

**A Local Entrepreneur in Prewar Japan Who Utilized the Inland Sea of Japan:  
An aspect of business activities by Ohara Magosaburo**

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Introduction

The Western people who have visited Japan may know the Ohara Museum of Art at the city of Kurashiki in Okayama Prefecture<sup>1</sup>. That was established in 1930, and is famous for the collection of Western and Japanese arts, especially pictures of French and Belgic impressionists. The founder, Ohara Magosaburo<sup>2</sup> (1880-1943), was the son of Ohara Koshiro, who was the larger landowner with about 600 hectares and the establisher of Kurasaki Spinning Company (Kurabo) and Kurashiki Bank, and succeeded to the father's land and companies. Magosaburo not only developed the two companies but also diversified into electric power supply, newspaper publishing, artificial silk manufacturing and so on. He also established three research institutes on agriculture, social science, and science of labour. All the companies, three research institutes and the museum of art are even now alive.

The purpose of this paper is to show the business activities of a local entrepreneur in the prewar Japan, Ohara Magosaburo, particularly his management of Kurabo, and to argue that the development of this company is closely related to marine transportation. Magosaburo's business activities belonged to those of a typical family business, which is an important issue of contemporary business history. It is also interesting that the marine transportation, the common interest of Ancona Conference of European Business History Association, often supported his main business, Kurabo. This paper is based on our Japanese book, Abe (ed.)(2017), which uses not only secondary sources but some primary documents that the Ohara family owns, and the published business report of Kurabo.

This paper first shows the short biography of Ohara Magosaburo before he became a business man. Next it scrutinizes the development of Kurabo. Finally, the role of marine transportation in the development of Kurabo is argued.

1. Short Biography of Ohara Magosaburo

Kurashiki region near the Inland Sea of Japan (*Seto Naikai*) is fit for farming, thanks to the mild climate. The Ohara family was a rich landowner, and Ohara Koshiro, Magosaburo's father, had 148 hectares of land. In 1888 Koshiro accepted the president of newly established Kurabo in response to the local expectation. In the industrializing Japan a cotton spinning factory usually had ten thousand

spindles. However, Kurabo owned only 4,472 spindles at that time because of the shortage of fund, and finally attained at about thirty thousand spindles through five capital increases for twenty years after 1889 when Kurabo started operation. In April 1888 Koshiro had been the largest stockholder of the company, but the number of his stocks was only 115. Koshiro, however, continued to buy the stocks of Kurabo, and reached 1,632 in 1909. In 1891 Koshiro also became the president of Kurashiki Bank.

Magosaburo was born in July 1880 as the third son of Koshiro, whose two brothers early passed away. Magosaburo was a short-tempered and sickly child, and was not good at adapting to the school life. In 1897 he dropped out a local senior high school, and entered Tokyo Senmon Gakko (Tokyo College. Now Waseda University). He, however, soon lost the motivation for to study, became prodigal of expense, and borrowed much money from a loan shark. Next year his brother-in law, Hara Gisaburo, took Magosaburo to Kurashiki. Thereafter, because of Gisaburo's sudden death, Magosaburo was repentant, and both of the thought of Ninomiya Sontoku and the Holy Bible greatly influenced him. In 1899 He first met Ishii Juji (1865-1914), who was a famous Christian and managed to the Oakayama Orphans Home. Magosaburo was soon fascinated by him, and came to financially support his work. At the turn of the century, Magosaburo became a devout Christian, and was interested in the socialism. He also devoted himself to the education for the local people, and started Sunday Lecture Meeting at Kurashiki at his expense, which was continued until 1925. For this project many famous people were invited to Kurashiki, and elevated the cultural standard of the town. One of the lecturers was Okuma Shigenobu (1838-1922), the famous statesman and the founder of Waseda University, whose invitation made the strong tie between Magosaburo and the university.

## 2 Magosaburo's Businesses besides Textiles

Ohara Magosaburo entered the above-mentioned Kurabo in 1901, which became the pillar of his businesses. Although the authors soon mention this company and its subsidiary, Kurashiki Rayon, we will explain the other business activities of Magosaburo here. He managed such companies as bank, electric power supply, and newspaper, formed the infrastructure of Kurashiki, and contributed to establishing three institutes and a museum.

First, Magosaburo succeeded to the presidency of Kurashiki Bank from his father, which was a small local bank, but greatly contributed to the funding of Kurabo. In those days there were so many tiny banks in Okayama Prefecture. Supported by Kasai Shin'ichi, the Governor of the prefecture, and Kimura Seishiro, the Vice-President of the Bank of Japan, Magosaburo began the merger of such smaller banks in 1918. In the following year six banks including Kurashiki Bank amalgamated into the First Merger [*Dai'ichi Godo*] Bank (FMB), which became the first large merger of banks in Okayama Prefecture. Thereafter, the banks in the prefecture came to lead to a split between FMB of

the Oharas and Sanyo Bank of the Doi family in Tsuyama.

FMB financially depended on Omi Bank in Osaka, one of ten directors of which had been Magosaburo since 1921. In spring 1927 a serious financial panic hit Japan's economy, and Magosaburo defrayed 550 thousand yen of debt because of the bankruptcy of Omi Bank. By this payment FMB was saved and stabilized. Although the continuous depressions in 1929-1931 distressed him, the long-term loan of six million yen from Japan Industrial Bank in 1930 helped Magosaburo. In those days he intended to merge Sanyo Bank with FMB, which realized as the establishment of Chugoku Bank<sup>3</sup> also in 1930.

Magosaburo and Kurabo loosely borrowed much money from FMB and Chugoku Bank, which he regarded as his own bank. Magosaburo did raise the fund to acquire precious curios and objets d'art and to build his luxurious villa, Yurinso, and the Ohara Museum of Art. Though he remained in the position of the president of Chugoku Bank until 1940, the bank accumulated bad debt by the above-mentioned loans.

Second, as for electric power supply, Magosaburo collaborated with the local renown men to found Kurashiki Electric Light Company in 1909, which lightened the town of Kurasaki in 1920. In 1912 Magosaburo was elected to its president, and became acquaintance with an excellent bureaucrat of the Ministry of Communication and Transportation, Sakano Tetsujiro (1837-1952), at the purchase of right of business of Chugoku Electric Power Company in the same year. Sakano became Magosaburo's mentor on electric power, and soon contributed to the electrification of Kurabo.

In 1916 Kurashiki Electric Light merged with Tsuyama Electric Light, which was the company of the aforementioned Doi family and used much water. In 1922 the new company, Mimasaka Electric Power, absorbed Okayama Hydroelectricity Company, which Sakurauchi Yoshio, a landowner and a politician in Shimane prefecture, owned, and was renamed Chugoku Hydroelectricity Company. Thereafter, Chugoku Hydroelectricity Company continued to purchase smaller electric power companies in and out of Okayama Prefecture, merged Himeji Hydroelectricity Company of Ushio Umekichi in 1925, which ruled over the region of Harima, the western part of Hyogo Prefecture adjacent to Okayama Prefecture. As result, Chugoku Merger [*Godo*] Electricity Company was newly established in 1926. Magosaburo continued to aggressively enlarge electric power business as well as Kurabo. Chugoku Merger Electricity Company amalgamated five companies, which brought about the unification of electric power supply industry in Okayama Prefecture, which Magosaburo had earnestly desired. Magosaburo was, however, seriously damaged by the financial panic in 1927, as we have already discussed it. At the general meeting of stockholders in 1928, the directors of Ohara group retired, while Sakano and Ushio respectively became president and vice president. Incidentally, Magosaburo fortunately sold off about thirty per cent of the total stocks, which he owned, at peak price.

Thirdly, Magosaburo once managed a newspaper company. Before the First World War, two local

newspapers ruled over Okayama Prefecture, *Sanyo Shinpo* and *Chugoku Minpo*. The former was hostile to Magosaburo, while he had given funds to the latter since 1909. The owner of *Chugoku Minpo* Company was Sakamoto Kin'ya, who had ever owned Tamashima Spinning Company<sup>4</sup>, had Obie copper mine near Kurashiki, and was a politician. Magosaburo succeeded to *Chugoku Minpo* in 1913, which Hara Sumiji (1878-1968), Magosaburo's nephew, and Kakibaru Sei'ichiro, a private secretary of Magosaburo, well managed. In the 1930s Kakibaru retired from the company, and the right of business moved to Chugoku Bank. By the way, *Sanyo Shinpo* Company also came to be controlled by the same bank, because the Ohashi family, the owner of *Sanyo Shinpo* Company and the rival of Magosaburo, fell. In 1936 *Sanyo Shinpo* and *Chugoku Minpo* merged into Merger Newspaper [*Godō Shimbun*] Company, which further changed the name into Sanyo Newspaper Company later.

In short, because of the serious damages that Magosaburo experienced during the great depression of interwar period, he withdrew from electric power industry, and his relation with banks and a newspaper company became estranged. Nevertheless, it was Ohara Magosaburo who consolidated the bases of three companies, Chugoku Bank, Chugoku Electric Power and Sanyo Newspaper. All of these companies are alive now, and play important roles in the Chugoku Region.

Magosaburo also greatly contributed to constructing the following infrastructure of Kurashiki around the First World War; the factories of Kurabo and Kurashiki Rayon, company houses and dormitories attached to the above two companies, Kurashiki Central Hospital, Kurashiki Research Institute of Labour Science, and Ohara Agricultural Research Institute. He first installed the telephone in Kurashiki in 1907. In 1919 Magosaburo founded Kurashiki Housing and Land Company, which developed residential lands. He further constructed roads, which were soon later donated to the town of Kurashiki and the adjacent villages. In 1918-1924 Hara Sumiji became the town mayor, who also made great efforts to beautify Kurashiki; He systematically improved poor roads since the 1920s, and endeavored to found some primary schools and to strengthen water supply. Hara opened an employment agency, a personnel agency and an observatory, too.

In 1928 the city of Kurashiki was established, and in 2017 Agency of Cultural Affairs, Government of Japan acknowledged the city as the Japan heritage. The bases of such evaluations were built mainly by Magosaburo, and Hara Sumiji well helped him.

Magosaburo also left the following cultural legacies, three institutes and a museum; (1) Ohara Institute of Agriculture est. at Kurashiki in 1914<sup>5</sup>, which is now Institute of Plant Science and Resources at Okayama University. (2) Ohara Institute for Social Research est. in the city of Osaka in 1919, which now belongs to Hosei University in Machida, Tokyo. (3) Kurashiki Institute for Science of Labour est. at Kurashiki in 1920, which is now Ohara Memorial Institute for Science of Labour at J.E.Oberlin University in Sendagaya, Tokyo. All of these research institutes have been outstanding and unique from the beginning, which were run respectively by such distinguished scholars as Kondo Mantaro (Agricultural Science), Takano Iwasaburo (Economics) and Teruoka Gito (Science of

Labour), and gathered many excellent researchers. (4) Ohara Museum of Art est. at Kurashiki in 1930, which was built to commemorate the late painter, Kojima Torajiro (1881-1929), whose talent and personality Magosaburo deeply loved.

Magosaburo was sickly from his childhood, and suffered from serious illness once a decade. Adding to that, most of his businesses showed poor performance in the long depression from the mid-1920s till 1931. Further, his loving persons continuously passed away; his elder sister, Hara Uno, in 1927, Kojima Torajiro in 1929 and his wife, Sueko, in 1930. Magosaburo himself contracted angina pectoris after 1936. In 1938, when his son, Soichiro, returned to Japan from the business trip for two years, Magosaburo retired from almost all his businesses, and passed away in January, 1943 at the age of 62. In short, his later life was unhappy, but the excellent subordinates including Ohara Soichiro (1909-1968)<sup>6</sup> well developed his businesses.

Magosaburo had huge wealth from the inheritance. In 1916 his estimated asset was three million and five hundred thousand yen, which was the 135<sup>th</sup> rank in Japan<sup>7</sup>. In 1924 his farm land was 522 hectares, which was the 74<sup>th</sup> rank in Japan<sup>8</sup>. Finally in 1933 his asset was ten million yen, which was the 105<sup>th</sup> rank in Japan<sup>9</sup>.

However, the fact that the declared amount of money of inheritance was unexpectedly small surprised the staff of tax office. One officer said, "I could understand Mr. Ohara was actually a great man. Most of all the people, who donated only two or three per cent of his wealth, behave themselves like philanthropists, while Mr. Ohara spent over seventy per cent for social contribution. It seems reckless, but that is his greatness different from the common people"<sup>10</sup>.

## 2. Magosaburo and Kurabo

Soon after Magosaburo entered his father's company, Kurabo, in 1901, he immediately educated the workers who were not accustomed to working discipline, and well studied the thought of Robert Owen and the system of mutual aid association of Krupp firm in Germany. As for the case of Krupp, Muto Sanji, a famous manager of Kanegafuchi Spinning Company, realized it in 1905, while Magosaburo noticed the same case in c.1907 and put it into practice in 1915.

In 1906 Magosaburo succeeded in dispelling the problematic suppliers of food to the workers. However, another problem of prevalence of typhoid fever occurred at the female dormitory. As a result, Ohara Koshiro resigned from presidents of Kurabo and Kurashiki Bank in August, when Magosaburo succeeded to the positions. Thus, Magosaburo became an owner-manager.

Magosaburo soon adopted many higher education graduates; During the period from 1907 till 1912 Kurabo employed totally about thirty graduates, sixteen members of whom were engineers including three from Osaka Higher Technical School (now Osaka University) and two from Tokyo Higher Technical School (now Tokyo Institute of Technology). Most of them used to be the scholarship

students of the Ohara family. In those days there were few companies which adopted highly educated young people. For example, even Osaka Spinning Company, a pioneer of modern management, adopted a graduate from Tokyo Imperial University (now University of Tokyo), Seki Keizo, for the first time in 1908.

In 1908-1914 Magosaburo improved dormitory. He invested much money for it in spite of the objection from some of executives, abolished two-storied dormitory, and build one-storied dormitories with spacious rooms, a dining hall, a shop, a school, a clinic, a bath and garden.

In 1908 Magosaburo purchased Kibi Spinning Company. That started as Tamashima Spinning with two thousand spindles, being supported by Japanese government, and was bought and renamed by aforementioned Sakamoto Kin'ya. As the machinery of Kibi Spinning was far better than that of Kurabo, Kurabo could become very powerful and the largest cotton spinning company in Chugoku region thanks to this merger.

As was mentioned before, Kurabo started a smaller local cotton spinning company, but was ranked at seventh by the number of spindles in a total of fifty six Japanese cotton spinning companies in 1924 (see Table).

The First World War was the epoch-making period for Kurabo. Before and in the war Magosaburo made great efforts to build the most advanced factory near Kurashiki and to realize a sort of community of labourers in the factory. Namely, in 1912 Kurabo decided the installation of Masu Factory with 30 thousand spindles for spinning thick cotton yarn, which began operation in 1915. The factory had the equipment of private power generation, and introduced the individual electric drive system at line shaft. Magosaburo further intended to create "an ideal factory village" in Masu Factory. He proceeded to build 600 company houses for the workers to form their families. This idea was presumably influenced by Robert Owen's experiment at New Lanark in Scotland, and /or the Garden City Movement by Ebenezer Howard in the U.K. This plan, however, completely failed, because many female workers were much more important for Japan's spinning than male workers. The boom in the war was the golden opportunity for cotton industry in Japan to win enormous profits, and the houses for female workers became insufficient. Therefore, it was very hard for the workers to form their families, and Magosaburo was obliged to reopen dormitories that he had once abolished.

As Map suggests, Magosaburo increased the factories of Kurabo along the Inland Sea of Japan in and around the war. It was an excellent idea that utilized shipping, but we will consider the implication in the following chapter. Kurabo set up Takamatsu Factory in Kagawa Prefecture, which began operation in 1921. The company purchased two companies, Sanuki Spinning in Kagawa Prefecture and Matsuyama Spinning in Ehime Prefecture in 1918, which became respectively Sakaide Factory and Matsuyama Factory of Kurabo. On the other hand, in Okayama Prefecture, Kurabo merged Hayashima Spinning Company est. in 1916, and made it Hayashima Factory in 1921. The company also amalgamated Okayama Dyeing and Finishing Company est. in 1918, and made it

Okayama Kitakata Factory in 1922. Incidentally, at the establishment of Hayashima Spinning and Okayama Dyeing and Finishing Magosaburo invested capital funds.

However, the enlargement of both factories of Kurashiki and Masu and the constructions of Takamatsu, Hayashima Spinning and Okayama Dyeing and Finishing were unusually delayed by the shortage of spinning machines, which had been imported mainly from the U.K. before the war<sup>11</sup>.

Thus, the boom in and after the First World War brought about the remarkable growth of Kurabo. The company changed from a local firm to the first class spinning enterprise, which moved the business location to the city of Osaka. Osaka was a largest market of textiles in Japan, where Magosaburo came to stay for one third of a month.

After March 1920 until the end of 1931 Japan experienced long depression, and Kurabo could not evade that. How did Magosaburo cope with the difficulties? First, he proceeded cost cutting and efficiency improvement. About this the afore-mentioned Kurashiki Institute for Science of Labour played an important role. Especially, Teruoka Gito, the head of the institute, critically taught the scientific management developed by Frederick Taylor to Magosaburo, which deeply influenced him.

Second, Magosaburo planned to construct a cotton spinning factory in China, a so-called *zaikabo*. As we wrote it before, Kurabo suffered from the shortage of spinning machines in the war boom. The company, however, had to receive the imported machines after the war, and it became a serious problem where those machines should be moved. After the First World War many cotton spinning enterprises competed in the construction of *zaikabo* because of the cost push in Japan and of the rapid development of Chinese competitors<sup>12</sup>. Also Kurabo planned to have a cotton spinning factory in Qingdao in 1921-1923, but finally abandoned it. Although many cotton spinning companies which had *zaikabo* obtained lots of profits thereafter, Kurabo could also enjoyed good business results only within Japan because of the prosperity of local yarn market in the former half of the 1920s. As the wage in farm villages remained at a high price in those days, the purchase power of peasants was strengthened, and the local weavers who wove narrow cotton fabrics for Japanese *kimono* enjoyed a booming economy. Therefore, Kurabo could sell yarn to such prosperous weavers.

Even under the long depression of Japan in the mid-1920s Magosaburo aggressively enlarged Kurabo. The company purchased Hirakata Factory of Japan Hosiery [*Nippon Meriyasu*] Co. at Hirakata in Osaka Prefecture in 1924. Kurabo further set up Mitoyo Spinning Company in Kagawa Prefecture as a subsidiary in 1926, which was merged into Kurabo, and thereafter became its two factories at Kan'onji and Marugame in 1933.

The most important decision making by Magosaburo was to establish Kurashiki Rayon Company (now Kuraray) as an affiliated company of Kurabo in 1926. In Japan at that time artificial silk manufacturing was one of such promising industries as electric equipment, ammonium sulfate manufacturing, water wheel electric power generation, and so on. Kurashiki Rayon introduced a sort of viscose rayon production methods from France, which was invented by Dr. Bronnel. It was a very

hard work for the engineers to set out the first factory of the company. In 1928 Dr. Bronnel suddenly died, and Kurashiki Rayon did not pay most of the expensive patent fee. Thereafter, the company came to depend on its own technologies.

As a whole, Magosaburo was also keen to introduce new technologies. For example, he set up an experiment station of Kurabo at Kurashiki in the mid-1920s, by accepting suggestion from Takahashi Yukichi, an excellent engineer, and state-of-the-art technologies such as high draft spinning frames were developed there.

By the way, Magosaburo opened Kurabo Central Hospital (now Kurashiki Central Hospital) in 1923, which was the most advanced hospital in Japan in those days, and not only the employees of Kurabo but every citizen could utilize it. However, this hospital as well as the Institute for Science of Labour and the Kurabo library came to gradually hinder Kurabo to survive in the severe depression.

As we have already mentioned, Magosaburo was seriously damaged by the bankruptcy of Omi Bank at financial panic in 1927, by which he was obliged to withdraw from such businesses as electric power supply and newspaper publishing. In addition, the performance of Kurabo itself was deteriorated because the domestic cloth market, which had supported Kurabo, rapidly reduced in the prolonged depression in the latter half of the 1920s. At that time one director of Kurashiki Rayon, Yamauchi Ken, insisted that Kurabo should be sold to Kanegafuchi Spinning Company, one of the largest cotton spinning company of those days in Japan, because Kurabo became worthless.

In those days Magosaburo lost his will to work not only for poor achievement of his businesses but also for successive death of his loving persons, as we had already explained. However, his excellent close subordinates whom Magosaburo guided well supported him, and conquered the crisis. First, in the early 1930s which was called “the golden age of artificial silk”, Kurashiki Rayon Company eventually got on the right track owing to the great efforts of such executives as Yakushiji Kazue and Yamauchi Ken. The company began to spin staple fiber yarn, and established a subsidiary company, Kurashiki Keori, which produced woolen yarn and fabric. Nonetheless, it was most important that Kurabo marvelously recovered. As the market of American raw cotton collapsed at the middle of 1930, Japanese spinning enterprises came to be able to get the raw cotton of high quality very cheaply. Adding to this, thanks to the depreciation of the Yen after the end of 1931, Japan’s export of cotton cloth quickly increased. Supported by these favorable circumstances, Kurabo marvelously increased the sale of cotton yarn to the independent weavers, who made the clusters surrounding and near the Inland Sea of Japan, and drastically changed their products from the narrow cloth for traditional domestic *kimono* to the wide cloth for export. About this we will see at the following chapter.

In addition, Kurabo energetically introduced high draft spinning frames, which Magosaburo had fostered since the mid-1920s, and strengthened the weaving factories, which had been weaker than the other spinning enterprises (see Table).

Kurabo celebrated the fiftieth anniversary of the founding in 1937. Although Kurabo was once

abandoned to have *zaikabo* after 1923, also the company finally added it under the umbrella through the stock buyout of Japan & China Spinning & Weaving [*Nikka Boshoku*] Co. in 1939.

### 3 Ohara Magosaburo and Sea

As we have already suggested, marine transportation was closely related to Ohara Magosaburo's businesses (see Map). First, he paid attention to its importance, when he thought of forming a group of his factories surrounding the Inland Sea of Japan around the First World War. It was the bold and energetic investments in the construction, merger and further enlargement of some factories in three prefectures, Okayama, Kagawa and Ehime, that brought about such a remarkable growth of Kurabo. When Magosaburo adopted this aggressive strategy, he well recognized the significance of the marine transportation. By 1910 the construction of Uno Port near the city of Okayama was finished, and the regular shipping route between Uno and the city of Takamatsu in Kagawa Prefecture was completed. In addition, the railway between the city of Okayama and Uno was also opened to traffic. Thanks to the formation of such a traffic network, Kurabo got many cheap and docile local female workers and the vast yarn market of the independent weavers in the western Japan, who formed local cotton producing centers (*sanchi*) and wove cloth for traditional *kimono*.

It was also the marine transportation that helped Kurabo to revive from the management crisis of the early 1930s. After the depreciation of the Yen after the end of 1931, which brought about the remarkable increase of Japan's exports, Kurabo could quickly recover from the long depression. The main producers of cotton cloth for export had become the independent weavers in *sanchi*, and Kurabo succeeded in making special connection of two cotton spinners associations in Banshu *sanchi* in Hyogo Prefecture and in Sen'nan *sanchi* in Osaka Prefecture. Kurabo further secured two large specialized weavers as major customers, Obitani Shoten in Sen'nan and Kuboso in Senboku *sanchi*, both of which were located in Osaka Prefecture. The wide cotton cloth woven by the above-mentioned weavers were exported from the large ports of Kobe and Osaka to all over the world, and the weavers fully enjoyed their prosperity. Kurabo's factories around the Inland Sea of Japan supplied such associations and large weavers with lots of cheap yarns not only by train and/or truck but by sea, which greatly helped the quick recovery of the company from the serious depression. In addition, it was favourable for Kurabo to have moved its business location to the city of Osaka in order to make such special network with independent weavers.

### Concluding Remarks

In 1941 Kurabo was reorganized as one of ten large spinning companies, which was formed in 1941-1943 from about seventy spinning enterprises by the order of Japanese government in the wartime.

While most of the ten companies were managerial companies, only three companies of ten were entrepreneurial enterprises or family companies. They were Kurabo of the Ohara family, Nitto Spinning of the Katakura family who were famous for silk-reeling, and Kureha Spinning of Ito Chubei who was well known as owner-manager of Itochu, a representative trading company in Japan. Kurabo is even now alive as a family company of the Oharas and its relatives. And it is noteworthy that a local smaller spinning firm grew up to be one of the representative large company in Japan. It was Ohara Magosaburo who made Kurabo to rapidly develop.

However, Magosaburo's business activities were not always successful. Until the mid-1920s he could energetically enlarge them, but thereafter, often encountered serious problems mainly because of the long depression. Nevertheless, he was able to conquer them finally, thanks to his reliable subordinates including his excellent son, Soichiro.

In addition, marine transportation was closely related to Magosaburo's businesses. He paid attention to its importance, when he thought of forming a group of his factories surrounding the Inland Sea of Japan around the First World War. Thanks to this strategy, he had good factories surrounding the sea, and Kurabo got many cheap and docile local female workers and vast yarn market of the independent weavers' *sanchi* in the western Japan.

The marine transportation saved Kurabo from the management crisis of the early 1930s. Utilizing the above-mentioned factories and marine transportation, Kurabo did succeed to sell large volumes of yarn to the cotton weaving associations and large weavers, who rapidly increased the export of cotton cloth. For this strategy, the location of Kurabo's factories that was formed around the First World War was favorable. In addition, it was also convenient for the company to have moved its business location to the city of Osaka.

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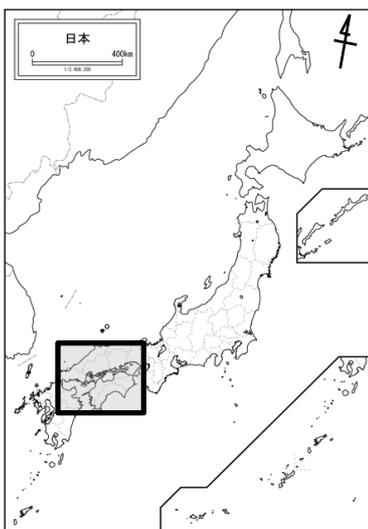
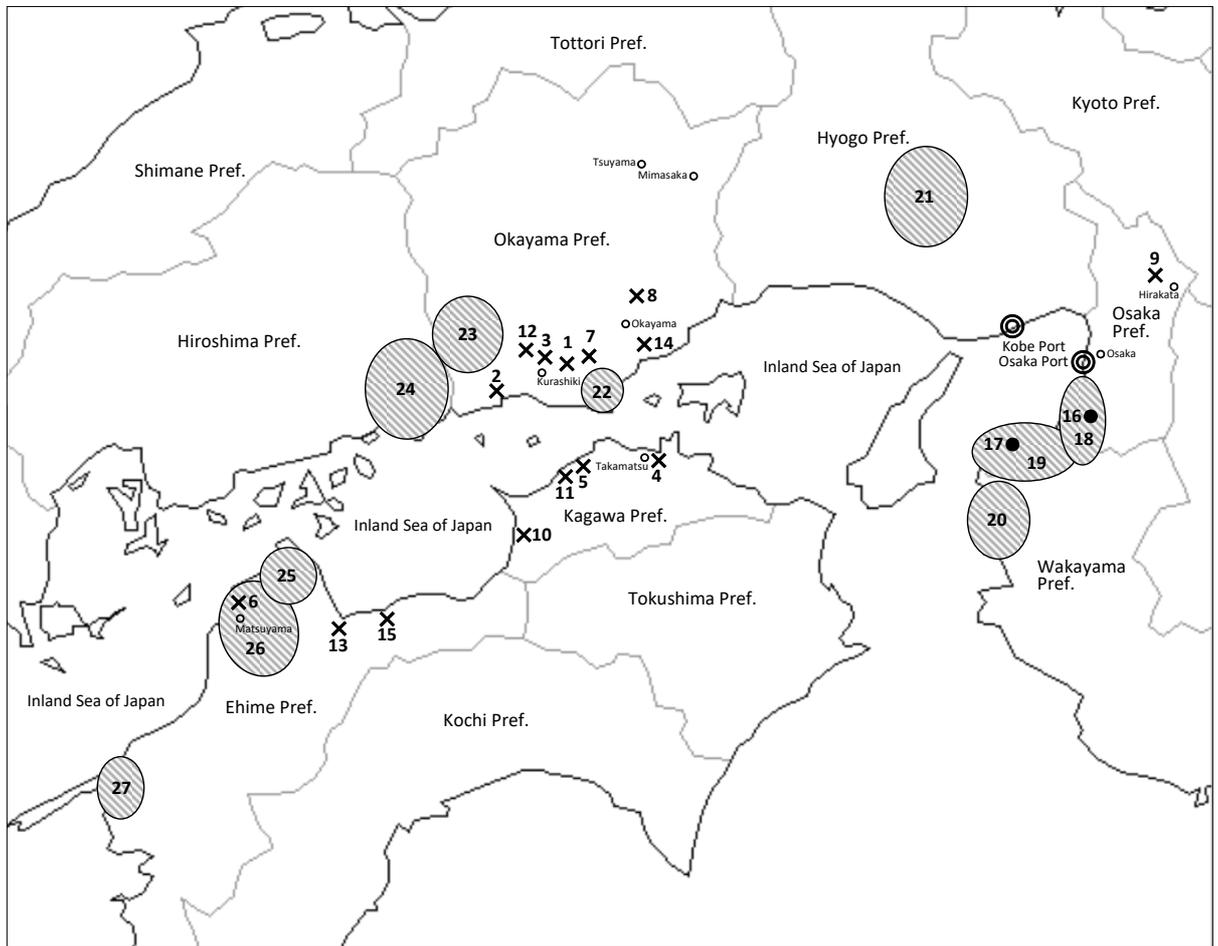
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Figure1 Business Activity Map of Ohara Magosaburo, 1937<sup>13</sup>



No.	Name	Factory	Remarks
1		Kurashiki	Headquarters & Kurashiki Factory
2		Tamashima	
3		Masu	
4		Takamatsu	
5		Sakaide	
6	Kurabo.Co.	Matsuyama	
7		Hayashima	
8		Okayama Kitakata	
9		Hirakata	
10		Kan'onji	
11		Marugame	
12		Kurashiki	Headquarters & Kurashiki Factory
13	Kurashiki Rayon. Co.	Saijo	
14		Okayama	
15		Niihama	
16	Kuboso		Large Consumer
17	Obitani Shoten		Large Consumer
18	Senboku		Cotton Weaving <i>Sanchi</i>
19	Sen'nan		Cotton Weaving <i>Sanchi</i>
20	Wakayama		Cotton Weaving <i>Sanchi</i>
21	Banshu		Cotton Weaving <i>Sanchi</i>
22	Kojima		Cotton Weaving <i>Sanchi</i>
23	Ibara		Cotton Weaving <i>Sanchi</i>
24	Bingo		Cotton Weaving <i>Sanchi</i>
25	Imabari		Cotton Weaving <i>Sanchi</i>
26	Iyo		Cotton Weaving <i>Sanchi</i>
27	Yawatahama		Cotton Weaving <i>Sanchi</i>

Table1 Large Scale of Japanese Cotton Spinning Companies, 1912, 1924

(1) End of 1912								
Order	Company Name	Headquartered Prefecture	No. of Factories	No. of Spindles			No. of Loomes ( % )	Established Year
				Ring	Mule	Total ( % )		
1	Kanegafuchi S.C.	Tokyo	21	378,764	-	378,764 ( 17.4% )	4,139 ( 18.9% )	1887
2	Mie S.C.	Mie	20	273,484	-	273,484 ( 12.6% )	5,312 ( 24.3% )	1886
3	Fuji Gas S.C.	Tokyo	5	164,288	28,240	192,528 ( 8.8% )	951 ( 4.3% )	1896
4	Settsu S.C.	Osaka	10	156,552	-	156,552 ( 7.2% )	- ( - )	1889
5	Osaka Godo S.C.	Osaka	9	140,156	-	140,156 ( 6.4% )	400 ( 1.8% )	1899
6	Osaka S.C.	Osaka	9	134,340	-	134,340 ( 6.2% )	4,610 ( 21.1% )	1882
7	Nippon S.C.	Osaka	3	103,564	16,848	120,412 ( 5.5% )	- ( - )	1893
8	Tokyo S.C.	Tokyo	4	101,672	-	101,672 ( 4.7% )	884 ( 4.0% )	1887
9	Kishiwada S.C.	Osaka	6	96,840	-	96,840 ( 4.4% )	- ( - )	1892
10	Amagasaki S.C.	Hyogo	4	89,776	-	89,776 ( 4.1% )	1,231 ( 5.6% )	1889
Total of Top Three Companies			46	816,536	28,240	844,776 ( 38.8% )	10,402 ( 47.5% )	
Total of Top Ten Companies			91	1,639,436	45,088	1,684,524 ( 77.4% )	17,527 ( 80.0% )	
Total of GJCSA (33 Companies)			139	2,125,000	51,748	2,176,748 ( 100.0% )	21,898 ( 100.0% )	
(2) End of 1924								
Order	Company Name	Headquartered Prefecture	No. of Factories	No. of Spindles			No. of Loomes ( % )	Established Year
				Ring	Mule	Total ( % )		
1	Dai Nippon S.C.	Hyogo	23	669,204	3,680	672,884 ( 13.8% )	7,804 ( 12.2% )	1889
2	Toyo S.C.	Osaka	29	632,664	-	632,664 ( 13.0% )	13,135 ( 20.5% )	1913
3	Kanegafuchi S.C.	Tokyo	27	520,068	-	520,068 ( 10.7% )	8,045 ( 12.5% )	1887
4	Fuji Gas S.C.	Tokyo	7	369,424	19,160	388,584 ( 8.0% )	2,849 ( 4.4% )	1896
5	Osaka Godo S.C.	Osaka	12	305,520	-	305,520 ( 6.3% )	2,700 ( 4.2% )	1900
6	Nisshin S.C.	Tokyo	6	244,120	2,310	246,430 ( 5.1% )	1,413 ( 2.2% )	1907
7	<b>Kurashiki S.C.</b>	Okayama	12	232,884	-	232,884 ( 4.8% )	953 ( 1.5% )	1887
8	Fukushima S.C.	Osaka	8	189,144	-	189,144 ( 3.9% )	1,048 ( 1.6% )	1892
9	Kishiwada S.C.	Osaka	7	159,240	-	159,240 ( 3.3% )	650 ( 1.0% )	1892
10	Wakayama Boshoku Co.	Wakayama	8	95,632	-	95,632 ( 2.0% )	1,360 ( 2.1% )	1893
Total of Top Three Companies			79	1,821,936	3,680	1,825,616 ( 37.5% )	28,984 ( 45.1% )	
Total of Top Ten Companies			139	3,417,900	25,150	3,443,050 ( 70.7% )	39,957 ( 62.2% )	
Total of GJCSA (56 Companies)			232	4,845,082	25,150	4,870,232 ( 100.0% )	64,225 ( 100.0% )	

(Source) Dai Nippon Boseki Rengokai [The Greater Japan Cotton Spinners' Association: GJCSA}(ed.), Menshi Boseki Jijo Sanko Sho [The Cotton Yarn Spinning Condition Reference Book] (Osaka, biannual).

(Notes) S.C. means Spinning Company. Mark of - means zero. Data in 1912 are not including those of eight companies under construction.

<sup>1</sup> As for the places appearing in this paper, see Map.

<sup>2</sup> About name order in this paper, the given name follows the family name, according to the tradition of Japanology.

<sup>3</sup> Chugoku means a region which consists of five prefectures of Tottori, Shimane, Okayama, Hiroshima and Yamaguchi. See Map.

<sup>4</sup> As for this company, we will mention in the following chapter.

<sup>5</sup> The original name was Association for Agriculture Promotion [*Ohara Shono-kai*], which was reorganized and renamed in 1929.

<sup>6</sup> Just after Ohara Soichiro graduated from Faculty of Economics, Tokyo Imperial University, he entered Kurashiki Rayon, was promoted to its president in 1939, and became the president of Kurabo in 1941.

<sup>7</sup> Jiji Shinpo Sha (ed.)(1916), *Zenkoku 50 Man Yen Ijo Shisan-ka Hyo* [Table on Wealthy Persons Who Have Five Hundred Thousand Yen Respectively] in Shibuya (ed.)(1985).

<sup>8</sup> Bureau of Agriculture, Ministry of Agriculture and Commerce (ed.)(1924), *Taisho 13 Nen 6 Gatsu Chosa 50 Chobu Ijo no Dai Jinushi* [Report of Questionnaire Survey: Large Landowners with Over Fifty Hectares] in Shibuya (ed.)(1985).

<sup>9</sup> Teikoku Koshinjo [Imperial Commercial Agency] (ed.)(1933), *Goju Man Yen Ijo Zenkoku Kinmanka O Banzuke* [Large list on Wealthy Persons Who Have Five Hundred Thousand Yen Respectively] in Shibuya (ed.)(1985).

<sup>10</sup> "Talk of Kimura Chozaburo on 6 September, 1957" (Ohara Family Archives).

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<sup>11</sup> See Hashimoto (1984), pp.52-54.

<sup>12</sup> See Duus (1989); Kuwahara (1987); Abe (2005).

<sup>13</sup> The authors would like to thank Dr.Izumi Shirai for her work in drawing an explanatory map.