The second is that the book keeps the introduction of episodes to a minimum—and this is something that is only to be expected in a work of research—and yet it succeeds in giving a solid feeling for the person of Isaka, who had to bear up under serious personal difficulties, such as having rumors circulating that he was a (hated) “Christian,” or being accused of being behind every fire that broke out in the Noshiro area (arson was a frequent occurrence). The third thing is that, while I am very well aware of source material limitations, I still am disappointed that the authors did not go further than describing how Isaka, a man endowed with the modern ethos, came to Noshiro from outside the area and was very active there. I think it would have been even better if they could have depicted the aspect of his personal growth through the adversities he went through in Noshiro.

I might mention in passing that the authors represented in this book have published a large number of excellent pieces of research in the area of business management. I hope that in the years to come we will be able to see more fruits of their knowledgeable labors in regard to the timber industry.


reviewed by Yōichi Kobayakawa

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*This book represents* a small portion of the results of research carried on over more than ten years by the History of Small and Medium Enterprise Research Society (made up of eight members, six of whom are authors of chapters in this work). It is a work that combines positive research into the enterprise activities of six managers of small and medium enterprises in prewar Japan with an introduction to the discussions that have been held in that same society in regard to issues and points of view in research on the history of small and medium enterprise. The separate research by individual members was, as pointed out in the Introduction, not carried out on the basis of a unified analytic viewpoint and methodology, nor was the choice of the type of business or of the individual entrepreneurs necessarily made
in line with some clear logic. Nevertheless, this book is a solid work on the history of small and medium enterprises, made up mostly of some case studies of individual entrepreneurs, and it might even be the first of its kind to be published in this country.

First let me indicate the way the book is divided, and then I shall give a brief summary of the contents of each chapter.

Chapter 1: Yahei and Naotarō Sekiguchi: Regional Entrepreneurs and People of Renown in Shōyu Production (Masayuki Tanimoto)
Chapter 2: Sōtarō Fujimoto: Organizer of the Cotton Rug Industry in Sakai (Takeshi Abe)
Chapter 3: Seiichirō Kamemura: The Medical Apparatus Trade and an Artisan-Type Manager (Jōzen Takeuchi)
Chapter 4: Kumakichi Araya and Son: From Yamanaka Lacquerware Artisan to Bicycle Parts Manufacturer (Satoshi Matsumura)
Chapter 5: Shōichi Noda: Machine Tool Enterprise and Management of Rokuroku Shop (Minoru Sawai)

The Introduction by Jōzen Takeuchi informs us about the discussions held over many years by the authors represented in this book—discussions that dealt with such things as what the real issues were, what methodology should be followed, what analytic viewpoints should be adopted, etc., in regard to research on the history of small and medium enterprises. It traces the path by which the authors, while accumulating individual research on small and medium enterprises, simultaneously groped their way towards some systematization of, and a general theory of, the history of small and medium enterprises. The discussions by the authors touch upon a truly large number of various topics, and the views by other participants are also quite diverse.

The contents of those discussions are arranged in three headings. The first, "Typology and Research on Small and Medium Enter-
prise," presents a variety of discussions on typology in regard to managers and methods of managing. The second, "Market Problems and Production Elements in Small and Medium Enterprise," informs the reader about the starting point for considering the history of small and medium enterprise in Japan from an assessment of the size of market scale, and then it takes up the problem of the relevancy of skill and modern scientific technology. The third heading, "Changes in Industrial Structure and Step-Theory Understanding," begins by emphasizing that the authors, when they were studying the machine industry, noticed (rather unexpectedly) actual cases in which, for instance, some businesses developed from parts supply divisions into independent makers, or cases in which small parts divisions went on to grow into large new industrial divisions, and this led to a considerable amount of discussion. Next, in regard to the division of Japan's industrialization into separate steps, it describes the existence of three views: the view that "it is only natural for there to be a division that corresponds to the steps in the development of Japanese capitalism" (p. 30), a view that is critical of the above, and a view that adopts a middle position between the first two.

In this book, therefore, the editors have made it their goal to help the reader attain a tentative grasp, through case studies, and without any methodology or set issues forcefully imposed on the materials, a portion of the "rich diversity contained in the history of small and medium enterprise in this country" (p. 5), and they restrict their attention "to roughly from the end of the Tokugawa period up to and including World War II" (p. 6).

In Masayuki Tanimoto's study in chapter one we have a study of the Sekiguchi family in Ibaraki Prefecture; the Sekiguchis were influential soy sauce producers going back to early modern times in Japan. Tanimoto describes the process by which, once into the modern period, the family ventured into several different businesses that did not fare well, how it also spent large amounts of money financing political activities, and how eventually the family business declined. As a result of Hachibei Sekiguchi's failures down the diversification track and his commitment to social and political activities, the Sekiguchi family was financially ruined and in the end was forced in 1901 to relinquish its participation in running the soy sauce business. Towards the end of World War I, however, Hachibei's eldest son,
Naotarō, engineered a return to management of the soy sauce production operations. This time, however, the business was on a middle-scale production management level. Tanimoto’s conclusion is that this family’s “path was one of the patterns forming the small and medium enterprise family stratum in the traditional industry sector of modern times” (p. 85). He also discovered a point of similarity between the way the Sekiguchi family business evolved and the way it evolved for another family Tanimoto had studied in an earlier work, the soy sauce producer Gihei Hamaguchi of Chōshi (in Chiba Prefecture). Both families had gone down “the path of energetic participation in regional enterprise → loss of family assets → reliance on kinship connections (adoption of incorporation in the process)” (pp. 92–93, note 75).

Chapter two, by Takeshi Abe, investigates the entrepreneurial activities of Sōtarō Fujimoto, a leading figure in the cotton rug manufacturing industry that for a time reached a notable level of development in the Sakai region of Osaka Prefecture in the Meiji period. Unlike the efforts at diversification outside the family business taken by Hachibei Sekiguchi, all of Fujimoto’s efforts were devoted to the family business, and the family business alone. Having taken over the family business of manufacturing cotton rugs, Sōtarō personally carried out improvements in several different production techniques and experimented with materials, while at the same time opening up domestic and overseas markets. In so doing he not only helped the family business to develop through his innovative entrepreneurial approach but also took the lead in helping this industry as a whole grow. But at the end of the nineteenth century Sakai’s cotton rug industry faced a situation of sudden decline. According to Abe, the causes for this decline were a hike in import levies in the U.S.A., which was the principal export market for cotton rugs, and a deterioration in other parts of the international environment surrounding the cotton rug industry. Let me also point out that in this chapter Abe gives a summary of the industrial development that took place in the Sakai region and likewise situates the cotton rug industry within the overall picture. The Introduction tells us (p. 10) that Abe is attempting to group managers of business together in terms of technological factors and market scale. We probably can call Fujimoto an example of someone who succeeded in market expansion as a result of “the
rapidity with which he obtained information regarding market trends” (p. 10).

In the next chapter Jōzen Takeuchi uses a case study of Seiichirō Kamemura, an “artisan-type entrepreneur” who produced scissors for medical purposes, to inform us about the features of this business, examples of independence among these small and medium enterprises, and their views on technical skills and behavior patterns. As a first step Takeuchi considers the history of the steel medical instruments industry, focusing mainly on the genealogies of the medical equipment merchants and artisans; this is followed by a description of the career of Kamemura from the time of his being sent at the age of nine to serve an apprenticeship under a scissors craftsman, and his views on technical skills. When Kamemura would become independent in 1931 and set up his own business, he would shortly go on to become someone who in the scissors trade would be referred to by his peers as the god of scissors. During the period of wartime control Kamemura’s factory would become the biggest in the field of medical instruments, employing nearly a hundred workers, but after the war it returned to its former size and became an establishment employing approximately ten people at any given time. The account of Kamemura’s strictness in regard to assessing the expertise of his artisans is interesting. When Takeuchi, who was deeply committed to visiting the circle of artisans in order to report on them, cautions himself against “sometimes lapsing into business analyses that have lost their sensitivity-tuning circuits . . . that sometimes do not react to the facts” (p. 162), it awoke a deep responsive echo in this reviewer’s heart as well.

In chapter four Satoshi Matsumura investigates the process by which Kumakichi Araya, of Yamanaka Village in Ishikawa Prefecture, “went from being a traditional lacquerware artisan into being the manager of a bicycle parts manufacturing firm” (p. 166). This contrasts strongly with the course of actions of Seiichirō Kamemura, seen in the preceding chapter, who nearly all of his life behaved and acted in the manner of an artisan. The first-generation Kumakichi made a name for himself for his technical improvements and inventions as a wood-varnishing craftsman, and from there he progressed to forward and backward integration of lacquerware, showing his ability as an entrepreneur through his efforts to expand sales outlets on his
own. When sales of lacquerware went into decline, he began manufacturing wooden wheel rims; this marked his development into a modern industrial entrepreneur. Going on to the production of iron rims, he was joined by his son, Kumakichi II, who also began producing bicycle chains. The son was not the kind of person who was content to rest on his oars, and in the second half of the 1920s he absorbed one rim manufacturer after another, till he had expanded his network of factories throughout the nation. Matsumura surmises that “growing from an artisan in a traditional industry and changing into the manager of a modern industry was not something that could be done by everyone, and no doubt a variety of conditions had to be met” (p. 166), and he points out several conditions that converged in the case of the Araya family. It would be a good thing if studies were done to compare this and other cases of people who aspired to switch from being an artisan to being the manager of a modern industry.

Minoru Sawai’s chapter five traces the course of business activities and industry-wide activities of someone who was not the successor to a family business, nor an artisan, nor even a university graduate, yet he founded a middle-ranking machine-tool manufacturing company. The person in question was Shōichi Noda, and his activities ranged from the Meiji period to the period of the wartime economy. Noda’s business started with the importing of machine tools, but in 1912 he went a step farther and embarked on the production of machine tools in his own factory. Showing a propensity to move ahead, he successfully introduced a production method based on convertible parts and went about mobilizing factories that would do subcontracting work for him. At the same time he became an official in the associations of both the machine metal sales industry and the machine metal manufacturing industry. Sawai identifies Noda’s company as a “middle-ranking manufacturer” (p. 200), but I wonder, would it not have also been a valuable exercise to compare his company with other machine tool manufacturers, so as to clarify the capacity for growth of these enterprises and the conditions and other factors that allowed such growth?

In chapter six Asobu Yanagisawa deals with Senjirō Sakakidani, an influential civil engineering works contractor who worked in Manchuria in the second half of the 1920s, and he looks at the process of Sakakidani’s growth as an entrepreneur, along with his indus-
try-wide activities. Sakakidani kept a very clear diary, and this was used as the main source for this study. In the process of directing all kinds of engineering projects as the superintendent in charge of technicians and of work on site, Sakakidani became aware of the mediocrity and irrationality of the owners of building firms, so in 1921 he became completely independent. Strongly bent on reforming the civil engineering construction contracting business in Manchuria, Sakakidani adopted a positive approach to, for example, reform of the collusive price-rigging that was endemic to the industry. As far as I know there exist almost no previous studies dealing with the industry that Yana-gisawa treats of here, and for this reason I found there were a number of interesting places in this chapter—for example, where the author describes how Sakakidani agonized over the problems involved in managing Chinese coolies, or describes the kind of technical advances and ingenious ways of doing things Sakakidani had to come up with himself in order to handle some difficult construction projects.

The above summary gives a little idea of who some of “the group of people who pounded the ground of Japan’s industrialization into a solid, hard foundation” (p. 35) were. And, as the authors of these chapters also observe, it would seem to be necessary to continue with more such individual studies of small and medium enterprises in the future. I believe that the approach to issues and analytical viewpoints shown in this book would serve as an effective tool in any such future studies. Naturally, once a certain amount of positive research has accumulated, there is bound to be a point at which some theoretical assumption will have to be introduced in an attempt to give an overall inductive grasp of the variety in this country’s small and medium enterprises. The operations and creativeness of the small and medium managers were surely important elements forming the course of prewar Japan’s economic development. Therefore, I think the performances and functions of these managers ought to be set in a historical context, in which somebody shows how, in the process of economic growth, business opportunities opened up to these managers, and then goes on to show the sort of creative reactions the managers had to those business opportunities.

Takafusa Nakamura once asked: “Is it possible to write history while ignoring this enormous reality?” (in an article entitled “On Conceiving a Theory of Traditional Industries” in Meiji-Taishô-ki no keizai
[Economics in the Meiji and Taishō periods], p. 179). I think the same question can be asked in regard to the small and medium enterprises. I do not want to see only the old discussions about Japan’s “two-tiered structure” and the “subcontracting system”; I also want to know more about concrete aspects of the entrepreneurship of different kinds of small and medium managers and their dynamism, along the lines presented by the authors of this work. I look forward to further invigorating research activity on the history of small and medium enterprises.