

Japan Academy Prize to:

Satoru NAKANISHI
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for *Wealthy Kitamae Shipowners and
 Japanese Capitalism*

***Outline of the work:***

Wealthy Kitamae Shipowners and Japanese Capitalism is a work by Prof. Satoru Nakanishi (2009) that investigated how the owners of Kitamae sailing ships, which were active in the shipping business along the coastline of the Sea of Japan from the 19th century to the beginning of the 20th century, accumulated profits and how they promoted industrialization of local economies in modern Japan. In doing this work, he analyzed a large number of the account books of 21 wealthy shipowners and examined statistical data related to the development of local economies.

Although many studies had been conducted on the activities of Kitamae sailing ships revealing that these shipowners did not accept freight from the owners of goods but bought and sold goods for themselves, regional differences in the prices of goods had not been investigated. Very few papers referred to the fact that Kitamae shipowners promoted Japan's industrial revolution by investing their profits into modern manufacturing industries.

Having examined changes in regional price differences of rice, fertilizer, salt, and sugar, Prof. Nakanishi showed that the transaction of herring fertilizer produced in Hokkaido and sold in Kinki became the most profitable item in the middle of the 19th century. He also showed that the activities of these shipowners by end of themselves reduced the regional price differences of herring fertilizer, forcing most of these shipowners out of the shipping business in the 20th century. Bean cake made of soybeans imported from northeastern China hastened the decline of the activities of the Kitamae shipowners.

Prof. Nakanishi classified the 21 shipowners into three groups. The first consists of five shipowners whose activities were concentrated in the shipping of herring fertilizer, and the second consists of nine shipowners who engaged not only in the shipping business but also in the mercantile or industrial business of their hometowns. The third group consists of seven shipowners whose transactions depending largely on their connections with feudal governments.

In the first part of the book, Prof. Nakanishi analyzes the account books of the five shipowners of the first group, showing that they had to increase the number of their ships to minimize the risk of damage caused by shipwrecks, so consequently they could not invest profits into various businesses in their hometowns. In the second part, he investigates the activities of the nine shipowners of the second group, showing that they handled many kinds of goods including goods supplied from their hometowns and invested their profits into modern businesses in their hometowns. In the third part, he analyzes the account books of the five shipowners of the third group, showing that most of them suffered under heavy taxes by feudal governments so could not contribute to the modernization of the local economy.

Prof. Nakanishi concluded that only the Kitamae shipowners who belonged mainly to the second group invested their profits into modern industry in their hometowns. He argued that, compared with Osaka merchants, most of whom promoted the industrial revolution, the Kitamae shipowner's contribution to the industrial revolution was comparatively limited. He conjectured that this limit was the most important factor behind the economic backwardness of Hokuriku, the main district containing the hometowns of the Kitamae shipowners. His view on this comparison has yet to be sufficiently verified. However, it is undeniable that Prof. Nakanishi's *Wealthy Kitamae Shipowners and Japanese Capitalism*

has contributed to a greatly heightened level of quantitative analysis on the capital accumulation of the Kitamae ship-owners and their investment in modern industry. This book, which combines the study of modern and feudal Japan, will remain as a monumental contribution to Japan's economic and business history.