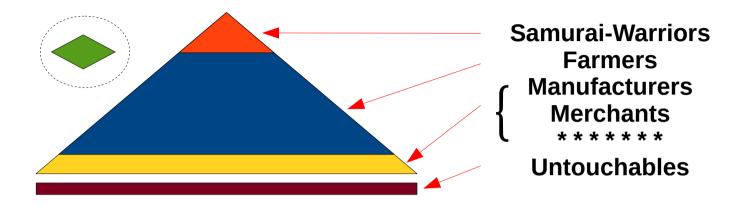
# Social development during the Warring-States Period (1477 – 1600)

- Territorial lords encouraged industrial and commercial activities in their own territories (free markets, free trade)
- Transition to "*Market Economy*" or "*Money Economy*"
- Development of *Cities* and "pre-modern *Citizens*" (merchants and manufacturers)
- *Guild-like associations* of merchants and manufacturers organized and controlled their own branches.

#### **Fixation of Four-Classes-System (or Five-Classes-System)**





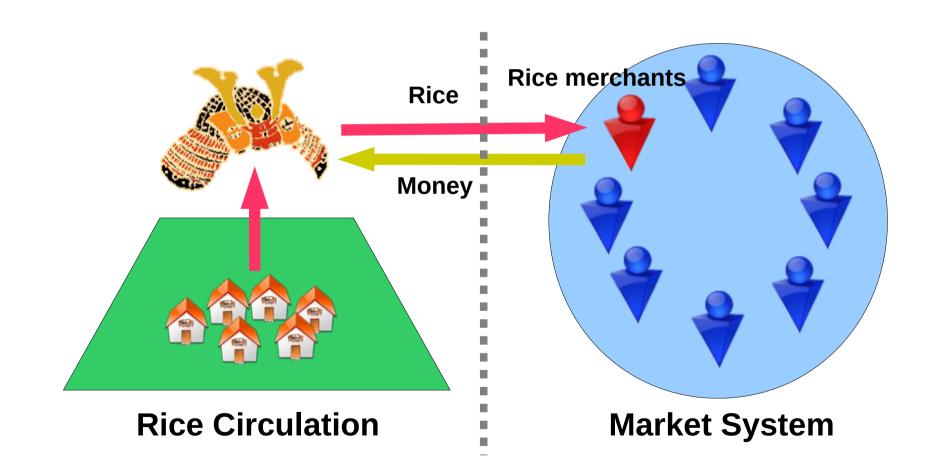
# Population Structure

In a small territory (1849) Totally 372,154 persons

Farmers	76.4%
Samurai-Warriors	9.8%
Citizens in cities	7.5%
Monk etc.	1.9%
Untouchables	4.4%

## Economic system of Tokugawa Shogunate (1600 – 1968)

• Financial system of Samurai-warrior class depended mainly upon *rice tributes* (land tax) collected from farmers in the territories.



## **Other features of Tokugawa Shogunate's Policy**

# • Strict control over the Imperial Court

- Emperors and Nobility were almost arrested in Kyoto.
- Intervention in politics was strictly prohibited.

# • Strict control over Buddhist temples

- Temples had to serve as administrative agencies.
- Intervention in politics was strictly prohibited.

# • Introduction of Confucianism; "Double-edged Sword"

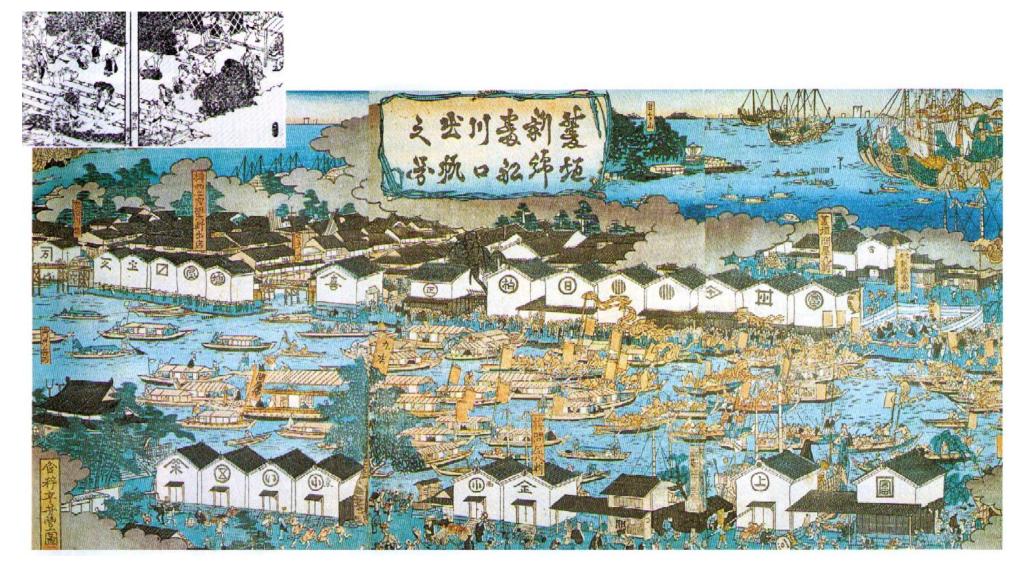
- Fixation of personal, individual relationships among Warriors with *"pseudo-family moral"*. Family order was not the aim, but it was *an important tool* to keep feudalistic power structure.
- On the other hand, Japanese Confucians recognized gradually that the rule of the Shogunate might not enjoy any legitimation and probably violated the sovereignty of the Emperor.

#### **Economic development under the Shogunate**

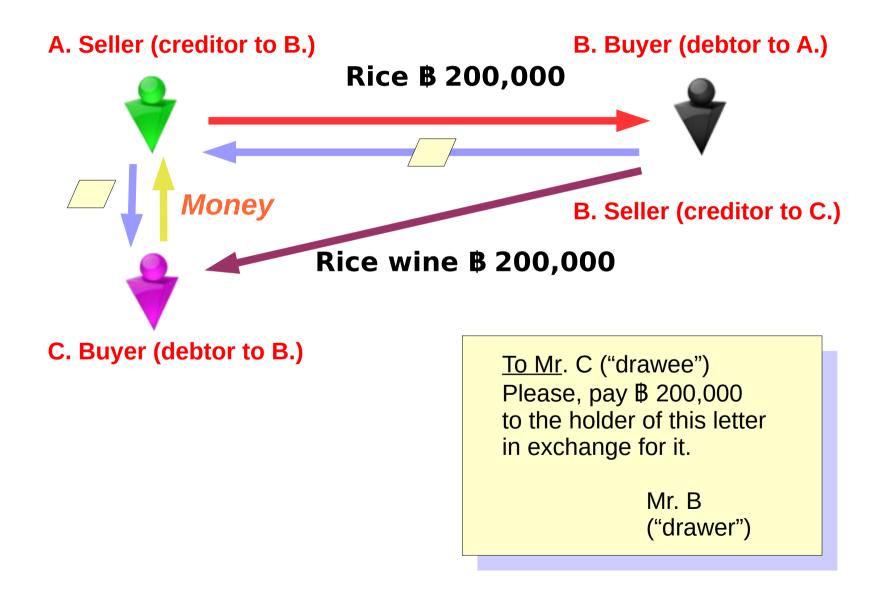
#### Maritime Transportation



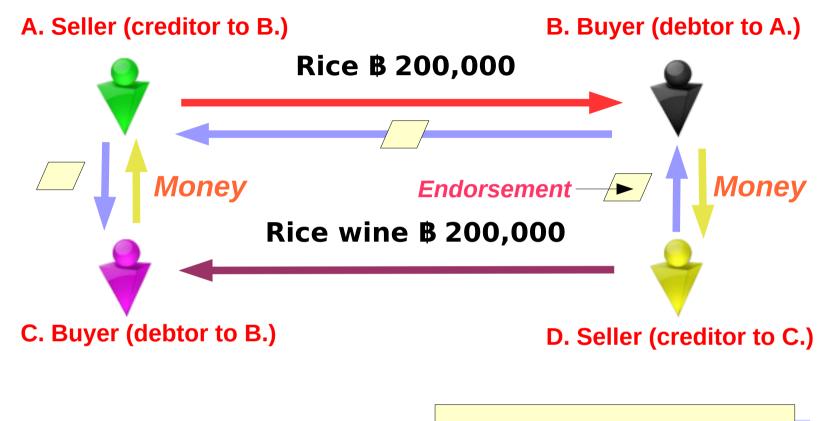
#### **Port Osaka**



# Bill of Exchange for Business in Distance (A) Simple case



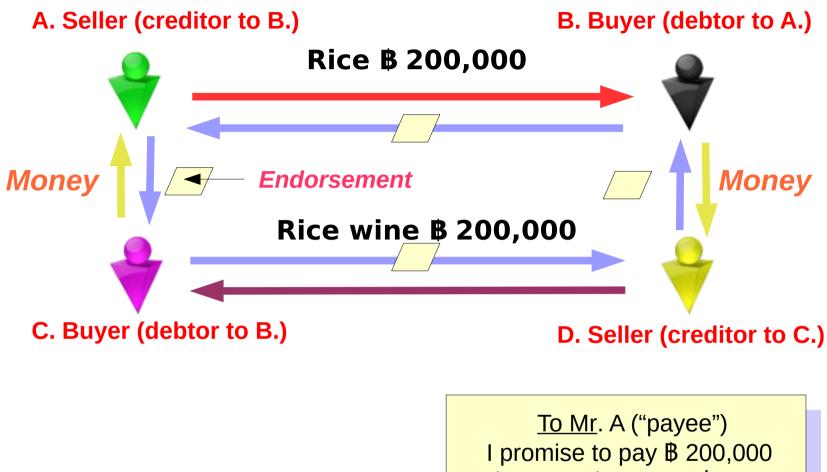
#### **(B) Extended case**



<u>To Mr</u>. C ("drawee") Please, pay **B** 200,000 to the holder of this letter in exchange for it.

> Mr. D ("drawer")

#### (C) Another case



I promise to pay B 200,000 to you or to your order on DD/MM/YYYY in exchange for this letter. Mr. B ("maker")

# Samples

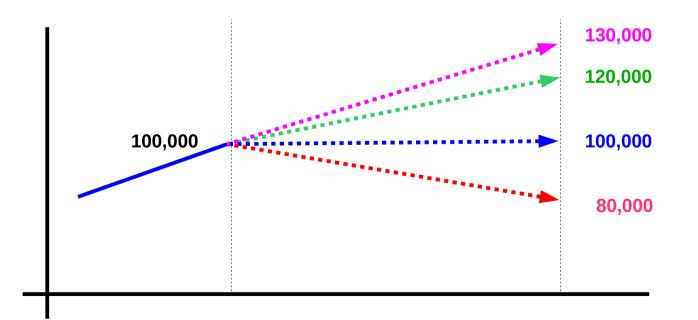


#### **<u>Rice Futures Trading in Future Market</u>**

- 🕴 (B) has nothing.

A and B deal in futures (for example, in 3 months) :

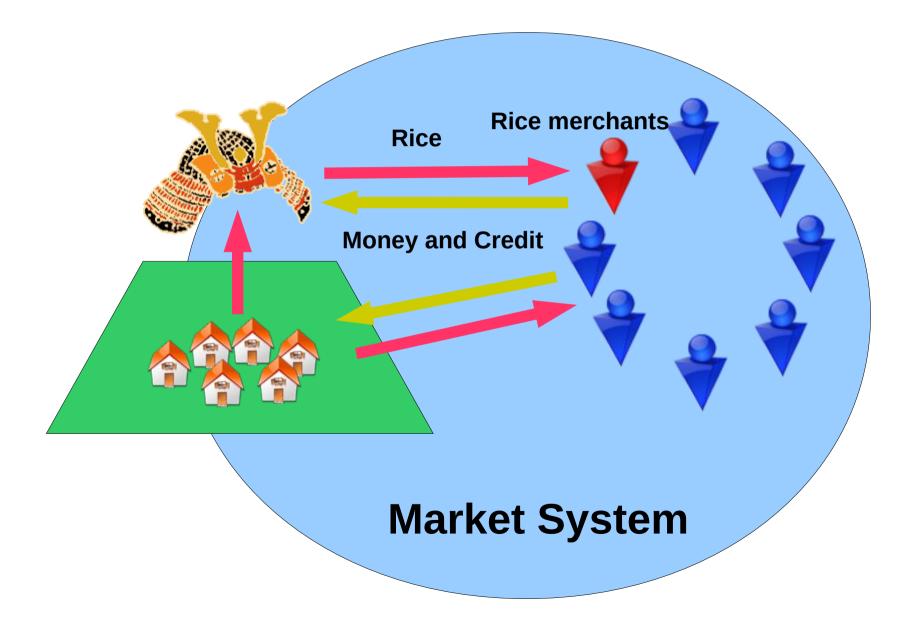
- 1. A will sell the rice to B for the price of \$120,000.
- 2. B will sell the rice to A for the market price.



### What will happen in 3 months?

	<b>Fallen to \$80,000</b>	<b>Risen to B130,000</b>
In Future Market	A is winner.(+ \$\$40,000)	A is looser. (- \\$10,000)
	B is looser. (- \$\$40,000)	B is winner. (+ \$10,000)
In Real Market	A is looser. (- \$20,000)	A is winner. (+ \$30,000)
Total	A: + \$\B\$20,000	A: + \$\B\$20,000
	B: - <b>\$</b> 40,000	B: + \B10,000

# Involved in Market Economy (18. c. ~)



# Samurai-Warriors as debtor ↓ Harder exploitation of farmers ↓ Poverty and Violence

