



SCATTERED REMARKS ON COMMERCE

BY

KATO SUKEICHI.

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PART FIRST.



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(Translation.)

Great Japan, ruled by our wise Emperors, is superior to all other countries in the world. It has a moderate climate, and there are no intolerable extremes of heat or cold. Therefore trees and herbs grow luxuriantly, rice, wheat, and all kinds of grain are produced in abundance, and rape, radishes, and other vegetables attain a great size. The tea plant and silk were originally introduced from China, but by reason of the goodness of the Japanese soil, their cultivation has been even more successful here than in their native country, where our teas and silks are highly valued. This fact alone is sufficient to prove the goodness of the Japanese soil. It cannot be said that there are not in China and Europe countries which enjoy as good a climate as Japan, but then they contain deserts or bare ranges of mountains extending for hundreds of miles and rendering wide regions unfit for cultivation, or else the crops are inferior owing to some noxious quality in the soil. In Japan there are no such districts. It is true that in Dewa, Oshiu, and other provinces there are wide plains which remain uncultivated, but this is not on account of the barrenness of the soil. They lie waste because the inhabitants are few in number and insufficient for the labour of reclaiming them. That such should be the case is no more than might be expected, seeing that there is sufficient food and clothing for the inhabitants without bringing these remote districts under cultivation. Nor are the mountains of Japan so high as to shut out the light of the sun and render agriculture impossible. On the contrary, from their sides are dug gold and silver, copper and iron, in sufficient quantity to supply the wants of the nation. In truth, Japan is the very finest country on the face of the globe.

Japan is as it were an island, separated from the adjoining countries by a wide expanse of ocean. That it should contain within itself everything in sufficient quantity for the needs of the inhabitants must have been a special gift of the Creator himself. Such being the case, we do not need to provide ourselves with anything from abroad, nor have we any reason to envy foreign countries. The consequence is that the hearts of the people being free from care and gloom are naturally and without teaching observant of the laws of decorum and virtue, and are unconsciously in accordance with all that is good. In China and other countries, prophets and sages have appeared from time to time who have zealously instructed the people, but in spite of this, it has often happened that princes have been murdered, and their dominions become the spoil of others. The strong too have preyed upon the weak, which is conduct worthy of beasts only. Deeds of such a nature must spring from the mutual desire for plunder which is stirred up when countries though supplied with food, are insufficiently provided with the other necessities of life. But our own Japan, ruled since its very creation by an uninterrupted line of Emperors has never failed in the observance of the duties of Prince and subject throughout the countless ages which have since elapsed. This is an irrefragable proof of the natural richness of our country, and of the goodness of the race of men which inhabits it, and the assertion that Japan excels all other countries is by no means to be counted an idle boast. What a glorious destiny it is to have been born in the noblest country on the face of the earth, where the great duties of life are practised unconsciously, and where the inhabitants are without exertion warmly clothed and plentifully nourished from the produce of the soil!

We have now entered into friendly relations with the countries beyond the sea, and their subjects are incessantly visiting Japan: we have become acquainted with the character of the natives of each, and are able to compute the amount of its productions, but among the 3000 countries of the world, there is none which excels Japan. A foreigner resident at Yokohama once said "Take any of the best seaports in the world, if there is a simultaneous competition, some articles of produce will soon be exhausted, but here at Yokohama all nations have been competing with one another ever since the port was opened, and yet there is not the least sign of

exhaustion. It would be difficult to find anywhere else in the world a seaport where produce comes to market all the more plentifully the more it is bought." This was about five years ago, but now the trade has increased tenfold, and there is not a month in which transactions do not take place to the amount of 2,000,000 rios. Truly Japan is the very first among the fine countries of the world!

But as I said before, though we, who have been born in such an excellent country, have no need to go abroad for our supplies, and have quite sufficient for our wants without trading with foreigners, there are nevertheless good reasons why our country, though it wants for nothing, should maintain commercial relations. For instance, even within the limits of Japan some provinces produce rice and other grain in abundance, whilst others are unsuited for their cultivation. Some provinces produce gold, silver, copper and iron, whilst in others these metals are not found. And the same is the case with silk, cotton, and other products; in some provinces they can be cultivated, in others not. Nevertheless, in those provinces which are unsuited for the production of any articles, there is not any deficiency on that account, for a means is at hand of supplying the wants of the inhabitants. This is accomplished by a mutual exchange of what is superfluous for what is deficient, a process which is founded in mutual principles of truth and justice, and is in fact a form of mutual help. Mutual help is the true principle by which human actions should be guided, and ought never to be forgotten or abandoned. It may be said "Here is a man whose food is the result of the labour of his own hands and whose clothing is the produce of his own loom—he requires no exchange, as he has already everything he needs in sufficient quantity for his support. But the iron for the pot or pan in which he boils his rice, as well as for making the mattock or spade with which he tills the ground, does not spring up from the soil of his farm, and he must part with either his rice or his cloth in order to procure it. By which we may see how absolutely necessary a thing is commerce.

In ancient times, foreign vessels were only allowed to come to Nagasaki, the reason of which was that it was feared they might invade our country. Since then, however, foreign countries have become more and more civilized, and have invented things called steamships, which are provided with machinery by which they can in one day run one hundred or even two hundred ri, and can without difficulty come to Japan. Our Mikado has become convinced of the necessity of upholding the policy of commercial relations, and has caused our friendly intercourse and trade with foreign countries to be established on a liberal scale. This is the only course by which we can take our place in the community of nations, and remain true to natural principles of truth and justice.

In one sense, there is nothing with which our country is not sufficiently supplied. Still the drugs for the cure of diseases, which have been from ancient times imported from China, are in high estimation, and machinery, an article of European manufacture is exceedingly ingenious and serves many important purposes. It is true that we could do perfectly well without these articles, but it cannot be denied, that so far as they go, they are both useful and instructive. Besides, if we made no use of the surplus produce of our country, it would decay and be lost, whereas, when it is exported, we supply strangers with what they stand in need of and thus fulfil the duty of benevolence, whilst we reap an advantage at the same time for our own country. Some of our staples for which there is a demand abroad, such as, for instance, silkworms' eggs, are produced in unlimited quantities, and only require to be prepared for market. If not so prepared, they are simply thrown away. Such being the case, what better can be done than to make them ready for market and turn them to our country's profit. Industry too will be encouraged by the present prospect of gain. The same remarks will apply to silk and tea. Upon the news of the articles fetching a good price the Mulberry-tree and the tea-shrub are planted even on the uncultivated borders of the fields, and as these are things which can be attended to

at intervals of leisure, waste land is gradually brought under culture and the people apply themselves strenuously to their avocations. By industry they are kept employed, and their household circumstances are improved. Thus are motives to crime removed, and lawsuits rendered infrequent. These are the blessings of a profitable commerce. The inhabitants of provinces at a distance from the centres of trade who have never given much attention to these arguments, look upon foreigners as enemies, and lay to the charge of commerce the distress which is caused by high prices. This is a great error. Some countries are peopled with good, others with inferior races, but foreigners are, after all, natives of the same universe as ourselves, and human nature is everywhere the same. But the rise in prices is not owing to foreigners. It is owing to the fall in value of gold and silver. For example, the coin we now call twelve cash was at one time current as one cash. But an article which now costs twelve cash would certainly have cost more than one cash formerly—perhaps four or five cash, so that as this article can now be bought with a coin which was once worth only one cash, we make a wonderfully cheap bargain. Prices are governed by natural laws. They depend, on a comparison of one thing with another, and a decision that neither is inferior or superior in value to the other. Whether we say one cash or twelve cash, one ryo or three ryos, it is the same thing in reality, only the expression we make use of now is different from what we used formerly. If we say that a thing is dear because it now costs three ryos, that it was cheap because it cost only one, we forget that if we put in one scale of the balance the present three ryos, and in the other what was formerly called one ryo, the latter will be found heavier by three fun and six ryos. So it is only fair that we should have to pay three ryos now for an article which once cost only one, and no rise in price has really taken place. Let these arguments be well considered, and the erroneous notion that the rise in prices is owing to foreigners be at once corrected. One ryo, three ryos are mere names; if the real values of things are looked to they will be found the same now as formerly.

Let us now consider the manner in which trade is conducted. In the first place, foreigners have visited the various countries of the world, and having had long experience in trade, are very shrewd speculators. Then they have associations called corporations, companies etc. The advantage of this system is, that when, say, a thousand ryos are required for any purpose, each of a thousand merchants subscribes one ryo, and so the sum needed is made up without any difficulty. There are, it is true, trading associations among our merchants, but they are very different in their constitution from the "companies" of foreign countries. Japanese Mercantile Associations are perfectly useless; they are formed solely with the object of injuring trade and thwarting the promising ventures of other merchants embarked in the same line of business. Amongst the members of the association, mutual assistance is never thought of; each one pursues his own business according to his means; no matter how promising an opening presents itself to a merchant with a capital say of a thousand ryos, his ventures must be limited to that amount, and his transactions are restricted proportionally. Foreign Mercantile Associations are very liberally constituted, and as they must all receive the sanction of the Government, nothing can be changed on private authority. Thus a durable system is established, and immense profits are realized. Now that Japan has entered into commercial relations with foreign countries, our merchants also must adopt this system of Companies.

Most of the so called companies hitherto established in Japan have been formed by the persons following the same business combining and petitioning the authorities; but as they were often perverted to the furtherance of private interests and the detriment of the public, they were some years ago all broken up at the same time. At present, however, there is every reason to believe that any petition to be allowed to form companies after the European model, will if presented to the proper authorities, be favourably received as a proposal eminently conducive to the prosperity of the people of Japan. There is nothing to prevent such associations from being durably established.

For a fuller discussion of the subject of mercantile associations, the reader's attention is directed to the second part of this treatise. He will be convinced of their utility.

When once the company system has been properly established, and trading operations have become gradually extended by means of it, it will be advisable with the profits to build large ships, in which to go to foreign countries to trade. By this means a profit will be realized ten fold that of a trade at our own doors. The reason of this is that things become dear in proportion to the number of hands they pass through. Take, for example, a fish. The

sea produces it gratis, but then it must be caught by the fisherman and brought to market. The fisherman sells it for a few tempas. From the fishmonger it passes into the hands of the hawk, who either disposes of it to small dealers, or hawks it about the streets. So before it comes to the table the fish must pass through several persons' hands, each of whom has a commission upon it. In this way one Tai costs at last as much as three bus or a ryo, whereas if bought directly from the fisherman, it would come very cheap. Trading with foreigners at our own doors is like buying a Tai for a ryo, but going to foreign countries and making our purchases there is like buying directly from the fisherman, and getting for ten tempas what, in the other case costs a ryo. Even allowing for the expenses of the voyage there and back the profits will undoubtedly be very large, as the goods will not pass through so large a number of hands. It will, however, be advisable, in carrying out this plan of going abroad to trade, to have also companies of merchants to reside in foreign countries for the purpose of giving mutual information of current prices and such like matters. If this be not attended to, little profit will be made. A Yedo merchant, for example, comes to Osaka or Kioto with a large stock of goods. If he has not made previous arrangements and associated himself with some merchants of Osaka or Kioto, he will be glad to return to Yedo, after selling at a sacrifice from want of proper facilities for disposing of them. In the case of foreign countries, it will be still more essential to render mutual assistance, for without it a proper trade cannot be carried on. Therefore a residence abroad must form part of the system.

Japan was for many years closed to foreigners, and no intercourse with them was allowed. The outside world was no concern to us, and by mutual assistance, we were sufficiently supplied with everything necessary. This was a quiet, easy mode of existence, to be compared to that of a hermit in some beautiful spot remote in the wilderness, or hidden among the mountains. The pleasures of the lover of Nature's hills and streams are no doubt deep and satisfying, but without some knowledge of what passes in the world, he will spend his life ill provided with the most necessary utensils. He will see no beautiful colors, nor hear any pleasant sounds, his clothing will be coarse and his food inferior. It may be urged that it matters little if a man wears coarse clothes and eats coarse victuals, so long as he chooses to do so, and that his mind is all the easier for doing so. Such reasoning might have been accepted a hundred years ago. But now times have changed. European countries have gradually become civilized, and thanks to the machines they have constructed, a voyage of 1000 ri is to them like visiting one's neighbour, intercourse at an interval of 1000 ri is like conversing together face to face. In a world where free intercourse is making such rapid strides, Japan alone must not be left behind. The development of commerce is in obedience to a gr at law of nature, and its course can be neither delayed nor arrested. In accordance with this principle of developing and extending commerce, we must abandon our old habits of seclusion, and acquire a desire for mixing with the world. In our relations with the world at large, it is first of all necessary that our intercourse should be of a friendly and intimate character. Next, unlike a solitude among the mountains, we shall have strangers to visit us, and can no longer content ourselves with a house raised on bamboo posts and roofed with thatch, nor be satisfied without other clothes than those soiled by every day use. We must also have a greater show of household furniture than is actually necessary for our wants. As the expense of this extra furniture will be supplied from the profits of trade, it will cause us no labor. But although wearing good clothes, living in good houses, and improving the mind by extending our sphere of observation and knowledge are lifelong blessings, yet without skill in commerce they cannot be obtained. Such being the case, those who contend for old fashioned ideas, and do not devote themselves to trade understand neither the times we live in nor the laws of nature. We may safely set them down as blockheads. They adapt their clothing to the seasons of the year, and wear in summer a single, and in winter a double garment, yet the same people will not adapt their ideas to the new relations into which our country has entered. Let us at once enter heart and mind into the pursuits of commerce, and that we may not be ashamed before foreign nations, provide ourselves amply with such superfluous articles as I have referred to, keeping always in view the advantage of our country.

In trading with foreigners there are many things which ought to be attended to. The first thing to be noted is that foreigners are skilful in trade, and know how to artificially glut the market. Say for example, that the price of silk is 800 ryos a picul. First of all, they buy some at 1,000 or even 1,500 ryos a picul. Our merchants hear this, and compete with one another in bringing their silk to

market. The foreign merchants watch the time when the market is fully supplied, and then, all at once, they purposely abstain from buying altogether. Some of our merchants have brought their goods a long distance, and others have goods purchased with money which has been obtained at ruinous rates. They can neither sell them, nor return to their province without selling them, so they are obliged to let them go at a sacrifice. The foreign merchants wait for this, and buy the goods for almost nothing. The high prices offered at first are nothing but ground bait, then they watch till the fish are gathered together and throw the great net. These schemes of theirs redound to the benefit of their country, and we should not grudge them their success; but what a loss they cause to Japan! Of course every merchant thinks only of his own losses, but the country in general suffers along with him. In such cases, if we had companies, they could buy up all the goods and thus prevent them from being sold at a sacrifice. If they then held them back, foreigners would naturally be obliged to come forward by and by and offer a proper price. There would be no difficulty in buying up goods in this way. If there is a company of 1,000 merchants, they have only to subscribe 100 ryos each in order to purchase 100,000 ryos worth of goods. In Osaka, especially, where so many wealthy merchants are congregated together, there would not be the slightest difficulty in raising a hundred thousand or even a million ryos, if this joint stock company system were properly established.

The articles for which there is the greatest demand among foreigners are raw silk, silkworms' eggs, and tea; of these three staples the produce of Japan is everywhere considered to excel that of other countries in quality. Foreigners have become accustomed to the use of these articles, and as they would now find it impossible to dispense with them, they will certainly buy, no matter how high the price may be. Farmers should be industrious in their occupation, and produce them in large quantities with a view to the advantage of our country. Next to the three articles above named come cotton, raw and ginned, biche-de-mer, dried awabi, awabi shells, dried prawns, shark's fins, cuttle fish, sea weed, isinglass, mushrooms, rap seed, rapeseed oil, fish oil, vegetable wax, bees' wax, manufactures in lacquer, iron, lead, bronze, copper, bamboo, and porcelain, embroidery, potatoes, camphor, bukuriyô, cassia, gall nuts, peony bark, sulphur, ginseng, the quality of which produced in Japan is much appreciated. We have also vermicelli, sesame, ginseng, rice spirits, rice brandy, soy, hemp, rags, hempen cloth, silk and cotton mixtures, silk and paper mixtures, honey, deer-horns, deer-hoofs, coal, charcoal, palm fibres, tobacco, timber, matting, paper. There are few other articles for which there is a demand. Then there are some articles which it is forbidden to sell to foreigners. These are rice, barley, wheat, flour, and saltpetre; of these rice, barley, wheat and flour, may be bought for the use of the crews of foreign ships anchored in Japanese harbours and of foreigners resident in Japan, in quantities proportioned to their numbers. The export of beans and peas is not prohibited, but as they are articles of popular consumption, they ought not to be exported in large quantities, however tempting a price may be offered. Nothing can be more injurious than to devise means of personal gain regardless of the general distress. By the Treaties, fire arms and munitions of war must not be sold to any one but the Government, and merchants ought to have nothing to do with them.

Further, as foreigners have relations with all countries, mercantile contracts are under strict regulation, and there are fines for unpunctuality, so much for a delay of one day, so much for a delay of ten days. In Japan, when a delay takes place in the delivery of goods, or if a dispute arises about their quality, the contract is sometimes broken, but if the party who breaks it shows clearly that his doing so was unavoidable under the circumstances, no fine or penalty is demanded. Many persons, however, who break their contracts imagining that this easy going style of business will answer with foreigners as well as with Japanese, find themselves disagreeably surprised when a claim is made upon them for a penalty. Great care is necessary in making engagements for the receipt or delivery of goods, the payment or receipt of money, and contracts to build houses. It must be acknowledged that stringent rules of this kind are necessary for a trade which involves transactions with countries in all quarters of the globe. The laws for our internal commerce must also be made more stringent, what is bad being gradually cancelled, and good measures incorporated.

This foreign custom of money penalties is not confined to commerce; most crimes and offences are punishable by fine, and capital punishment is very rare. This is a truly excellent system. Life is dear to every living being, and to take away human life is indeed a weighty matter. When life has been once taken

away it cannot be restored, while a fine, even though it swallow up a man's whole property, will not prevent him from regaining his former position if he repents of his fault, and is industrious in his calling. If he reforms his wicked heart, he becomes a good subject, and the empire benefits by his industry. To regard human life as a weighty matter accords with natural principles of justice, and this system of fines will no doubt gradually be extended.

In Japan there have been already six ports opened to foreign commerce, Kanagawa, Nagasaki, Osaka, Hakodate, Kobe, and Niigata, and Yedo has also been opened to trade, so that we may hence forward expect our commerce to flourish in an increasing degree. Now is the time for all classes, soldiers, farmers, mechanics, and merchants to exert all their strength for the good of their country, for if they do so, ours will rapidly become the wealthiest country in the world, and happiness be diffused amongst all the inhabitants.

If the system of trading companies is established, there need be no apprehension of their buying up enormous quantities of rice in seasons when the crop has failed, and thus creating general distress. Their operations will be entirely confined to foreign goods. No matter how large may be the quantities of goods which merchants buy up in the regular course of trade, or how great the profits they may make on them, they may rest assured that they will not be called to an account for it. The reason is obvious. Suppose, for example, that a Japanese merchant has brought 100,000 ryos worth of goods. He puts them by in his store till the price rises, when he disposes of them to a foreigner for, say, 200,000 ryos. There is no reason why he should not do so, nor need he fear any unpleasant consequences. For the foreigner, though he pays 200,000 ryos, does so with the expectation of forwarding the goods to his country, and obtaining a profit over and above this sum, which again there is no reason why he should not do. The profit of 100,000 ryos, although it goes into the pocket of the individual who sells the goods, is at the same time a profit to the country at large. Capitalists should carefully watch fluctuations in prices, and endeavour by judicious speculation to enrich Japan. It is a great mistake to suppose that there is anything degrading in enriching one's country. This idea is exclusively derived from a passage in Mencius, where he says;—"when superiors and inferiors try to snatch the profit one from the other, the country is endangered." The restraint of the passions is the fundamental principle of Chinese Moral Philosophy, and just at the time when Mencius appeared in the world, there was no government which could secure order and tranquility to the people. Throughout the empire there were every where schemes for robbing one another of provinces, and it was this evil which Mencius so emphatically denounced. His words had a special application to the times in which he lived. Confucius, too, in explaining Jin (virtus, benevolence) replied differently according to the person who questioned him, adapting his answers not only to the person he addressed, but to the time and circumstances. This shows that bigoted opinions should not be supported by a rigid interpretation of any particular passage. From ancient times, the doctrines of Confucius and of Buddhism have been devoutly believed in Japan, and our government is mainly based on them. These doctrines ought consequently to be treated with deep veneration, but instances are not rare of a bigoted interpretation of particular texts leading to the adoption of erroneous principles. European learning too, will henceforth be gradually cultivated more and more, and no doubt many similar errors will be the result.

Now here I feel myself irresistibly compelled to lay open the true principles upon which this whole question rests. To love life and to hate death are feelings natural to man, and the love of pleasure, and of gain are also natural passions. Now as the natural objects of men's wishes are also desired by Nature, it follows that there can be no law of Nature forbidding men to cherish these wishes. It is against such things as licentiousness, extravagance and avarice, that the denunciations of moralists are directed. It is a great mistake to pin one's faith on words and sentences, and imagine that suicide is a noble act, or that there is anything praiseworthy in suppressing the natural affection between the sexes, in wearing rags, or in inhabiting wretched dwellings, and to think it a mark of superior intelligence to look upon gain as degrading. Gain is far from being a despicable thing. Man is the child of Nature, and what Nature loves he should love also. If Nature herself is fond of gain, how is it possible for man not to be fond of it? When I say that Nature loves gain, I mean that the tree which last year was an inch in height, is now a foot; the single seed which is cast into the ground produces ten thousand fold. Of all living things which issue from the womb of Nature, there is none, whether endowed with sense or not, which does not increase daily and nightly. This

shows that Nature has an immense love of gain. It is true that men die, and trees and plants decay. But this is because they have reached the natural term of their existence, when even the power of nature is no longer able to protect and preserve them, and it is natural to suppose that she is grieved by a law which places an obstacle in the way of her compassionate feelings. Therefore it is that on the death of great men, or the fall of noble houses, the country is devastated by storms and inundations, and strange stars appear in the heavens. These are signs of the longing and sorrow which Nature feels at their loss. Much more does Nature mourn the fate of those who die an untimely death!

It is, therefore, with good reason that we human beings love gain, for we are the offspring of mother Nature, that delights in the increase and multiplication of everything, and it is an egregious error to conclude that the love of increase is an unworthy sentiment. If the love of gain is in the slightest degree excessive, it becomes greed, which is deserving of condemnation. It was because the distinction between the love of gain and greed is not appreciated by ordinary people, that Mencius, whose system of morality consists in restraining the ordinary passions of humanity, denounces gain in the strongest terms. I shall explain the distinction between gain and greed by an illustration taken from buying and selling. When the seller is pleased with the profit he has made in selling, and the buyer is at the same time gratified by the advantage he has gained by buying, this is *gain*; but when either is careless of the loss which the other may sustain, so long as he himself profits, this is *greed*. Gain is a justifiable object of desire, so long as greed is guarded against.

Nowadays, we hear constantly in every one's mouth the phrases "enrichment of the country" and "development of the military resources," but without gain what art is there by which the country can be enriched? Even in military matters, the ends in view cannot be attained without a due regard to gain.

In western countries, the authority in commercial matters rests with the official class. The consequence is, that on the one hand all obstacles to the enrichment of the country are removed, and on the other, the profits of commerce furnish the means for establishing navies, and providing a supply of warlike engines. In Japan, however, the control of trade has been from ancient times in the hands of the merchants, and the consequence has been that although not a few mere tile houses have amassed enormous fortunes, the gain to the Empire has been but small.

This leads me to remark that the public revenue has hitherto been drawn from the agricultural class, and no system of taxing commerce has yet been established. If every merchant paid a duty in proportion to the goods he sold, I do not doubt that the revenue thus raised would several times exceed that now collected from the peasant population. Agricultural produce has up to the present time been divided in about the proportion of five parts to lord and five to subject. The farmer is thus obliged to pay half his entire produce in taxes. This proportion is excessive. If a merchant were told "you have made a profit of 1,000 rios by buying and selling—come! pay 500 rios of it in taxes" he would be greatly astonished and annoyed. When the matter is considered in this light, does it not seem desirable that the taxes on agriculture should be a little lightened, even granting that they are of very old standing? Now that we have got a reformed government, I have no doubt a Board of Trade will be instituted for the discussion of matters relating to commerce, and I am sure a good law will be made for settling the taxes to be paid by merchants and relieving the agricultural classes of a part of their burden. But suppose merchants had to pay a tax of one rio on every hundred rios. The merchandise they previously sold for a hundred rios they will now sell for 101 rios and thus save themselves pocket-ache. The only harm done will be that they will find it a little harder to dispose of their wares, but this will make no difference when they get used to it.

We live in times when Foreign Commerce has attained a great development, and to preserve our country from loss it is absolutely necessary that some good commercial regulations should be established. People talk a great deal about thrift and economy, and such language is very good in its proper place, but at the present time a moderate degree of magnificence and liberality seems desirable. If we come to the consideration of any subject whatever with hearts that have become one with Nature's our conclusions will be neither repugnant to true feeling, nor at variance with correct principles. Any one, for instance, who sees a red object, feels that it is pretty and attractive, and if it is shown to an innocent child of three years old, he will stretch out his hands for it. By this we see that the love of what is pretty is a natural sentiment. When moralists

condemn a love of display and ornament, they mean only when it is carried to an extreme, and becomes prodigality. There is a similar distinction between prodigality, and what is not prodigality, to that between a love of gain and greed. If any one, whether a Samurai, a merchant, or a man of any other class has a yearly income of 1000 rios and devotes a thousand rios to show and display, this is not prodigality, but if he borrows more from other people to spend in the same way, then he is prodigal. There is no fault whatever to find with the farmer or townsman who spends 10,000 rios provided he has 10,000 rios to spend. Amongst farmers, there is an upper, a middle, and lower class, and also amongst merchants. The position of the merchant of the higher class is better than that of the Samurai of the middle class. There is an ancient regulation that farmers and merchants shall wear only cotton clothes, but the natural feelings of humanity always find a vent, and they either wear cotton for their outer garments only, whilst their underclothing is of the finest and most beautiful materials, or they wear cotton of so delicate a manufacture that it is more costly than even crape or habutai (a kind of fine silk). This is of course inconsistent with frugality, but it only shows that if laws are made repugnant to human nature, they will at once be broken through and fall to the ground. We have been told by those in authority over us to live frugally and practise economy, and this maxim was inculcated with the kind and merciful intention of preventing wealth from being squandered in prodigality. We ought to be deeply grateful for the trouble which has been taken on behalf of every one of us, for, of course, our superiors derive no profit from our economy. But even among farmers, some have farms which bring in a thousand or even two thousand kokus a year, and there are merchants whose property amounts to one or two hundred thousand rios. If no distinction is made, and if both the farmer who owns many hundred acres of land, and the man who tills a few acres which do not even belong to him, are simply styled "farmers" and both the merchant with a capital of 100,000 rios, and the pedler, whose whole stock-in-trade is suspended from his coolie-stick, are simply styled "merchants," there is something in such a practice inconsistent with natural principles of right and justice. As there are degrees of rank in the priestly order, and even among blind men, so I should be glad to see the merchant too making a display in proportion to his means as a sign of his position without any anxiety for the result. It is true that it has hitherto been the practice to make a great difference between the samurai and the farmer, artisan, and merchant. Even a merchant with a capital of 100,000 rios, when he meets a samurai with a wretched pittance of five measures of rice, must bend down and humble himself before him. The samurai is, of course, superior in rank, and there are reasons for it, but the difference is as if you were shown some rags of habutai and a piece of cotton of the best manufacture, and asked to choose between them. You would certainly choose the cotton. So we see that the lower grade of samurai is really no better than the middle class of merchants. There ought to be suitable gradations of rank among farmers and merchants, according to their property and character. Under our new reformed government, we shall doubtless have numerous promotions from the farmer and merchant class, which will lead by and by to distinctions of rank in these classes being more clearly defined. It is also desirable that every one should adorn his house and clothing in a suitable manner according to his means. The laws of foreign countries are very indulgent in such matters, and every one spends what he pleases on his dress, his table, and lodging. The mean way in which the Japanese nation is lodged and clothed is highly disgraceful to us. There is no law to prevent us from spending money for purposes of ornament if our means will allow us, and nature herself prompts us to do so. When a man dresses himself in fine clothes or adorns his house, this is as it were the blossoming of his property, and may be compared to the flowering of trees and plants. The blossoms of trees and plants have always a pleasant and innocent aspect, and so has ornament on the clothing or habitations of men. The Emperor's heart is at one with Nature's, for he is delighted when there is a bustle about the kitchen ranges of his subjects.

At the centres of trade where foreigners settle, it is desirable that our people should build houses on a grand scale, so as not to be left behind by them. To do so, we must divest ourselves of all narrow-mindedness, and make our hearts to abound, as nature's does, with lofty and noble aspirations. Then the samurai will exercise control over commerce, and direct its movements;—merchants will form themselves into companies, and concert plans for their mutual advantage;—the farmer, in the intervals of his daily occupation, will reclaim waste land, and cultivate such products as will bring the

greatest profit when exported to foreign countries;—the artisan will learn the construction of large ships and of machinery;—and thus all will co-operate in enriching their country.

The Quanto' people are tolerably expert in matters of trade and in no long time after Yokohama was opened, it became a very bustling place, but here at Osaka, people's minds move very slowly, and though there is no place in Japan which surpasses Osaka in the number of wealthy firms collected together in it, their desires for trade are but sluggish. Some are content with the business they have hitherto followed without commencing foreign trade, and make no attempt to do so; others say that it is inconsistent with the principles of their houses to embark in a new line of business. Both these notions are quite wrong. Take, for instance, a soldier. When the battle begins, it is his duty to rush to the front and fight for the Emperor regardless of death. You won't find him saying that his pay is quite enough for his subsistence and that he has no necessity to appropriate any one else's, and looking on at the battle from a distance with his hands folded on his breast. Now the opening of Japan

to commerce with foreign nations, is in so far as the merchant is concerned, the beginning of a great battle. It is his duty to come forward for his Emperor, and to do his best to enrich his country. He should remember that it is disloyal to consult only his own ease and give no thought to the interests of his country.

The arguments made use of this pamphlet were never broached by the ancient sages, and I fear that on this account they may meet with a cold reception from the public; but when once the principles I have contended for have been put into practice, their justice will be recognized. Let all wealthy firms and rich merchants lose no time in mastering the principles I have laid down. Let them form themselves into associations, and strive after gain in concert, every one as he is able. If they do so, they will act in accordance with the commands of Nature, the blessings of commerce will soon be diffused throughout Japan, and we may calmly await the "enrichment of the country" and "the development of the military resources" alluded to above. Thus shall profound happiness be extended to the whole nation.

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