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JAPANESE GOVERNMENT'S ESTABLISHMENT OF EUROPEAN FACTORIES DURING THE 16TH CENTURY AND 17TH CENTURY AND THE LESSONS FOR VIETNAM IN THE RENOVATION PERIOD

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Abstract

Following the geographic discoveries in the 15th and 16th centuries, the European countries enhanced the process of penetrating the Eastern countries via trading and missionaries. Portugal, Britain, and the Netherlands all wished to establish factories in Japan - a highly potential market in Eastern Asia. However, Japanese government had different responses towards the establishment and development of these European factories. At first, they had quite positive and tolerant attitude towards the European people and even granted them some special rights, including the right to establish factories. Via those factories, the Japanese were able to learn numerous European advances, especially those on war weapons. Later, to protect national security, the Japanese government implemented several strict policies on the European factories. Therefore, by using the historical method and logical method, this article focuses on analyzing the Japanese government's policies on the establishment and development of the European factories during the 16th and 17th centuries. The success of Japan in this economic integration has given Vietnam precious lessons during the current renovation period.

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INTRODUCTION

In the 16th and 17th centuries, the exchange and integration with the international economy occurred in an animated manner in East Asia, especially in Japan. The activeness of international trade in Japan those days was triggered by the following factors presenting in below section.

METHODOLOGY

This paper mainly use qualitative analysis, analytical, inductive and synthesis methods.

It also uses historical and dialectical materialism methods.

MAIN RESULTS

1)The Japanese Government: From the Policy of Encouraging European Businessmen to Establish Factories (In the Middle of the 16thCentury - Early in the 17thCentury)

Firstly, the countries like Portugal and the Netherlands, during their “Towards the East” period, were able to establish trading points in different Asian countries. Japan was considered to be ‘a chain’ in the Asia’s trading system where any forces would wish to set their factories. The success or failure of the Western countries in the East Asian trading was greatly attributed to the establishment and development of their factories. The European merchants were interested in Japan because it possessed a great source of silver with a huge consumer market and increasingly high consumption demands of the local government.

Secondly, in Japan Muromachi Shogunate, as the state government, could not regulate the country in a proper way while the power of the local lords was increasingly expanded, and the feudal forces were constantly having military conflicts. Thus, the local lords were in need of different types of war weapons and vehicles. The presence of Western weapons would change the military strategies and the balance of power among daimyos. The local lords realized that cooperating with European merchants was a crying need although they were concerned with the negative impacts of Catholicism. Hence, they, particularly the local lords in Nagasaki and Hirado, etc., made it easy for European merchants to trade goods and establish factories within their territories.

The very first European merchants to receive these benefits from the Japanese government were Portuguese ones. At their unexpected meetings in the mid-16th century, the Portuguese merchants were warmly welcomed by the local lords with hopes of making money and enforcing their military power. In Japan and other markets in East Asia, the Portuguese were extremely patient in persuading the local government to build factories thus their trading potentials were increasingly high. At first, the Portuguese wanted to set up factories in Hirado but Lord Matura Takanobu had refused their proposal since he was concerned with the bad effects of Catholicism on national security. After conducting surveys, researching, and testing, the Portuguese merchants were able to find a perfect port, Nagasaki, to set up their factory based on the following factors:

Nagasaki was a deep-water area, surrounded by wind-shielding mountains making it easy for boats and ships to come into port, avoid storms, and defend. That was a common feature of many famous trading ports in Northeast Asia those days. Nagasaki was considered to be one of the best globally recognized

trading ports in Japan “where up to 1000 ships could come into port at the same time and the biggest ships in the world could dock or anchor in front of the city” (Kim, 2000).

Nagasaki was in Japan's southwest coast where the trading activities between Japan and foreign merchants (Chinese) occurred in a fast pace. During this time, Japan was at civil wars, so Nagasaki was not managed by the state government but by the local lords. Some major lords in Nagasaki with open mindset on trading made it easy for the European merchants to enhance the resources for the territory. Thus, with the lengthy negotiation of the Portuguese, Lord Jinzaemon, the leader of Nagasaki, allowed them to open ports and factories until 1571. To secure his position and sovereignty, Lord Jinzaemon requested Portuguese merchants to offer him a huge amount of gold and give local officials an amount of 1000 silver ducats and other great expenses. These fees were rather high in comparison with the profits that the Portuguese gained while doing business in the East Asia, but they still gave in to complete the cross-country trading network with hopes of having exclusive trading rights in Northeast Asia. Therefore, Nagasaki became an important stop of the silver-to-silk trading path Portugal from China to Japan and it was an essential trading center of Portugal at the late 16th century and early 17th century.

In 1590, Shogun Toyotomi Hideyoshi was able to unite the country, eliminating the long-lasting feudal system in Japan's history. To build the centralized government and limit the risks from religions, Shogun gave the command to proscribe Catholicism but still allowed Portuguese to do trading in Nagasaki as before. Since then, the state government took direct control of Nagasaki factory and the vicinity which had been the land that Lord Omura Sumitada granted to the Missionary. Shogunate built an agent representing the state government to inspect the activities of the Portuguese factory while constantly asking Nagasaki's local government to protect Portuguese's activities. That proved though the Japanese government was worried about the negative impacts of Catholicity, it still did not totally give up on the Portuguese to ensure the revenue from trading.

After the Edo Shogunate was established, to seize the initiative in foreign trade and limit the price squeezing, the Edo government introduced the policy of encouraging domestic production while fostering relationship with regional countries and other countries in the world. This positive policy was not only able to restore the economy after the long-lasting civil wars but also broke down the exclusivity of the Portuguese. To obtain that goal, Shogunate made it easy for merchants from other European countries like the Netherlands and Britain to come trading. The first contact between the Dutch with Japan happened in 1600 when the ship *De Liefde* commanded by Captain Jacob Jansz van Quaeckernack docked Sashifu port, Bungo Territory, Kyushu, Japan. The Portuguese reported to the Shogunate government that the Dutch were pirates. Thus, Shogun Ieyasu confiscated the weapons on the ship for military purposes and had people brought Quaeckernack and William Adams⁽¹⁾ back to Edo for interrogation. The intelligence of the Netherlands' trading ship representatives had pleased Shogun Ieyasu, wiping away previous

suspicious. The Dutch could stay in Japan. The sailors were treated nicely by Edo government, giving the Netherlands an opportunity to establish trading relationship with Japan.

With that bright start, in December 1607, the Netherlands sent another ship to Japan, delivering the Netherlands's letter to Shogun Tokugawa Ieyasu to propose opening a long-time factory. Shogun Tokugawa Ieyasu granted the Dutch various special rights like: They were free to trade in any regions they wished to, were allowed to build houses to facilitate their life just like in Europe, sell good with the best price and were not under strict restrictions like their Portuguese counterparts.

The first factory was soon built in Hirado under the management of Jacques Specx. The quick establishment of Hirado factory was a sign of Tokugawa Shogunate's special favoritism towards the newcomers. That favoritism was due to the following somewhat political and economic purposes:

Firstly, the Japanese government-initiated regulation on prohibition of Catholicism since the over preaching for Japanese Christian believers might result in national political instability. It was time for the Protestant Dutch merchants, whose top priority was commercial profits but missionary, to quickly gain the Japanese government's trust.

Secondly, the presence of the Dutch also gave Shogunate a chance to get out of the toils of exclusivity of the cunning Portuguese merchants. Japan had always wanted to separate trading and mission into two distinct problems. Thus, the appearance of new factors other than the Portuguese ones had brought up the feasibility to make that dream come true.

Other than Portuguese and Dutch, the Japanese government also allowed the British to come and trade. In June 1613, when the Ship *Clove* from Bantam, Java - headquarters of British East India Company in the East docked at Hirado, Shogun Matura Takanobu, together with 40 ships, went to the sea to official welcome them and show his kindness (Boxer, 1990). In return of Matura's kindness, Saris held a grand party and gave him the letter of King James I and many gifts to the Lords. In Japan as well as in East Asia, customs duties could be replaced by gifts which showed the good will of the newcomers.

After seeking advice from Adams and based on his own experience, Saris built a detailed plan to establish a factory in Japan. A British delegation visiting the palace of Shogun Ieyasu in Suruga and Shogun Hidetada in Edo. In Sugura, Saris offered the letter of King James I and gifts to the Shogun. The British knew that Tokugawa Shogunate was in a campaign against Catholicism thus not forgetting to show the local leadership that they did not represent Catholicism like the Portuguese and Spanish. Hence, just like the Netherlands, the British were also granted some privileges by the Japanese government like the British East India Company could do business all over Japan with the ships docking at any ports. Its employees could leave Japan at their will and had the rights to handle the passed-away British folks. The leader of the British

community could punish his employees found guilty. The British would be protected against all the disturbances by the pirates in Pacific Ocean. Most importantly, at their first meeting, Shogun Ieyasu approved British East India Company's request on establishing a factory in Hirado since Hirado could provide them with food and meat. Shogun Matura and the locals welcomed the British merchants with open arms. Hirado was the first port for ships coming from Bantam which had heavy trading with China. On the other hand, Britain and the Netherlands were strong competitors in East Asia Market therefore the British also wanted to manage Netherlands' trading in Hirado.

British Hirado factory operated in an extremely strong, active, and effective manner during its first years. From 1617 on, the domestic conflicts in Japan, together with the strong competition of the Netherlands, had caused Hirado factory a lot of difficulties. The shipments from the Southern factories to Hirado were less and less every day and the trading with China was not set up. Thus, in the late 1622, the Director at Bantam decided to close Hirado factory and bring his people back. Before leaving, the British factory's Director, Richard Cocks, paid a visit to Shogun Hidetada in Edo, gave him some gifts, and asked to temporarily withdraw from Japan. Shogun Hidetada accepted the goodbye gifts, highly appreciated the British's trading activities in Hirado and agreed to take care of the factory's office and promised to facilitate their business if they would ever come back in the future. The Portuguese and Spanish merchants were banished because of their religious activities while the British were actively leaving Japan since the British Hirado factory was rather isolated and was not able to make connections with other factories in East Asia.

Thus, at the end of the 16th century and early twentieth century, the major trading forces in Europe like Portugal, the Netherlands, and Britain managed to establish factories in Japan. That success was partially attributed to constant efforts of European merchants and, most importantly, the special attention of the Japanese government. The Japanese government actively assigned the trading locations for these foreign merchants and their business scope as well. Accordingly, most of the factories were set up near seaports and not too close to the mainland due to the fear of their threats to the stage government and national security. However, it was obvious that the attitude of the Japanese government towards each European merchant varied in each period to ensure the best interest of Japan whereas the Chinese government implemented policies to limit the establishment of European factories. When the national resources became weaker, the Ming Dynasty could not face the foreign great powers and was not capable of managing all the territories surrounding the country. That was the main reason why the Ming Dynasty strongly opposed the establishment of Dutch factory in Penghu and did not support the Portuguese one in Macau. By contrast, the Japanese government was smart enough to gain countless benefits and enforce national powers.

2) To Expel and Control European Factories in the Second Half of the 17th Century

After implementing the open trading policy and allowing the European merchants to found factories, the Japanese leadership realized the severe

consequences of the preaching of Christianity with soldiers and colonial gunboats hidden behind, which posed threats to national security and independence. The Philippines was conquered by Portugal in 1565-1571 and the reunification of Spain and Portugal in 1581 left strong impacts on Japan's policies. During that time, in 1639, the rebellions occurred in Amakusa and Shimabara due to social-economic causes but with religious factors supported by some Portuguese missionaries. The Shogunate stopped the rebellions and enacted the law: Forbidding all religious activities, expelling Portuguese from Japan for good; eliminating the factory in Nagasaki; cutting off all trading relationships with Portuguese; Portuguese ships are not permitted to dock in Japan or else would be sunk immediately and all sailors and employees would be sentenced to death; Chinese and Netherlands trading ships who reported the illegal trespassers would be rewarded and who intentionally helped or hid them would be punished too; only Dutch merchants were allowed to maintain their factory in Hirado⁽²⁾. This policy opened a new era in the history of Japan, "Sakoku". That was a strategic decision to protect national security, national reunification, and neutralizing international relationships of Japan.

Shogunate's extremely austere attitude towards Portuguese merchants and their favoritism towards the Dutch East India Company were due to the following reasons:

Firstly, the people in Dutch Hirado factory played an important role in suppressing the Shimabara Rebellion. The Shogunate put the Dutch outside the restriction as a way of thanking them for their military support.

Secondly, the Dutch proved to the Shogunate that they did not belong to the Roman Church. Their religion was Protestantism - a religion with peaceful tendency, praising effectiveness and logical thinking, completely different with the religions that the Jesuits were preaching in Japan.

In fact, the Netherlands was a young developing capitalistic country attempting to gain all capitalistic benefits as fast as possible, no matter what the cause was, even concealing their belief. The Dutch had determined that economic purposes carried more weight than the religious ones. Thus, they obeyed all commands of the Edo government and were actively supporting the Shogunate in the fight against Portuguese merchants. Netherlands succeeded in the competition for exclusivity in trading with Japan via those flexible and extremely smart diplomatic policies.

Since they always put their national interest first and were afraid that the outstanding military and commercial powers of the Netherlands could go beyond control like what happened with the Portuguese, the Shogunate had always tried to strictly control their activities in Japan. First of all, the Edo government demanded the Netherlands transfer their factory from Hirado to Deshima. Deshima was built inside the Nagasaki Port, connected to the mainland through a stone bridge and a guard post to monitor entry. The structure of the island made the new life of Dutch people in Deshima not that comfortable compared to the life in Hirado. Previously, the employees of Dutch factory or British factory could come and go, do business, or even get

married to a native woman all as their wishes. Their wives and children could come to Japan or go back to their home country. However, the Deshima Factory was under close watch of the Edo government with strict rules.

From 1641, the Nagasaki Factory was assigned to local lords. The first lord to take control of the factory was Kuroda Tadayuki, Lord of Chikuzen, who built a fortress guarded 24/7. As of 1642, the Lord of Hizen, Nabeshima Masashige, was asked to send a cavalry squadron to Nagasaki and Chikuzen and Hizen had to take turn to provide an armed force in April every year. At the end of Tokugawa Period, 17 lords were assigned to manage Deshima factory. Thus, the Dutch were constantly under strict control and close watch of the local militiamen and the Shogunate's spies. The island guards did not allow any connection of the factory's employees with the pulsating life in Nagasaki and nobody was permitted to come and leave the island without written permission from Nagasaki government except merchants, interpreters, and courtesans from Maruyama, Nagasaki. Dutch women were not allowed to come to Deshima and the factory's employees were not allowed to bring in their children either. Dutch ships before and after docking in Japan had to go through extremely strict inspection. The sailors and passengers were not allowed to see each other. The Japanese kept the sails until departure. The prices of goods were set by the Japanese government unilaterally. This tight control made the life of Dutch factory's employees awfully oppressive and cramped.

Just like Japanese lords, the representatives of Dutch factory in Deshima also had to fulfill their annually tributary obligation to Edo Shogun to show their respect. It was also a compulsory rule that the Shogunate enforced on the factory and was an essential condition for the existence of the Deshima Factory. For Netherlands, the top priority was to maintain a friendly relationship with the Shogunate to develop trading activities and keep the factory alive. When in Hirado, they also had to do the same thing but not that often. The Director of Deshima Factory brought with him plentiful expensive and unique gifts when he paid the Shogun a visit: Telescopes, medical tools, pharmaceuticals, fireworks, globes, scientific books, exquisite decorations like copper chandeliers or beeswax candles. In return, the Shogun usually awarded them with extremely beautiful silky kimonos and some delicacies.

Despite the "Sakoku" Policy, the Edo government still wished to know what's going on in the world, especially the situations of its competitors. The Dutch was actively fulfilling this duty as a sign of loyal and a condition for continued business. In each meeting with the Shogun, the Dutch had to submit an annual detailed report, called *fûsetsugaki* in Japanese. Originally, this report only mentioned the intelligence on the Portuguese and Spanish activities in Asia and their scheme against the Tokugawa government. Later, it was required to include the situations of all European countries, China, and India; the major changes in the world and the market development such as prices of items in China and other areas. The *fûsetsugaki* also revealed the ways that the merchants handled: business license, shipped goods, and shipping issues. Based on that report, Tokugawa Shogunate would make appropriate

diplomatic policies. These pieces of intelligence were not publicized. Only the factory director, captain, and Nagasaki government were allowed to know.

The management of the Tokugawa government on Deshima factory was done via interpreters. To carry out the diplomatic procedures and trading activities with Japan, the factory had to employ Japanese interpreters who were fluent in Dutch. The factory was not permitted to hire or appoint the interpreters. The Japanese government would be the one to do such. Other than interpreting, these interpreters also had to observe the Dutch people in Deshima and manage the Dutch delegation when they came to visit the Shogun. They gathered documents related to Dutch trading activities such as new coming ships, list of sailors, list of cargos, and inventories in Deshima to report back the Edo government. They would report the Dutch's unusual activities to *Bugyōsho*. There was an oppressive and cramped atmosphere all over the life of the Dutch people living in Deshima and if it had not been for the huge commercial benefits, they would have soon left this arid land.

The Netherlands' commercial values to Japan (1641-1689)

Period	% compared to Asia commerce
1641 – 1649	49%
1650 – 1659	68%
1660 – 1669	71%
1670 – 1679	75%
1680 – 1689	65%

(Resources: Grant K. Goodman, (1967), *The Dutch impact on Japan 1640-1853*, Leiden E.J. Brill, p.15)

According to the above chart, it is hard to deny that, ever since being transferred from Hirado to Deshima, though under strict management of the Japanese government, the trading values of the Dutch merchants in Japan accounted for most of that of Japan in Asia, especially in 1670-1679, up to 75%. That proved the Japanese government still offered the Dutch great trading privileges. The presence of Deshima Factory was the reason for the Netherlands' top one position in the East Asian trade in the 17th century. Shogunate Tokugawa strict management on the Dutch in Deshima was due to many reasons.

Firstly, the Edo government still applied prohibition policies on religions so they were concerned that the missionaries would be hiding in Deshima Factory, illegally entering Japan via Dutch ships which would eventually cause social instability.

Secondly, the government also wanted to prevent smuggling via Deshima Factory and armed attacks with new fatal weapons that Japan might be unaware of.

Thirdly, the Shogunate wanted to maintain their exclusivity on commercial and economic developments, avoiding being taken advantage of like what Portuguese merchants did to them.

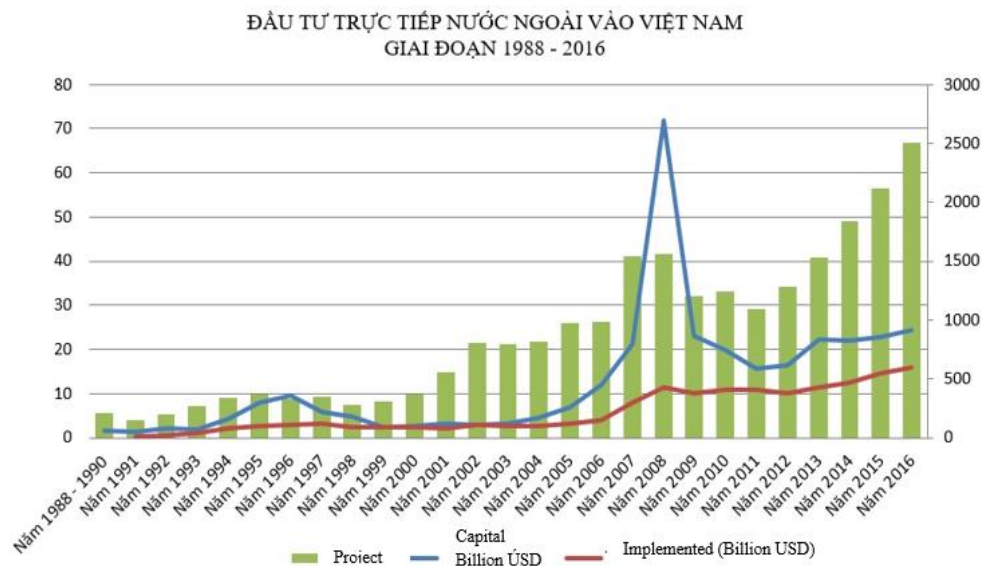
The managerial policies on Deshima Factory were a confirmation of the activeness and function of the Japanese government to meet their number one priority which was to maintain national security and sovereignty. Although implementing Sakoku Policy, Japan was not completely isolated and outdated in the general development of the world. Through Dutch people, the Japanese government was still able to catch up with the developmental tendency of the world and learn new technical and scientific advances. Thus, the Sakoku Period had given a firm foundation for Japan to prosper in the upcoming historical stages.

DISCUSSION

The Lessons for Vietnam in the National Renovation Process Nowadays

In the history of developing the country, Vietnam and Japan have had quite a lot of things in common: Both countries are in Asia, with a long-lasting traditional culture and their citizens are brave and strong when facing either natural challenges or foreign invaders. The policies of Japan towards the trading partners in the 16th century have given Vietnam valuable lessons in the current process of economic renovation and integration.

Firstly, *the Communist Party of Vietnam and the Government must have the right notation on the opportunities and challenges upon the nation when integrating with international economy and attracting foreign investments.* Foreign investments can only be effective when there are common perceptions, engagement of the entire political system and enterprises, based on legal system and policies being perfected. In recent years, Vietnam has realized that the economic sectors with foreign investment have always been an important factor of the economy, helping to enhance economic growth, exporting, creating jobs and adding capital to economic-social development and economic transition. Prior to 1986, Vietnam was not able to attract foreign investment, partially because of the American's Sanction Policy, partially due to its inappropriate economic policies. In 1988, during the Doi Moi economic reform, the first foreign invested project was conducted in Vietnam. There are more and more projects with greater capital which is clearly shown in the following chart. Nowadays, Vietnam is considered to be one of the most successful countries in attracting FDI in the region and in the world, becoming a trustworthy and effective investment area in the eyes of foreign investors.



Secondly, the Communist Party and Government should apply smart diplomatic policies. During the 16th and 17th centuries, there were many Western forces wishing to establish trading relationship with Japan in extremely fierce competition for benefits, particularly between Portugal and the Netherlands. However, the Japanese government was smart enough to handle those relationships to gain maximum interest for the country. Nowadays, not only the East Asia countries but other countries in the world want to establish their business foundation in Vietnam. The Government should have appropriate policies and consider foreign investors to be strategic partners rather than capital withdrawal subjects. Besides, we need to limit the exclusivity of a country or a commercial group and Vietnam should not be dependent on only one single country. In fact, attracting foreign investment is the competition between the countries with limited resources and the ones with good investing environment, reasonable and open policies and the latter will eventually win the game.

Thirdly, we need to make it easy for the transnational companies to stay and develop in Vietnam in a long run. The multi-nation businesses nowadays, just like the previously exited East India ones, have the potentials to expand beyond one country's borders and play an essential role in the global investment and business. The Transnational Corporations (TNC) of each country on one hand are influenced by the political relationship of the host country with another country but on the other hand, due to self-interest, might not obey the government's order. The Communist Party of Vietnam and the Government cooperate with the Embassies of different countries to make policies that make it comfortable for the transnational companies to operate in Vietnam such as choosing a good location to set up plants, having privileges on taxes, constructing infrastructure, and training staff. Vietnam is a country that possesses various advantages appealing to the foreign investors like stable national security and politics, good geographic location, plentiful workforce, our laws, and regulations are transparent associated with international integration. These merits not only make investors feel safe when operating in a

long run, but they also help enterprises join the supply chain and international value chain in a convenient manner.

Fourthly, international economic integration is not only based on the policies of the Party and Government, but it requires the engagement of the authorities at different levels, different organizations, enterprises, and individuals. The active and positive welcome of the Japanese lords towards the European trading ships is a good example for this lesson. The success of many provinces like Bac Ninh, Thai Nguyen, Vinh Phuc, and Binh Duong in attracting FDI in recent years has proven the function of Provincial Secretary and President of the People's Committee in the meeting with Chairmen, CEOs of Samsung, Nokia – Microsoft, and Canon to ensure the fulfillment of the commitment in the high-ranking meetings giving trust to the investors. Therefore, these enterprises have increased their capital and gained more benefits and, at the same time, enhanced local social-economic development.

Fifthly, welcoming foreign investment and remaining national interest, especially national security. The state government of Japan like the local lords in the 16th and 17th centuries always wanted to build trading relationships with European countries to promote national power. However, when national security is at stake, they were ready to stop all the business activities, even expel the merchants at factories from Japanese territory. Thanks to this smart and resolute policy, Japan was able to keep national independence before the invasion of colonial countries. Vietnam needs to continue the international integration process with the ultimate goal of national independence associated with national sovereignty in the process of building and protecting the socialist republic of Vietnam in the period of emphasizing industrialization and modernization of the country. Vietnam is willing to be friend and trustworthy partner of other nations and international organizations, but we must ensure national sovereignty and territorial integrity and shall not, aiming for profits, sign any unfair treaty with other nations or organizations. Vietnam needs to choose suitable partners based on domestic and international situation and handle the international relationships in a smart way to avoid unnecessary military conflicts, putting national security at risk.

The foreign companies investing in Vietnam aim to gain profit, so they are willing to work with the host countries to share success and interest. Besides, there still exist some investors with low capacity and not so good will. The acts of transfer pricing and tax invasion or not complying with environmental regulations in a serious manner are quite common. Some FDI companies have yet to ensure rights and benefits of the Vietnamese workers and conduct illegal recruitment of foreign workers. Thus, the work relations in Vietnam sometimes become intense causing economic and social instability leaving strong impact on the business and investment environment in Vietnam. Therefore, the Party and Government must have bonding policies for foreign investors to ensure social welfare for worker. The international economic integration still contains some negative aspects. The liberalization of trade and international connection poses the risk of drug dealer spreading faster. How to maintain national sovereignty and socialist orientation during the international integration is a big question for Vietnam in the process of integration.

CONCLUSION

During the 15th and 16th centuries, Japan experienced a long civil war therefore the main objective of Shogunate was to strengthen politics and enhance national security. To meet the requirements of war like food, weapons, vehicles, the Shogunate and major lords actively welcomed European merchants to come and establish factories to exchange goods to strengthen Japan's position and influence, improve commercial potentials, gain power in East Asia, and challenge China. The activeness of Tokugawa Shogunate was the first step to bring new power to Japan.

In the era of competitive free trade, Japan still managed to retain the proactiveness in their trading relationship. For the European factories, Edo government also actively implemented managerial methods to ensure national economic potential, national sovereignty, and their managerial role. The Japanese still had the upper hand in trading and manipulated the relationships among European countries so that no one got the exclusivity in trading with Japan. The open trade policy of Japanese government contrasted with that of China but similar to those of Southeast Asian countries, especially the policy of Nguyen Lord in Đàng Trong (Inner land) and Le - Trinh Government in Đàng Ngoài (Outer land) with willingness to let European to build factories. The dynamism and activeness of the governments in East Asia did not only create a new East-West trading era but also make regional trading prosper more than ever.

The smart policies of Japan towards European factories leave Vietnam valuable lessons in the current process of opening our door and integrating with the world. The achievements that foreign investment in Vietnam has been able to gain during the renovation and international economic integration has proven that the policy of our Party and Government to open our door for operation is an appropriate move which is suitable with the common developmental tendency of the world.

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