiliated companies, controlled more than 50 factories, and 4 silkworm egg establishments, located in different parts of Japan, Korea and China. At that time the company possessed approximately 22,000 reeling basins, and had 31,000 female and 4,000 male employees all told. The annual output of the company, including the production of the companies under Katakura's control, amounted to over 65,000 bales of raw silk, 1,000,000 lbs. of spun silk yarn and 1,000,000 cards of silkworm eggs.

There were many family businesses in the silk industry in the Suwa lake area. But only the Katakura Silk Company was successful enough to become one of the biggest companies in Japan. The reason why it was successful was that it could obtain quality cocoons and produce fine silk. Thus uniformity and improvement in the quality of cocoons was imperative for progress. With this object in view, the Katakura Company, started in 1914, took the initiative to introduce the mass production of silkworm egg cards developing improvement through cross breeding.

In order to reel clean and even silk, the cocoons must be sorted carefully to obtain uniformity in quality and size, eliminating imperfect cocoons. Rejected cocoons were sold for domestic consumption. Cocoon boiling is another essential element in the course of reeling, as it greatly effects the quality of the raw silk. Uniformity of size, evenness of thread and cleanness of silk were essential requirements to maintain the company's reputation.

In 1913 the Katakura extended household made a family constitution, the first article of the first chapter of the constitution said that this constitution was made for the purpose of preserving the happiness of the Katakura extended household. In article two it said that even though the constitution included articles which were illegal in the light of national law, one should observe the constitution unless one would actually be punished. The article 4 defined the Katakura extended household as being composed of 18 families, in which the family of Kanetaro Katakura was the head family and the four families of Shuntaro Katakura, Mitsuharu Katakura, Gosuke Imai, Risaburo Hayashi were main (sub-head) families. Kanetaro I was the first son of Ichisuke and Kanetaro II was the fourth son and the adopted son of his eldest brother. Mitsuharu was the second son and Gosuke Imai was the third son. Shuntaro and Risaburo Hayashi were the sons of Gosuke the younger brother of Ichisuke.

The branch families should have been 13 but there were only five families named in the constitution: Goroku Imai, the second son of Gosuke, Kosuke and Keichi, the third and the fourth sons of Saichi (Kanetaro II), and Hosuke and Goro, the third and fourth sons of Mitsuharu. Of course these branch families were not genuine genealogical families. The other branch families, besides these 18 families, were excluded from the Katakura extended household. The extended household system of the Katakura families was created to maintain the Katakura Company as a general partnership.

Immediately after the constitution was made, a covenant was made by Kanetaro, Shuntaro, Mitsuharu, Gosuke Imai and Risaburo Hayashi in 1923. According to this covenant, the head household of Kanetaro Katakura was to be succeeded by Saichi and would be handed to Shuichi.

The household of Shuntaro Katakura, one of the main families, would be succeeded by Katsue, and Mitsuharu by Takeo, and Gosuke Imai by Mahira Imai and Risaburo Hayashi by Katsumi Hayashi. They were all eldest sons. Kanetaro had a right to establish 4 branch families. Three were already existed: Hohei,

Kosuke, Keiichi, the fourth was to be the male who would be born in the Kanetaro family. Shuntaro had a right to establish 3 branch families. One was already established: Mahito, the other two were the boy who would be born in the Shuntaro family and the boy who would be born in the Naoto family.

Mitsuharu also had 3 branch families: Sanpei, Hosuke and Goro. Gosuke Imai had two branch families: Goroku and Hikoroku. And Risaburo Hayashi had one branch family: Kiyoo Hayashi. Thus at that time there already were ten branch families. Each share in the joint enterprise is shown in Table 4-1.

As typically shown in the case of the Katakura Company in Japan, the prototype of the company was a household or a large extended household. It does not consist of individual stock holders but precedes and transcends individuals. This relationship in joint enterprise also functions in the enterprise to improve cooperation.

In Japanese capitalism a leader is the *oya* and the workers are followers or *ko*. In a capitalist society workers are the sellers of their labor forces, that is their labor abilities. The worker's everyday life is nothing but the on going process of the reproduction of their labor abilities. On the other hand capitalists are personalization of capital, that is gold. A capitalist enterprise is run to make profit. Workers, including managing workers, are expected to labor for reasonable hours and to exchange their labor ability for money. They do not sell labor but labor ability.

In Japan enterprise has not been a rational organization consisting of free and independent workers. It has also not been a capitalistic profit making organization. In Japan it is a unit of cooperative work just as an individual household. Workers' motivation is not to work to get their own living expenses, but to work for the sake of the enterprise, that is the household with which they identify themselves. The enterprise as a household is not an ideology but has realities. In Japan even the labor union is organized in each enterprise and is considered to be the way to create a harmonious relationship within the enterprise. For instance, a labor union in Ishikawajima Heavy Industries in 1930 made the following appeal:

Table 4-1 The Katakura extended household and the Share Rate of Common Property of the Members

	Head of Family	Share Rate of Common Property
Head Family	1 Kanetro Katakura	10/72
Main Families	2 Katue Katakura	8/72
	3 Takeo Katakura	6/72
	4 Shinpei Imai	5/72
	5 Katumi Hayashi	4/72
	Branch Families	6 Hohei Katakura
7 Kosuke Katakura		3/72
8 Keiichi Katakura		3/72
9 Son of Kanetaro		3/72
10 Naoto Hayashi		3/72
11 Son of Shuntaro		3/72
12 Son of Naoto		3/72
13 Sanpei Katakura		3/72
14 Hosuke Katakura		3/72
15 Goro Katakura		3/72
16 Goroku Imai		3/72
17 Hikoroku Imai		3/72
18 Kiyoo Hayashi		3/72

"We must put aside our stress on rights for a time and go back to *giri* (obligation) and *ninjo* (human feeling). Only an immoral fool would demand a pay raise or better treatment in such a depression as this. If the father is poor, so must the child be. We must accept lower pay, work as hard as we can, and with labor and capital united as one, overcome this adversity ... Japanese workers must work for the sake of the nation and abandon the concept of labor and capital.

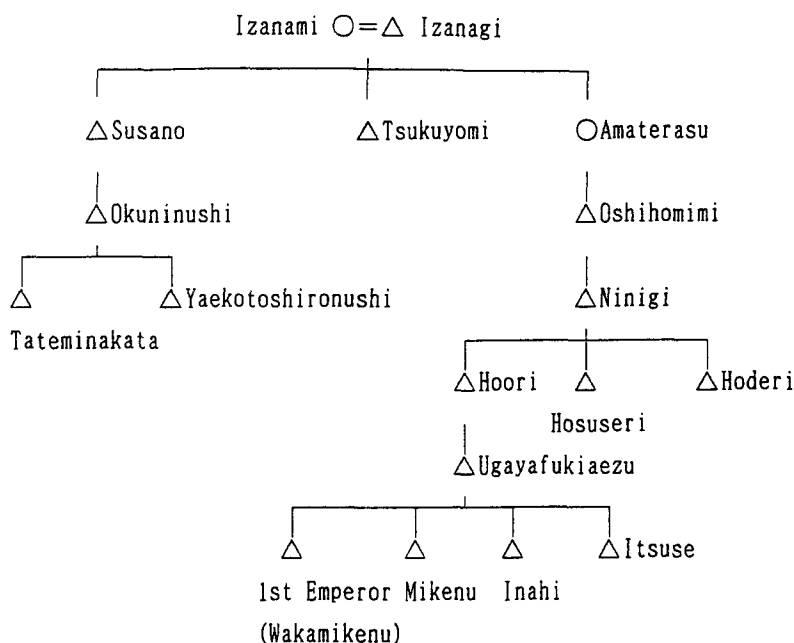
"Labor-capital fusion (*yugo*) is not the same as labor-capital cooperation or hermony (*kyocho*). *Kyocho* assumes a prior conflict which may reemerge at any time. *Yugo* asserts a fundamental unity of one mind and spirit, fused in an inseparable solidarity. This gives birth to tremendous power. This alone can move Japanese industries forward." (Godon, 1985: 228.)

This is the ideological use of the household system of Japan. The relationship between capitalists and laborers has nothing to do with right-wing ultra-nationalism or fascism.

Finally I would like to cite a document of donation of the Katakura families to the Suwa shrine in 1931. Thirteen of the Katakuras were contributors: Kanetaro Katakura, Katsue Katakura, Takeo Katakura, Gosuke Imai, Katsumi Hayashi, Shuichi Katakura, Naoto Katakura, Sanpei Katakura, Shinpei Imai, Kiyoo Hayashi, Hohei Katakura, Goroku Imai and Kosuke Katakura. The amount of donation to repair the shrine was ¥14,588 for the Spring shrine and ¥18,052 for the Autumn shrine.

A note included in the donation said that Kanetaro Katakura II who was a representative of the people under the protection of the community deity and a man of deep faith, consulted with other Katakura families and decided to donate money even though it was a time when people faced a serious depression. This document shows that the Katakura household donate money many times in the 1830s at the time of Kaemon II. The success of the Katakura household as a world silk king made it possible for Kanetaro to be a direct descendant of the deity of the Suwa shrine. Thus Kanetaro Katakura became a living Shinto god just like the

Chart 4-2 Genealogy of the Emperor's Household



emperor.

The deity of the Suwa shrine is Tateminakata who was the second son of Okunimushi. According to the myth Izanami and Izanagi made the world and other gods. Izanagi had three children after his wife's death: Amaterasu, Tsukuyomi and Susano. Even though they were siblings, there was a big feud between Amaterasu and Susano, Susano was banished and expelled from the high plane of heaven to Izumo where he built a palace.

One should note that Amaterasu, the female god, is the founder of the imperial household. The reason why the founder was not male but female is related to shamanism in ancient Japan. Amaterasu, the progenitress of the Japanese nation, had both characters; on one hand she was a deity, an object for deification, but on the other hand she was a person to deify a object. She as a shaman, a virgin consecrated to a deity, was the wife of the sun god considered as a sun goddess.

According to the myth, Susano and Okunimushi were defeated by the deities in heaven. Amaterasu defeated Susano and expelled him to Izumo. Okunimushi's second son, Yaekotoshironushi, agreed, to yield the land to the heavenly deities. Ancestors of the emperor who were believed to come from heaven, seemed to conquer Izumo. Thus knowing that the progenitor of the Suwa shrine was Okunimushi's son is very interesting in understanding the distinction between national Shinto and folk Shinto. We can understand the reason why the modernization of Japan needed the emperor system. It is not only remnant of the feudal system but also a newly created tradition to promote modernization of the Japanese nation from above. In the process of the modernization, the Katakura household needed to create a new tradition in which the Katakura families took powerful roles. Just the *zaibatsu* utilized the national Shinto religion and the emperor myth, the Katakura family utilized the Suwa shrine and created a new myth in which ancestors of Kanetaro Katakura played the same role as emperors.

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