CHAPTER 4

“There’s Method in the Madness”*: A New Approach to the Early Modern Sino-Japanese Copper Trade

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1 Introduction

In the middle of the Tokugawa period (1603–1868) copper was Japan’s main export good. Its pricing, however, looks ‘irrational’ at the first glance: The Shogunate institution called Copper Agency (dōza 銅座) bought copper for export from the mines at a very low price. This price was fixed and in the late Tokugawa period it could not even cover the production cost.1 Furthermore, the Nagasaki kaisho 長崎会所 (Nagasaki clearing house for foreign trade accounts), also a Shogunate institution, exported copper at fixed low prices, which were even lower than the price the Copper Agency paid to the mines.

Until today many historians try to give an explanation for this copper pricing. They agree that this seemingly irrational copper pricing was financially profitable for the Shogunate (bakufu 幕府): The Nagasaki kaisho sold copper at a low price to foreigners. In return, the kaisho could obtain foreign goods also at a low price. With the margin for selling these foreign goods, the Nagasaki kaisho could obtain enough income and with this income, it could compensate the loss made by selling copper.2

The opinions of historians are, however, split regarding who bore the financial burden. Some historians argue that the mines suffered most from this seemingly irrational copper pricing. According to them, the mine managers accepted the low copper price because their main purpose was not to make a profit by copper production, but to serve the Shogunate by producing copper and paying business tax (unjōkin 運上金) to the Shogunate.3 Other historians believe that the copper consumers within Japan bore the financial burden. According to them, the copper price for domestic consumption was set so high that the mines could compensate the loss incurred by selling copper for export.

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* Shakespeare, “Hamlet” act 2, scene 2, 43.
1 Sumitomo iinkai, Sumitomo Besshi kōzanshi, 242.
2 Nakamura, Kinsei Nagasaki bōeki-shi no kenkyū, 375.
purposes with the profit made by selling copper on the domestic market. Therefore the mines made no financial loss. Instead, the domestic consumers were forced to buy copper at a high price.\textsuperscript{4}

The above explanations are all based on the view that the Shogunate strictly controlled the copper production and price setting with its absolute power. All the other parties involved were forced to obey the Shogunate's decision. This paper aims to give another explanation to this seemingly irrational copper pricing which in turn provides a different interpretation of the role of the Shogunate.

2 Historical Background

In the course of Japanese history there were three boom phases in mining. The first boom took place in the 7th and 8th centuries in a period of state-building and intense contact with the continent. In this period mining was developed to provide metals for the construction of palaces and temples.\textsuperscript{5} The second boom occurred from the mid-15th to the mid-16th century, starting at the end of the so-called Warring States Period (\textit{sengoku jidai} 戦国時代 1467–1573). The third boom ensued in the wake of technological modernisation in the late 19th century.\textsuperscript{6}

The second mining boom was triggered by an expanding circulation of gold and silver, the metals regarded as the most valuable in the society of the Warring States Period. Gold and silver were used as rewards and payments for soldiers and hence began to circulate as monies. For the maintenance of their armies, the feudal lords, the \textit{sengoku daimyō} 戦国大名, had a high demand for precious metals, and therefore were eager to develop gold and silver mines within their territories.\textsuperscript{7} Silver was especially abundant and began to be exported. Kobata Atsushi 小葉田淳 (1905–2001), the scholar who has most


\textsuperscript{5} Mining began relatively late in Japan. This was due in part to the fact that political and trade relations permitted the importing of refined metals from Korea until the middle of the 7th century. The author thanks Nanny Kim for this comment. See also Murakami, \textit{Kin gin dō no Nihonshi}, 52–54.

\textsuperscript{6} Kobata, \textit{Nihon kōzanshi no kenkyū}, 3; Murakami, \textit{Kin gin dō no Nihonshi}, 52 and 129.

\textsuperscript{7} Kobata, \textit{Nihon kōzanshi no kenkyū}, 3.