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Transaction Cost Economics and Chinese Business History

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In previous issues of this newsletter, Sherman Cochran and David Faure have cited the importance of the writings of Alfred D. Chandler, Jr. in the growth of American and Western business history and have urged us to utilize the inspiration of the Chandler model as we launch into Chinese business history. I would strongly underscore this suggestion, but I would also emphatically recommend the framework of transaction cost economics. Without the insights of transaction cost economics, Chandler's strategy-structure framework is merely a useful generalization for assessing the changing character of the modern managerial enterprise in advanced capitalist economies. Chandler himself has become increasingly interested in the implications of transaction cost theory for his own work since the publication of *The Visible Hand*. (See, for example, *Scale and Scope*, 1990).

The transaction cost approach is the crucial element in the new institutional economics. It presents an effective means of assessing the economic efficiency of alternative organizational arrangements for productive activity. Transaction cost economics is based on the work of Ronald H. Coase who was awarded the 1991 Nobel Prize for Economics for this contribution to contemporary economic theory and the understanding it provides about the nature of the firm.

A marketing channel comprises all of the facets of economic activity backward and forward from the manufacturing stage. The "backward" facets include the production, transport, processing and wholesaling

of all of the raw materials, parts, and components that must be supplied for manufacturing to take place. The "forward" facets from manufacturing include wholesaling, warehousing, advertising, jobbing, and retailing. The nature and complexity of these transactions vary according to the specific product. As goods or services are transferred from one stage to the next, or as property rights are exchanged, a transaction takes place. These transactions are the focus of the economic analysis.

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The transfer of goods or services in each transaction at each stage of the marketing channel can be viewed in contractual terms with an explicit or implicit contract concluded between economic actors in each distinct transaction. The problems associated with contracting for transacting distinguish the transaction cost approach from that of the neoclassical approach which assumes that transaction costs are negligible and/or indeterminate. Transaction cost economics initially diverges from neoclassical economic theory by making two significant assumptions about human behavior.

First, in contrast to the neoclassical presumptions of perfect foresight and complete market information, transaction cost economics accepts the notion of bounded rationality - human beings as economic

actors suffer from human frailties in comprehending and analyzing questions and in acquiring, retaining and retrieving information for use.

The other behavioral variation of the transaction cost model from the homo-oeconomicus of neoclassical theory is opportunism. Transaction cost theory accepts that in the pursuit of short-term maximizing a human being will not necessarily play by "the rules of the game" but will resort to guile for self-interest. Yes, we must admit that people will cheat if they think they can get away with it. For these two reasons, human beings as economic agents are less capable in assessment and planning and less dependable in execution than is expected according to conventional economic theory.

Because of bounded rationality, it will be impossible to specify all of the possible circumstances and problems that might arise in the course of transacting and to provide appropriate recourse for all contingencies. Contracting between the economic actors will thus necessarily be incomplete contracting. Due to opportunism, moreover, the problems and economic costs that arise in transacting under conditions of incomplete contracting will be significant.

The costs involved in transacting have been variously enumerated by different economists but generally take four main forms:

1) *Information Costs*. These include the costs involved in acquiring all the information required to conclude a contractual agreement including price, quantity, quality and all the myriad other aspects that must be specified. One important category of information costs is measurement costs. The technological improvement of measuring and the acceptance of standardized weights, sizes and standards have contributed substantially to the lowering of the costs of transacting. Another category of information costs is the search costs of buyers and sellers.

2) *Negotiation Costs*. These include the costs involved in setting the terms for the agreement for the transfer of property rights. The existence of an accepted body of commercial or civil contract law can materially reduce these costs.

3) *Monitoring Costs*. These include the costs incurred in assessing the performance of the parties to the contract in order to detect any opportunistic behavior

by one of them that may harm the financial interests of the other.

4) *Enforcement Costs*. These include the costs that arise from assessing the damage suffered and attempting to secure compensation from the failure by the other party to faithfully observe the terms of the contract.

The heuristic value of transaction cost economics for the business historian comes from the assumption that alternative institutional frameworks or governance structures for transacting will exhibit varying degrees of effectiveness in economizing on transaction costs depending on the nature of the transaction itself. The features of the transaction that will affect the level of transaction costs are: a) the frequency at which the transaction occurs, b) the scope for opportunism that the amount of uncertainty associated with the particular transaction allows, and c) the extent to which the tangible and intangible assets involved in the transaction are unique or specific to the given transaction. The preferred governance structure or institutional framework will be the one that reduces the costs of transacting to the lowest level.

Transaction cost economics have been utilized by American business historians to explain the timing and industrial distribution of the rise of "big business", the extent of vertical integration in different modern business enterprises, the changing organizational structure of the modern corporation, and the pattern of development of the multinational corporation. The transaction cost approach has also been used persuasively in applications concerned with labor unions, antitrust law, the work process, and subcontracting.

I believe that transaction cost analysis is a perspective that will provide a better understanding of many of the features of Chinese business activity. Certain patterns in Chinese business organization can be seen as mechanisms to reduce the monitoring costs of preventing opportunistic behavior. Examples include the often encountered custom of hiring only those who came from the same county or village as the owners or managers noted in Wellington Chan's study of Meng Lo-ch'uan's traditional firm (*Business History Review* 56.2, 1982, 218-235) and the changing importance of guarantors indicated by Andrea McDerry's research (paper presented at the Illinois-Tamkang Midwest China Seminar, Iowa City,

September 14, 1991). Similarly, Meng Lo-ch'uan's maintenance of centralized control through a personalized network of trusted subordinates and a formal structure of meetings and written reports described by Chan are measures for regulating managerial conduct.

Transaction cost economics also provides an important analytical framework for viewing business-state relations, especially according to the theory of the state proposed by Douglass C. North. The basic services the state provides are the underlying rules of the game; by defining property rights, it facilitates exchange in the marketing channel. Its role in developing weights and measures and in contributing an impersonal code of legal practice play a major part in reducing the costs of transacting. There is, however, an inevitable tension between the purpose of the state from society's perspective in creating an efficient system that will reduce transaction costs and encourage economic growth and the opportunistic self-interest of the state in establishing an ownership structure that will maximize the rents to the state for its services.

This analysis, I would argue, forces us to examine the costs and benefits of alternative structures at a point in time and gives us a mechanism for explaining changing structures over time.

Louis Sigel taught economic history for many years at the University of New South Wales, Sidney, Australia. His current research centers on the Guangdong economy since 1978.

Editor's Note: Transaction cost theory can be applied to many of the issues discussed below in Madeleine Zelin's report on the conference, *Civil Law in Chinese History*. To what extent did the Chinese legal system reduce transaction costs *inter alia* by enforcing contracts, by enforcing prohibitions on fraudulent practices, by defining property rights? See Oliver Williamson's work cited below.

Chen Fu-mei and Ramon Myers have argued that guilds developed in the Qing period in order to reduce transactions. See "Coping with Transaction Costs: The Case of Merchant Associations in the Ch'ing Period," *The Second Conference on Modern Chinese Economic History*, Taipei: The Institute of Economics, Academia Sinica, January 5-7, 1989.

Readings on Transaction Cost Theory

Ronald H. Coase, "The Nature of the Firm," *Economica* 4: n.s. (November 1937) 386-405 (Reprinted in George J. Stigler and Kenneth E. Boulding, eds., *Readings in Price Theory* 1952).

North, Douglass, *Structure and Change in Economic History*, Norton, 1982.

Williamson, Oliver, *The Economic Institutions of Capitalism*, The Free Press, 1985.

_____, "Transaction-Cost Economics: the Governance of Contractual Relations," *Journal of Law and Economics* 22 (October 1979) 233-61.

_____, "The Emergence of the Visible Hand," in Alfred D. Chandler Jr. and Herman Deams, eds. *Managerial Hierarchies*, Harvard 1980.

AAS MEETING

Business History Research Group

Saturday, April 6, 6:30-7:00 pm

Conservatory Room, Washington Hilton

Agenda

The meeting will be short because 1) Saturday evening is an increasingly popular time for meetings and events; 2) last year, most of the participants were hungry. The agenda is simple:

- Report on the past year's activities
- Future activities?
 - An edited volume? Panels?
 - A conference? More of the same?
- Where should we go to dinner?

CONFERENCES

Civil Law in Chinese History

Madeleine Zelin
Columbia University

August 11-13, 1991, the Center for Chinese Studies at the University of California at Los Angeles hosted a workshop on Civil Law in Chinese History. Papers were delivered by Hugh Scogin, *Civil 'Law' in Traditional China: History and Theory*; Philip Huang, *Lawsuits, Disputes, Conflicts in North China Villages During the Qing and the Republic*; Mark Allee, *Code, Culture and Customs: Foundations of Civil Case Verdicts in a Nineteenth-Century County Court*; Jing Junjian, *Legislation Relating to the Civil Economy in the Qing Dynasty*; David Buxbaum, *Contracts in China in the Qing: the Key to Civil Law*; Kathryn Bernhardt, *Women and the Law: Divorce in the Republican Period*; Melissa Macauley, *Civil and Uncivil Disputes in Late Imperial Fujian, 1723-1820*; Alison Conner, *Lawyers and the Legal Profession during the Republican Period* and myself, *Merchant Dispute Mediation in Republican Zigong, Sichuan*. William Alford, Jerome Cohen, Randle Edwards, William Rowe, and Frederic Wakeman participated as discussants. What follows is but a brief introduction to some of the issues discussed that relate to law and the economy.

The importance of contract in late imperial China was a major theme of the workshop. Hugh Scogin reminded us that contract was not a modern phenomenon, but played a fundamental role in private transactions as early as the Han. [See his "Between Heaven and Man: Contract and the State in Han Dynasty China," *Southern California Law Review*, (July 1990) 63.5:1325-14-4.] Although David Buxbaum felt that the inability of the state to enforce contracts led to a wide array of self-enforcement techniques, Scogin, Allee, Huang, and I noted the important role of magistrates in settling contract disputes. Huang found that at least half the cases brought before magistrates in the North China villages he examined were civil suits. Contrary to our expectations, the low cost of litigation seems to have encour-

aged plaintiffs between parties of relatively equal social status. Macauley's work highlights the fact that litigiousness was not a late Qing problem, but persisted throughout the dynasty. In Fujian, this may have been the result of so-called soft concepts of ownership. However, even in North China conditional sale and inadequately described boundaries frequently led to litigation. By contrast, I found that business contracts, at least in Zigong, were extremely detailed documents designed to cover all contingencies so as to avoid disputes. Examining suits brought before the Zigong Chamber of Commerce in the early twentieth century, I noted that disputes over property rights were rare, far outnumbered by debt and breach of contract claims. In the few cases I did find, the plaintiff sought to prove coercion or fraud in order to invalidate what appeared to be clearly established written claims to ownership.

Both the expectation that business and property relations would be established in the form of written contracts and the belief that such documentation were the main way to establish a claim appear to be fundamental to late imperial legal culture, particularly in more commercialized areas. Myron Cohen long ago alerted us to the importance of written contracts in that most basic of Chinese economic transactions, household division. Indeed, both Allee and I, working in legal archives, found that written documentation, in the form of contracts, ledgers, tax receipts, i.o.u.'s, and so on, was usually required when magistrates and other agents rendered decisions in economic disputes. Both Buxbaum and I also found that once a decision was rendered in a case, it was common for the parties involved to sign written bonds detailing the terms to which they had agreed to adhere.

The relationship between contract and statute emerged as part of the larger question of the relationship between custom and the formal legal system. It is widely recognized that statutory regulations pertaining to the civil economy in China were few. Jing Junjian's paper examines that legislation in the dynastic codes from the Tang to the Qing. The paper is too rich in detail to examine fully here. However, several points are particularly noteworthy. Unlike many PRC scholars, Jing emphasizes the strong concept of private property contained in the codes and the detailed punishments stipulated for theft of property, livestock, crops, ancestral land or temples, and the product of value-added labor on uncultivated

land. While relationships of kinship could require a modification of penalties, the severity of said penalties also increased with the value of the goods purloined. Although the connection is not made by Jing, this strong concept of property appears to play a role in the choice of commercial activities that receive attention in the codes. Almost all the statutes dealing with commerce contain prohibitions on fraudulent practices, all of which can be equated with theft: sale of inferior goods, charging an unfair price, monopolizing markets so as to be able to set unfair prices, using unauthorized weights and measures so as to take more or give less than you should, and so on. The statutes on brokerage are also directed at protecting value for money in commercial transactions.

Jing also notes the state's concern with debt. All dynasties appear to have made it a state responsibility to enforce the repayment of debt, while limiting the amount of interest that could be charged. The Tang ceiling was set at 5-6 percent per month. This fell with each successive dynasty, the Yuan, Ming and Qing setting the figure at 3 percent per month. However, it was the Ming that first placed the ceiling in the statutes. Limitations on debt bondage also appear in the codes.

Huang and Jing point to the state's efforts to accommodate both Confucian ideals and customary practice in the legal code as creating ambiguities that contributed to the increase in litigation in late imperial China. At the same time, Macaulay's paper draws attention to the state's inability to outlaw even practices deemed to be at the root of social unrest and interlineage feuding. So widely accepted were unregistered land sales, multiple tenancy agreements and contracts of open-ended conditional sale in Fujian that they were upheld by magistrates in the face of repeated edicts calling for their prohibition. The state's enforcement of contract, and the evidence of regional patterns in the formulation of lease and sale agreements indicate a more positive relationship between local magistrate's courts and the private economy. Allee's study of judicial verdicts demonstrates the priority given to local custom by Taiwan magistrates in rendering their decisions. My paper also shows that in the formulation of their petitions, the parties to disputes referred to widely recognized norms and practices to support their claims. In Zigong, many of these were formalized in the so-called regulations of the salt yard. At the same time, I show that custom is a dynamic thing, changing as

PANELS IN APRIL

Two panels in April have been organized by members of the Chinese Business History Research Group.

Role of the Family in Chinese Business Enterprise

Association for Asian Studies
Washington Hilton, Washington, D.C.
Thursday, April 2, 7:00 - 9:00 pm
Hemisphere Room

Myron L. Cohen, *Family Enterprises & the Family as Enterprise in China*; Gary G. Hamilton, *Family and Big Business in the Industrialization of Taiwan*; Man Bun Kwan *Household Business and Entrepreneurship: the Salt Merchants of Late 19th & Early 20th Century Tianjin*. Discussants: Wellington Chan and Robert Gardella.

Entrepreneurship and Public Policy in 20th Century China

Economic & Business Historical Society
Mayflower Park Hotel, Seattle
Saturday, April 25, 10:30 - 12 noon

Winston Hsieh, *Entrepreneurial Responses to Government Monopoly in Wartime China: A study of Gu Gengyu, 'Hog Bristle King,' 1937-1945*; Louis T. Sigel, *Managerial Entrepreneurship in Cantonese State Enterprises in the Chinese Economic Reforms, 1978-1988*. Discussant: Wellington Chan

SPECIAL THANKS to panel organizers:

Wellington Chan and Louis Sigel

commercial practices adapted to changing economic and political conditions. An issue only touched on briefly at this workshop, but worthy of future attention is the degree to which both the circulation of officials and the circulation of merchants led to the development of what could be seen as a body of customary practices which were national and not merely regional in nature. Bernhardt points out the role played by the Daliyuan in interpreting law and setting precedents during the period between 1905 and the promulgation of the Republican Civil code. Many sections of the Code follow the precedents set by the Daliyuan, which in turn may reflect a body of customary practices common to urban China during the late Qing.

Given the importance of the state in enforcing contract and customary practice, the role of mediation was queried in many papers. Huang and Macaulay demonstrate that litigation was far more common than the traditional literature would indicate, although evidence from Danshui (Allee) and Baxian give the impression that magistrates frequently referred complaints back to parapolitical groups, elders, lineage institutions, and so on for mediation before accepting them for settlement at the yamen. The importance of mediation in commercial disputes appears to have led to the institutionalization of this function within Chambers of Commerce during the 20th century. This was certainly the case in Zigong. Documents published by the Tianjin Archives indicate a similar role was played by its Chamber as well.

Given the richness of detail in all of the papers, it was no surprise that they also generated questions that present research cannot yet answer. Connor's paper triggered speculation regarding the rise of a professional middle class and the role of modern lawyers in merchant disputes from the 1920s on. Several papers challenged the prevailing view that women had no standing in the courts and were inconsequential in the business world during the dynastic period. Finally, it became clear that we still have much to learn about the distinction between individual and corporate property rights, and its implications for business disputes in China.

Our ability to evaluate the way Chinese people viewed the nature of law and its operation within society is a function of the increasing availability of local archival records. Among those consulted for this workshop were Baxian, Zigong, Shuntian, Baoding and Danshui. In addition, Bernhardt's paper introduced records of the Beijing District Court, housed at the Beijing Municipal Archives, and of the Daliyuan and Capital Superior Court (Jingshi gaodeng fayuan), housed at the Second Historical Archives in Nanjing. More than half the papers utilized individual case records, making it possible to heed the injunction contained in Hugh Scogin's keynote paper, to look beyond the statutes to the way in which decisions were rendered and enforced in order to understand the real nature of China legal culture.

Zelin is completing a book manuscript "The Merchants of Zigong," based on archival research in Sichuan.

Correction. In the November 1991 issue, the editor made two mistakes in Hsu Tsu-fen's chart. The "Liabilities" and "Assets" rows on the right hand side were reversed. The corrected chart is printed below.

DEBIT [left side]	CREDIT [right side]	PAYMENT [lower half]	RECEIPT [upper half]
Assets +	Assets -	Assets -	Assets +
Capital -	Capital +	Capital +	Capital-
Liabilities -	Liabilities +	Liabilities +	Liabilities -
Loss	Profit	Loss	Profit

Western (left) and Chinese (right) Methods of Accounting

INTERPRETATIONS

Re-examining Modernization in Asia

Takeshi Hamashita
Tokyo University

Editor's note: While visiting professor at Cornell University during the 1991-1992 academic year, Professor Hamashita has presented several lectures around the U.S. outlining his "regional" model of modernization in East Asia. His published work on the subject includes, "Chōkō bōeki shisutemu to kindai ajia" [The Tribute Trade System and Modern Asia], *Memoirs of the Toyo Bunko*, no. 67 (March 1987), 67-138 (in Japanese and English); "Kindai chūgoku no kokusaiteki keiki" [The China-Centered World Order in Modern Times: A system of Trade and Tribute in Modern Asia], University of Tokyo Press, 1990 (in Japanese). Some aspects of his research are presented below.

As a key to understanding the problems of modernization in East Asia, and especially Japanese modernization, it is crucial to discuss some of the characteristics inherent in the historical Asian international order, which is understood as the tribute system.

The modernization of Western countries has long been held as the model for modernization in Asia. One result of this externally set model is that modernization in Asia has come to hold the same meaning as nation-building and industrialization. As a result, traditional societies and traditional economies became objects for dissolution. At times modernization was thought to be an actual sloughing off of this traditional society.

A second result has been that modern Asia has been analyzed from the viewpoint of nations and international relationships. After much controversy concerning the adaptability of this Western-oriented model to Asia, however, it has been argued that "areas" or "regions" - an intermediate category between the nation and the world generally - should be analyzed in their full historical meaning. In fact, the region is an historical reality which encompasses a variety of

social ties not adequately dealt with under the nation-international framework. The regional studies approach makes it necessary to reconstruct the history of modern Asia, not in terms of the "stages of development" of the Western modernization model, but in terms of the complex interrelationships within the region itself.

Generally speaking, Asian history and East Asian history in particular, is the history of a unified system characterized by internal tribute/tribute-trade relations, with China at the center. The tribute system has been understood as the recognition and investiture of a king in each tribute country being central to the maintenance of the Sino-centric system. But, in fact, the system was an external expression of basic domestic relations of control which saw a hierarchical division of power from the provinces downward and outward. Thus, the tribute system was an organic entity with center-periphery extending from the central government to the provinces and then to the dependencies of the Empire, including the "minorities" under administrators of the natives and native officials, then to subdued groups and areas paying tribute, and finally, beyond them, to groups with mutual trade relations like Russia and other European countries.

From one point of view, the tribute system was a relationship between two countries, China and the tribute-paying country. In fact, the "system" involved several other lesser or satellite tribute relationships not directly concerning China. It embraced both inclusive and competitive relations extending in a web over a large area. For instance, the Liu-ch'iu and Korea sent missions to Japan as well as China, and Vietnam required tribute missions from Laos. Areas of southeast, northeast, central and northwest Asia functioned as a tribute trade area with East Asia as its center, the whole being connected with the adjacent Indian trade area.

We must also not lose sight of the fact that the tribute system was paralleled or was in symbiosis with a network of commercial trade relations. For example, trade between Siam, Japan, and southern China was long maintained on the basis of profits from the tribute missions even when much of the non-tribute trade was scarcely remunerative. The commercial penetration of Chinese merchants into Southeast Asia and emigration of "overseas Chinese"

is of course historically intertwined with the building of this trade network. Commercial expansion and the tribute trade network developed together. Trade relations in East and Southeast Asia expanded as tribute relations expanded as Hisanori Wada has shown.

This systemic understanding of tribute trade relations bears major implications for the reexamination of the history of East-West relations. Westerners newly arrived in Asia, particularly the Portuguese and Spanish, had to participate in an intra-Asian trade network that already existed in order to obtain what they wanted. This also means that there was little direct exchange of commodities between East and West. Western countries could obtain necessities either by payment in silver or through exchange within the intra-Asian trade system. Nor did things change much when Holland and England entered the picture. Consequently, the nature of Western "expansion" in and "impact" on Asia was conditioned by the existence of this Asian trade zone based on the tribute trade system, even after the advent of the "modern" period. Japanese presence in Asia was likewise conditioned by this historical intra-Asian relationship.

Former studies on the problem of the modern relationship between Japan and China have concentrated on comparative analyses of the differences in speed or degree of modernization under Western impact. Studies of the relationship between the two countries focused on the Japanese adoption of a national strengthening policy and Japan's expansion into China from the time of the Sino-Japanese War in 1894. In general, such studies trace the history of modern Japan only from the viewpoint of Westernization — the emergence of a "small West" in Asia. In my view, however, Japanese modernization should be traced mainly from the perspective of its generation from within the tribute system centered on China. To put it in its starkest form, Japanese modernization was the process of relocating the center of the tribute trade structure in Japan. Put another way, the main issue in Japanese modernization was how to cope with the Chinese dominance over commercial relations in Asia, a dominance which had functioned as a Sino-centric economic integration through the tribute trade system. As for modern Japan's international political relations, the important question was how to reorganize relations among Japan, China, Korea, and the Liu-ch'iu, with Japan relocated at the center.

Former studies have described Japanese modernization in terms of recovery of autonomy in tariff matters and of industrialization, that is, as matters of national sovereignty and the formation of a national economy. But if we ask why Japan chose to industrialize in the first place, we find many discussions of the processes of industrialization but few investigations into the motivation for industrialization. Because the course of Japanese modernization was studied from the standpoint of recovery from subordination to Western countries, the importance of the historical relationship between Japan and China in the tribute system was lost sight of. But to understand the direction and nature of Japanese modernization more deeply, it is most important to recognize that the motivation for Japan's industrialization after the opening of Japan's ports was generated from within a web of commercial relations with China.

The main reason why Japan chose the direction of industrialization was its defeat in attempts to expand commercial relations with China and other Asian areas. Japanese merchants faced the well established power of overseas Chinese merchants built up in Nagasaki during the Edo period. Chinese merchants monopolized the export business for seafood and native commodities, and Japanese merchants simply could not break their hold.

In an 1890 report to the Ministry of Foreign Affairs, the Japanese consul in Hong Kong was very pessimistic about Japanese merchants breaking into the important Hong Kong market. Among other things, he pointed to the following: 1) The Chinese merchants were united and had a long-term strategy which went beyond short-term profit. 2) Japanese merchants lacked funds and when they suffered even a single loss, had to withdraw. 3) There were indications that Japanese producers sold their products for the China market to Chinese merchants much cheaper than to Japanese merchants (Otojiro Okuda, *Meiji Sonen ni okeru Honkon Nihon-jin Taiwan*, 1937, pp. 275-281).

It was under such circumstances - the commercial power of the Chinese merchants and their influence in Japan - that new possibilities for cultivating the Chinese market presented themselves. And it was Chinese merchants in Japan who introduced the information necessary to produce the cotton textiles which could substitute for the Western cotton textiles

which already had secured a significant share in the Chinese market (*ibid.*, 244-247).

After Japan emerged from the closed-door isolation policy of the Edo period, it adopted the two-fold policy of repudiating the tribute trade system of which it had previously been a part of and re-entering into East Asian relations on a new basis. Japan had to confront the tribute system when it tried to reconstruct its relationship with Korea and Liu-Ch'iu. Historically speaking, it ultimately proved fatal for Japan to confront in all its aspects a system which was still largely functioning in East Asia.

Hamashita's recent publications include "Contemporary China and the Study of Modern History: Towards an Understanding of Chinese Society," *Acta Asiatica*, no. 62 (March 1992), 23-43 and Chūgoku kindai keizaishi kenkyū – shinmatsu kaikan zaisei to kaikōjō shijōken [Studies in modern Chinese economic history – maritime customs finance and open port market zones in late Qing China] Institute of Oriental Culture, Tokyo University, 1989.

References

Beginning with this issue, we will provide information on relevant articles, chapters, papers, etc. written or recommended by our readers. We are especially interested in materials in publications which might not be frequently perused by our readers. Please send references for your writing or other suggestions. Here is a beginning:

Chan, Wellington, "Chinese Business Networking and the Pacific Rim: the Role of Family Firms," *The Journal of American - East Asian Relations*, 1.2 (forthcoming June 1992).

Sigel, Louis, "Sino-Japanese Quest for Korean Markets, 1885-1894," in Edwin J. Perkins, ed., *Essays in Economic and Business History*, vol. X, forthcoming. (Published at the University of Southern California for the Economic and Business Historical Society.)

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Chinese Business History

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The bulletin seeks to develop a more comprehensive understanding of Chinese business history and practices. We welcome submission of research notes, "thought" pieces, information on research materials, and conference reports. Manuscripts should be no more than 1200 words. Editors: Robert Gardella and Andrea McElderry.

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For November 1992, September 15, 1992

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