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## Summary of Articles

### **The Sales Department of the State-Owned Yahata Steel Works : the Background and Influence of the Bribery Scandal**

Mirai TANIKAWA

This paper examines the structure and activities of the sales department of the state-owned Yahata Steel Works (YSW). YSW was a government enterprise that had dealing with many private-sector businesses. This paper explores the kinds of problems that arose in government enterprises of this kind and how they were resolved. Specifically, it is a case study of the YSW Bribery Scandal that came to light in 1918 and that proved an epochal event for the sales department.

Before World War I, the sales department strove consistently to adjust to private-sector business practices in order to be able to compete with imports and sell its products to the private sector. The department was mainly composed of graduates or ex-teachers of commercial schools and people who had worked for private-sector enterprises or on their own. Hori Tomitaro, a typical example, became a leading figure in the department, although he was a temporary employee rather than regular staff.

Under the booming economy of the WWI years, those with connections with YSW staff, beginning with the sales department, had access to advantageous sales methods. Key members of the department, including Hori, received money or valuables from citizens, and ultimately were arrested. The background of this scandal lay in a situation in which YSW individuals with an aptitude for business got contracts for sales operations, while governance by the persons responsible for YSW operations was not functioning effectively.

After WWI, the sales department faced many problems, including the tasks of ensuring a fair sales system after the scandal, ensuring income in a depression economy, preventing imports, and services for the private-sector steel merchants and makers whose numbers had grown rapidly during the war. After several years of groping for approaches, it was given a role by the Ministry of Commerce and Industry as leader of the cooperation among steel related businesses. Its daily work became much like that of private-sector merchants, but its central members were bureaucrats who had graduated from universities. They negotiated with the staffs of private-sector businesses on a daily basis and took the lead in establishing joint marketing associations and other forms of cooperation. This proved one approach to resolving the various issues raised above, which were fundamentally at odds with each other.

Before WWI, the YSW sales department tried to behave like a private-sector business in order to sell to the private sector. That was why it relied on individuals with business acumen. This course was renounced after the bribery scandal and the department changed into a bureaucratic organization that work on private-sector businesses in order to promote the national interest. The experiment with running a government enterprise within a private-sector world led to the birth of cooperative and institutionalized ways of selling steel that lasted until after World War II.