

Kyoto University Economic Review

MEMOIRS OF
THE DEPARTMENT OF ECONOMICS
IN
THE IMPERIAL UNIVERSITY OF KYOTO

VOLUME V

1930

京都大学
経済学部

2001229

圖書

PUBLISHED BY THE DEPARTMENT
OF ECONOMICS IN
THE IMPERIAL UNIVERSITY OF KYOTO

THE BURDEN OF TAXATION ON THE
CITIZENS OF BIG CITIES IN
JAPAN—ON THE OSAKA
CITIZENS IN PARTICULAR

1. THE SIX BIG CITIES AND THE POSITION
OF OSAKA

According to the latest census, which was taken on October 1st, 1925, the population of Osaka was the largest of all the cities of this country. Its population stood at 2,110,000; of Tokyo at 1,990,000, of Nagoya at 760,000, of Kyoto at 670,000, of Kobe at 640,000 and of Yokohama at 400,000. Next in order came Hiroshima with 190,000, and Nagasaki with 180,000. Thus, the figures of the census indicate that the six big cities of Osaka, Tokyo, Nagoya, Kyoto, Kobe and Yokohama far exceed other cities in point of population. Unlike Tokyo and Yokohama, Osaka suffered no damage from the great earthquake and consequently has been able to continue its expansion uninterruptedly. This, coupled with its absorption of neighbouring towns and villages in 1925, made it the most populous of the six big cities. The study of the six big cities—Osaka in particular—is of great significance in the direction of acquiring knowledge about the present-day social life of Japan. The following table No. 1 shows the increase of the population of the six big cities as compared with the growth of the population of the whole country during the past fourteen years:—

The year 1915 with which the fourteen years under review begins was the second year of the world war, while 1923 witnessed the great Kwanto earthquake. In 1915, the total population of the six big cities represented 10 per cent.

Table No. 1.

Comparison of the population of the country with the total population of the six big cities and that of Osaka.

Fiscal years.	The total population.			Percentage.		
	Whole country.	Six big cities.	Osaka.	Total population of six big cities to population of whole country.	Population of Osaka to that of whole country.	Population of Osaka to total population of six big cities.
1915	54,439,400	5,560,419	1,460,218	10.2	2.7	26.3
1916	55,224,500	5,717,905	1,508,677	10.4	2.7	26.4
1917	56,035,100	5,909,146	1,557,986	10.5	2.8	26.3
1918	55,662,900	6,122,759	1,633,338	10.9	2.9	26.6
1919	56,253,200	6,170,532	1,583,650	10.9	2.8	25.6
1920	56,861,600	5,786,394	1,236,714	10.1	2.2	21.3
1921	56,745,400	6,218,088	1,346,471	10.9	2.4	21.6
1922	57,655,800	6,353,082	1,357,500	11.0	2.4	21.3
1923	58,481,500	5,426,799	1,391,588	9.3	2.4	25.6
1924	59,138,900	5,984,552	1,433,721	10.1	2.4	23.9
1925	59,736,822	6,590,942	2,097,153	11.0	3.5	31.8
1926	60,521,600	6,864,503	2,186,900	11.3	3.6	31.8
1927	61,316,600	7,231,737	2,259,900	11.7	3.7	31.2
1928	62,122,200	7,521,245	2,333,800	12.1	3.8	31.0

of the population of the whole country, but the percentage advanced to 12 per cent. in 1928. The increase of population was particularly marked in Osaka. Osaka's population, which stood at 2.7 per cent. of the total population of the whole country in 1915, rose to 3.8 per cent. in 1928. Whereas Osaka was accountable for a little over one quarter of the total population of the six big cities in 1915, its population constituted a little less than one-third of it in 1928. It is noteworthy that as compared with the initial years of the world war, the tendency for population to concentrate in the six big cities—in Osaka particularly—became more marked in later years.

The fact that there is a rapid growth in the population of the six big cities—Osaka in particular—is interesting in itself, but it is also significant in that it tends to produce its effects on various phases of social life. In this connection, it is necessary to study the part which the six big cities—Osaka especially—play in the financial life of the nation. The relative status of these six big cities in the

financial life of the nation can be made clear by comparing the annual expenditure or revenue of these cities. Seeing, however, that the figures of the annual expenditure or revenue sometimes contain imaginary figures of calculation or that they sometimes assume different meanings as they include or not Government or public enterprises, a comparison of these figures does not always faithfully reveal the characteristic features of the financial life of these cities. So, in the present article, I have selected for study the burden of taxation exclusively. Moreover, for the sake of convenience, I have confined myself to the study of the case of Osaka only. By making clear the changes which have come over the burden of taxation on the citizens of Osaka in the past, I hope I can throw some light on the economic life of the big cities in general.

2. THE MUNICIPAL ADMINISTRATION AND FINANCE OF OSAKA

The finance of Osaka is closely related to the municipal system of the city. In the study of the burden of taxation on the citizens of Osaka, therefore, it is important that the course of the development of the municipal system should always be kept in view. The municipal system of Osaka since the Restoration may be classified by different standards, but it seems proper to classify it into the following four periods :—

- The first periodFrom 1868 to 1879.
- The second period.....From 1879 to 1889.
- The third periodForm 1889 to 1898.
- The fourth period.....1898 and after.

The first period covers the twelve years from the troublous days of the Restoration to 1879 when the *gun-ku-cho-son* (county-ward-town-village) organisation law was promulgated. Under this law, the city of Osaka was divided into four wards. The second period begins in 1879 when the above-

mentioned municipal system was introduced and ends in 1889 when the new municipal system was introduced in Osaka. This new municipal system, which was a special one, was in operation from 1889 till 1898, the third period covering the years in which it was in operation. In 1898, this special form of the municipal system was replaced by the ordinary municipal system, which is still in force. The year 1898 and after can thus be classified as the fourth period to distinguish it from the preceding period.

In order to study the burden of taxation on the citizens of Osaka since the Restoration, it is necessary to make inquiries into the state of taxation in all these four periods, but the paucity of materials for study renders it difficult to make any adequate examination, with the help of reliable figures of the state of taxation in the first three periods. In such circumstances, I have confined my attention to the fourth period, that is, from 1898 up to the present, in which the ordinary municipal system has been in operation.

The "burden of taxation" on the citizens of Osaka may lend itself to different interpretations, but the latest Osaka Municipal Statistical Report gives the burden of taxation for the fiscal year 1928-1929 as follows:—

The whole burden of taxation on the citizens of Osaka is not, however, covered by the above table. Some items are entirely omitted, and some items, representing the taxes paid in other districts and shifted to Osaka, are excluded from the table, though they are practically borne by Osaka citizens. On the other hand, it is inclusive of some items, which, though nominally paid in the city of Osaka, are, as a matter of fact, borne by people in other districts. It is impossible from the point of view of the statistical art to distinguish between these figures and study the burden of taxation on the Osaka citizens, pure and simple.

As Table No. 2 shows, the citizens of Osaka bear a threefold taxation. In the first place, they pay national taxes in their capacity as inhabitants of the Island Empire

Table No. 2.

The amount of taxes paid by Osaka citizens in the fiscal year 1928-1929.

National taxes.	Amount. (In ¥1,000)	Prefectural taxes.	Amount. (In ¥1,000)	Municipal taxes.	Amount. (In ¥1,000)	
Land tax.....	1,777	Land surtax	604	Surtaxes on national taxes {	Land surtax.....	817
Income tax.....	28,044	Income surtax	3,733		Income surtax.....	1,947
Business-profit tax	6,910	Business-profit surtax	1,551		Business-profit surtax	1,794
Interest on capital tax	1,981	Exchange business surtax.....	50		Exchange business surtax	50
Inheritance.....	2,382	House tax	1,208	Total.....	5,273	
Mining tax.....	5	Business tax	384	Surtaxes on prefectural taxes {	Business surtax	571
Sake tax	2,571	Miscellaneous tax.....	1,694		Miscellaneous surtax.....	3,223
Aerated drinks tax	337	Town-planning tax	218		House surtax	8,117
Textile excise	2,007	Total	9,466	Total.....	11,914	
Exchange business tax	4,002			Special taxes {	<i>Buichi</i> tax.....	1,204
Sugar excise	14,561				Acreage rate	108
Business tax	9				Electric pole tax.....	43
Total	64,587				Town planning tax	1,702
				Total.....	3,058	
				Total.....	20,247	
				Ward cost (house surtax).....	204	
				Grand total.....	94,484	

of Japan. Secondly, they bear the Osaka prefectural taxes as dwellers in Osaka prefecture, and thirdly, they are called upon to pay the Osaka Municipal taxes as denizens of Osaka city. Besides, it is necessary to take into consideration the ward imposts borne by them. When we study the burden of taxation on the Osaka citizens, therefore, we must consider the national, the prefectural, and the ward levies as well as the municipal taxes. I will now explain the tax burdens of the Osaka citizens in the order of the national, the prefectural, municipal and ward imposts.

3. THE NATIONAL TAXATION BEARING ON THE OSAKA CITIZEN

In the study of the national taxes bearing on the Osaka citizens, it is necessary to consider not only what are formally called taxes but the Monopoly profit, which, though not nominally a tax, is a tax to all intents and purposes. As, moreover, it is the national taxation that is under review, Customs duties must also be taken into consideration, besides domestic taxes. Nor can the registration fee and the stamp duty, which is included in the stamp revenue in the domestic taxation, be left out of account. Another factor worthy of consideration is that the taxes paid in other districts are inclusive of a large amount, which, forming as it does part of the prices of the commodities concerned, is shifted to Osaka and borne by Osaka citizens. For instance, whereas the *sake* tax actually paid by Osaka citizens to the local taxation office represents only a small amount, the sum ultimately charged to Osaka citizens as part of the price of *sake* is very large. For statistical reasons, however, I have confined my attention to the national taxes paid in Osaka to exclusion of the Monopoly profit, Customs duties, the registration fee, and the stamp duty. The amount of the national taxes paid in the city of Osaka from 1899 to 1928 is given in Table No. 3.

In 1899, the national taxes collected in Osaka were of

the seven kinds of income tax (the Income Tax Law promulgated as Law No. 17 in February, 1899), the land tax (the Land Tax Regulations enacted as Proclamation No. 7 in March, 1884), the business tax (the Business Tax Law promulgated as Law No. 33 in March, 1896), the patent-medicine business tax (the Patent-Medicine Regulations enacted as Proclamation No. 7 in January, 1877), the exchange tax (the Exchange Tax promulgated as Law No. 6 in March, 1893), the *sake* tax (the *Sake* Brewing Tax promulgated as Law No. 28 in March, 1896), and the soy tax (the Soy Tax Regulations promulgated as Imperial Ordinance No. 47 in June, 1888), but in 1902, another tax was added in the shape of the sugar excise (the Sugar Law promulgated as Law No. 13 in March, 1901).

Afterwards, in connection with the Russo-Japanese War, not only were the taxes already imposed increased under the Emergency Special Taxation Law, but the new taxes of the textile excise (the Emergency Special Taxation Law promulgated as Law No. 3 in April, 1904), the transit tax (the Revised Emergency Special Taxation Law promulgated as Law No. 1 in January, 1905), and the Succession tax (the Succession Tax Law promulgated as Law No. 10 in January, 1905) were added to the list of the national taxes. The mining tax (the Mining Tax Law promulgated as Law No. 45 in March, 1905) was collected in Osaka for the first time in 1909, but as the sum collected on this head in the first year of taxation fell short of ¥1,000, its entry is omitted in Table No. 3.

In the Taisho era, the war-profit tax (the War-profit Tax Law promulgated as Law No. 9 in March, 1918) was levied from 1918 to 1923. The petroleum excise brought in ¥208 in 1917, but this item is excluded from Table No. 3, not only because the amount collected was less than ¥1,000 but because the revenue from this source occurred in a single year. The national taxes abolished during the Taisho era were the patent-medicine business tax, the transit tax, the soy tax and the business tax, while those newly

Table No. 3.

The national taxation receipts in Osaka. (In ¥1,000).

Fiscal years.	Income tax.	Land tax.	Business tax.	Business-profit tax.	Patent-medicine business tax.	Mining tax.	Exchange tax.	Capital interest tax.	Succession tax.	War-profit tax.	Sake tax.	Soy tax.	Aerated-drinks tax.	Sugar excise.	Textile excise.	Transit tax.	Total.
1899	313	265	442	—	5	—	340	—	—	—	347	10	—	—	—	—	1,725
1900	383	265	491	—	5	—	338	—	—	—	393	13	—	—	—	—	1,890
1901	441	266	520	—	4	—	180	—	—	—	401	14	—	—	—	—	1,828
1902	450	267	538	—	4	—	120	—	—	—	431	13	—	1,096	—	—	2,922
1903	539	267	570	—	4	—	177	—	—	—	400	14	—	906	—	—	2,881
1904	755	423	829	—	4	—	215	—	—	—	376	18	—	1,558	234	—	4,416
1905	1,487	1,024	1,450	—	5	—	622	—	—	—	471	20	—	2,867	253	26	8,321
1906	2,238	1,032	1,623	—	10	—	1,226	—	58	—	488	19	—	2,103	6	136	8,954
1907	2,121	1,035	1,916	—	11	—	857	—	84	—	412	16	—	375	94	157	7,084
1908	3,193	1,052	2,966	—	18	—	1,220	—	138	—	446	16	—	286	394	169	9,903
1909	2,096	1,060	2,430	—	12	—	1,249	—	132	—	418	13	—	233	298	265	8,210
1910	2,142	1,054	2,486	—	12	3	1,144	—	197	—	293	9	—	209	281	314	8,152
1911	2,783	1,357	2,365	—	13	4	1,667	—	410	—	265	10	—	248	322	388	9,838
1912	3,464	1,353	2,570	—	14	4	1,478	—	248	—	278	10	—	253	387	380	10,444
1913	3,174	1,353	2,750	—	16	3	1,005	—	197	—	243	10	—	495	345	526	10,122
1914	3,496	1,350	2,901	—	16	5	956	—	261	—	222	10	—	1,105	335	526	11,188
1915	3,617	1,350	2,247	—	14	4	2,029	—	347	—	181	10	—	2,732	408	556	13,500
1916	6,360	1,353	2,509	—	15	9	3,552	—	420	—	183	11	—	3,031	359	648	18,457
1917	16,340	1,355	3,309	—	17	13	4,164	—	512	—	211	11	—	3,626	312	776	30,653
1918	19,820	1,358	5,434	—	20	27	3,042	—	549	16,245	218	10	—	4,099	527	905	52,261
1919	28,150	1,365	6,960	—	22	38	6,272	—	494	26,311	247	11	—	5,610	1,137	1,027	77,651
1920	32,129	1,367	10,438	—	25	47	3,969	—	742	7,322	263	9	—	4,606	1,250	1,075	63,248
1921	22,870	1,370	10,356	—	28	17	4,657	—	1,021	1,146	235	7	—	8,639	1,419	1,123	52,895
1922	26,257	1,384	10,590	—	29	17	3,655	—	1,161	239	240	6	—	11,403	1,106	1,247	57,340
1923	23,241	1,396	7,959	—	16	14	4,417	—	1,223	5	252	6	—	12,997	1,187	1,343	54,062
1924	24,674	1,403	8,464	—	—	15	4,128	—	1,417	—	211	6	—	13,192	1,159	1,359	56,038
1925	26,940	1,733	9,447	—	—	3	4,766	—	1,482	—	1,619	11	—	16,974	2,878	—	67,267
1926	24,444	1,766	8,983	114	—	2	5,413	1,425	1,748	—	2,226	2	261	15,470	2,180	—	64,040
1927	26,458	1,765	34	5,378	—	4	4,581	1,821	1,737	—	2,232	—	313	14,320	2,064	—	60,704
1928	28,044	1,777	9	6,910	—	5	4,002	1,981	2,382	—	2,571	—	337	14,561	2,007	—	64,587

created were the business-profit tax (the Business-Profit Tax Law promulgated as Law No. 11 in March, 1926), the tax on the interest on capital (the Interest on Capital Tax Law promulgated as Law No. 12 in March, 1926), and the aerated drinks law (the Law No. 16 promulgated in March, 1926). The national taxes actually collected in Osaka in 1928 were, barring the business tax, the income, the land, the business-profit, the mining, the exchange, the interest on capital, the succession, the *sake*, and the aerated drinks taxes and the sugar and the textile excises.

The national tax receipts in the city of Osaka, which totalled ¥1,700,000 in 1899, exceeded ¥8,000,000 in 1910 after the Russo-Japanese War. Owing to the World War, they attained the record figure of ¥77,600,000 in 1919, which fell to ¥64,587,000 in 1928. The figure for 1928 was thirty-seven times as large as that for 1899. Even allowing for the depreciation in the purchasing power of currency, and the expansion of Osaka in area and population, it will readily be admitted that the burden of the national taxation on Osaka has made a remarkable increase.

Analysing the revenue from the national taxes in 1928, it is noticed that the income tax heads the list with ¥28,044,000 and next comes the sugar excise with ¥14,561,000, followed by the business-profit tax (¥6,910,000), the exchange tax (¥4,002,000), the *sake* tax (¥2,571,000), the succession tax (¥2,381,000), the textile excise (¥2,007,000), the tax on the interest on capital (¥1,981,000), and the land tax (¥1,777,000) in the order given. If the indirect excises are excluded from these national imposts, there remain the income, the business-profit, the exchange, the interest on capital, the land, and the succession taxes.

The income tax revenue, which stood at ¥300,000 in 1899, was centupled to ¥32,000,000 in 1920, and is now put at ¥28,000,000. The business-profit tax is practically the same in substance as the business tax, and consequently both may be regarded in the same light. The business tax revenue, which amounted to ¥400,000 in 1899, increased

some 26 times to ¥10,000,000 in 1920, while the business-profit tax revenue stood at ¥6,910,000, or fifteen times the amount, in 1928. As regards the revenue accruing from the exchange tax, the amount for 1928 was 12 times what it had been in 1899. The land tax revenue for 1928 grew about seven times, as compared with ¥260,000 for 1899.

At first, the four taxes of income, business, exchange and land occupied a similarly important position in the direct taxation in Osaka, but the revenue from the income tax subsequently made an especially remarkable increase and the business tax and the exchange tax followed it in the degree of growth, the land tax lagging far behind. Consequently, the land tax is now very greatly outdistanced by the income tax. The present wide disparity may, however, be lessened in the event of the standard of land tax assessment being altered to the rental value of land in the near future, as projected. It is nevertheless a very noteworthy fact that about one half of the amount of the national taxation collected in Osaka in 1928 accrued from the income tax. It may also be noted that as wealth is concentrated in Osaka, both the succession tax and the tax on the interest on capital offer a good prospect of increase in the amount to be collected in future.

4. THE PREFECTURAL TAXATION BEARING ON THE OSAKA CITIZEN

In looking into the prefectural taxation on Osaka citizens, it is well to classify the prefectural levies into two kinds, viz. the surtaxes on the national taxes, and the special prefectural taxes. Table No. 4 gives the amount of revenue from the prefectural taxes in the city of Osaka during the 30 years from 1899 to 1929:—

It may be noted that Table No. 4 gives no figures of prefectural taxes for the six years from 1900 to 1906. This is because during these years the three-section system was in force in Osaka prefecture, and the Osaka Municipality

Table No. 4.

The prefectural taxation receipts in Osaka. (In ¥1,000).

Fiscal years.	Surtaxes on national taxes.					Special Osaka prefectural taxes.					Total.
	Income surtax.	Land surtax.	Business surtax.	Business-profit surtax.	Exchange-business surtax.	House tax.	Business tax.	Miscellaneous tax.	Special land tax.	Town-planning tax.	
1899	—	75	87	—	—	247	29	166	—	—	605
1900	—	—	—	—	—	—	—	—	—	—	—
1901	—	—	—	—	—	—	—	—	—	—	—
1902	—	—	—	—	—	—	—	—	—	—	—
1903	—	—	—	—	—	—	—	—	—	—	—
1904	—	—	—	—	—	—	—	—	—	—	—
1905	—	—	—	—	—	—	—	—	—	—	—
1906	—	51	127	—	—	183	46	357	—	—	765
1907	—	127	139	—	—	467	53	350	—	—	1,138
1908	150	128	221	—	—	466	57	234	—	—	1,260
1909	130	130	221	—	—	368	62	224	—	—	1,138
1910	183	140	255	—	—	550	70	242	—	—	1,443
1911	289	178	320	—	—	501	78	248	—	—	1,615
1912	322	177	349	—	—	547	78	263	—	—	1,739
1913	196	177	293	—	—	529	76	267	—	—	1,541
1914	164	176	305	—	—	505	74	269	—	—	1,496
1915	172	176	208	—	23	512	110	278	—	—	1,482
1916	251	176	211	—	41	517	143	287	—	—	1,629
1917	527	176	315	—	47	521	102	351	—	—	2,043
1918	1,222	230	562	—	33	606	108	371	—	—	3,135
1919	1,410	280	922	—	76	805	138	655	—	—	4,288
1920	1,330	387	2,160	—	57	853	142	711	—	—	5,644
1921	427	464	2,333	—	93	1,047	163	747	—	—	5,277
1922	519	523	2,861	—	67	1,134	154	904	—	—	6,166
1923	549	475	1,797	—	59	1,085	133	950	—	—	5,051
1924	672	444	1,773	—	52	1,021	112	919	—	—	4,995
1925	524	571	2,182	—	64	1,427	146	1,420	—	—	6,338
1926	516	599	2,766	—	71	1,528	141	1,573	2	217	7,414
1927	2,168	600	—	1,032	57	1,181	344	1,481	1	217	7,086
1928	3,733	604	—	1,551	50	1,208	384	1,694	—	218	9,466

was called upon to put up part of the prefectural expenditure to the amount given in the following table:—

Years	Amount allotted (in ¥1,000)
1900	547
1901	561
1902	662
1903	654
1904	570
1905	597

Instead of collecting these sums from the Osaka citizens directly in the form of prefectural taxes, the Osaka Prefectural Office caused the Osaka Municipality to pay into the prefectural treasury the sums allotted to it, and consequently the Osaka Municipality collected the municipal taxes in the amount that covered this allotted levy also.

Let me first examine the surtaxes on national taxes. The oldest of the prefectural surtaxes on national taxes are the land-rate (the land surtax), which has been in force since the Revised Law Tax Regulations were enacted in July, 1873, and the business surtax, which came into force under the Business Tax Law promulgated in 1896. In 1908, the income surtax was created, and in 1914, the surtax on the exchange business tax under the Exchange Tax Law, which was promulgated as Law No. 23 of 1914. The surtax on the patent-medicine tax was legalised under the Patent-Medicine Law promulgated in 1905 as Law No. 71, and continued in operation until April, 1922. As an Osaka prefectural tax, however, it was collected in the city of Osaka for eight years only from 1916 to 1924. As, moreover, the yearly revenue from this source fell short of ¥1,000, it is not mentioned in Table No. 4. In 1926, the land-rate was renamed the land surtax, and in 1927, the business surtax ceased to exist, being supplanted by the business-profit surtax. The special Osaka prefectural taxes collected in Osaka were formerly of the three kinds: house tax, the business tax and the miscellaneous tax, but since 1927 two more have been added in the shape of the special land tax and the town planning tax. The special land tax is a prefectural levy imposed on small yeoman farmers, who are exempted from the national land tax.

In short, the Osaka prefectural taxes consisted of the

five imposts of land surtax, business surtax, house tax, business surtax, and miscellaneous tax at first, but in 1908, the income surtax was added to increase the number to six. In 1915, another prefectural tax, viz. the exchange business surtax, was created and in 1916 still another was created in the shape of the patent-medicine surtax, bringing the total up to eight. The abolition of the patent-medicine business surtax in 1924 reduced the total to seven, but two more additions were made in 1926 when the special land tax and the town planning special tax came into being. In 1927, the business-profit tax was replaced by the business tax. The present number of the Osaka prefectural taxes is nine.

Referring to the prefectural taxation receipts in Osaka, the total of such incomes, which was put at ¥600,000 in 1899, increased by 30 per cent. to ¥760,000 in 1906, or immediately after the conclusion of the Russo-Japanese War. In 1920, or immediately after the world war, the total amounted to ¥5,640,000 (nine times the amount for 1899) and in 1928 to ¥9,466,000 (sixteen times the amount). The amount of the Osaka prefectural taxes collected in the city of Osaka in 1899 formed one-third of that of the national taxes and 60 per cent. of that of the municipal taxes, but in 1928 it decreased to one-seventh of that of the national taxes and to less than 50 per cent. of that of the municipal taxes. Thus, it will be seen that in the city of Osaka, the prefectural taxes are much lighter than the municipal taxes and that their rates are even smaller as compared with the national taxes.

5. THE MUNICIPAL TAXATION BEARING ON OSAKA CITIZEN

The Osaka municipal taxes consist of the surtaxes on national taxes, the surtaxes on the Osaka prefectural taxes, and certain special municipal taxes. Such being the case, the burden of taxation on Osaka citizens is not only subject

to changes according to the rates of the municipal taxes peculiar to the Osaka Municipality, but is influenced by changes in the rates of the national and prefectural taxes. In the study of the burden of municipal taxation on Osaka citizens, therefore, reference must be made both to "the burden of the national taxation bearing on the Osaka citizen" described in Chapter 3 and to "the burden of the prefectural taxation on Osaka citizens" described in the preceding Chapter. In the days when the Osaka Municipality was made to contribute part of the Osaka prefectural expenditure, there were no such things as surtaxes on Osaka prefectural taxes. There were the house tax, the business tax and the miscellaneous tax instead as special municipal taxes, and simultaneously with the abolition of the part contribution system, these special municipal taxes were converted into surtaxes on prefectural taxes. Such being the case, it is necessary to study the national, the prefectural, and the municipal taxes synthetically.

Table No. 5 gives the details of the municipal tax receipts during the last thirty years in the city of Osaka.

First let us take the surtaxes on national taxes. In 1899, three surtaxes on national taxes, viz., the income surtax, the landrate (the land surtax), and the business surtax, were created and in the following year, the business surtax was added. Later, in 1915, the exchange business surtax was created, but as the patent-medicine business tax was abolished in 1924, the number of surtaxes on national taxes is four. As regards the patent-medicine business surtax, it was collected every year—except 1908—between 1900 and 1923, but no entry on this head was made in Table No. 5 where the total of the revenue did not reach ¥1,000. The mining surtax was collected in 1917, 1918, and 1919, but it is left out of account, as the annual revenue from this source did not come up to ¥1,000. In 1913, the land-rate was renamed the land surtax, and in 1927, the business-profit surtax supplanted the business surtax.

Table

The municipal taxation

Fiscal years.	Surtaxes on national taxes.						Surtaxes on Osaka prefectural		
	Income urtax.	Land surtax.	Business surtax.	Business-profit surtax.	Exchange business surtax.	Patent-medicine business surtax.	House surtax.	Business surtax.	Miscellaneous surtax.
1899	132	16	221	—	—	—	249	18	106
1900	192	89	354	—	—	1	—	—	—
1901	195	89	390	—	—	1	—	—	—
1902	195	89	395	—	—	1	—	—	—
1903	226	90	414	—	—	1	—	—	—
1904	180	64	352	—	—	1	—	—	—
1905	210	66	357	—	—	1	—	—	—
1906	154	16	267	—	—	1	428	22	99
1907	170	37	300	—	—	1	1,092	26	103
1908	226	38	361	—	—	—	294	28	100
1909	192	38	384	—	—	1	655	45	143
1910	268	41	400	—	—	1	758	50	142
1911	291	56	389	—	—	—	699	58	160
1912	322	55	423	—	—	—	764	59	172
1913	285	55	449	—	—	—	737	57	174
1914	286	55	471	—	—	—	705	56	175
1915	256	55	358	—	23	—	714	82	176
1916	441	55	391	—	41	—	722	75	187
1917	768	55	490	—	47	—	729	77	232
1918	1,785	55	742	—	33	1	755	81	252
1919	1,990	55	1,004	—	76	1	769	103	450
1920	1,109	217	2,606	—	57	1	819	107	555
1921	2,685	383	3,745	—	93	1	670	330	1,182
1922	2,972	386	4,224	—	67	1	727	311	2,414
1923	2,477	378	3,631	—	59	—	659	188	1,697
1924	1,826	384	3,838	—	52	—	547	167	2,244
1925	2,296	532	4,382	—	64	—	771	222	3,634
1926	1,996	540	4,342	—	71	—	820	213	3,483
1927	1,739	600	—	1,794	57	—	7,839	515	3,396
1928	1,947	817	—	2,459	50	—	8,117	571	3,223

Now as to the surtaxes on prefectural taxes. In 1899, the house-rate (the house surtax), the business surtax, the miscellaneous surtax were imposed, but as a result of the introduction in Osaka prefecture of the three-section system, under which the Osaka Municipality was temporarily under the obligations to put up part of the prefectural expenditure, the imposition of these surtaxes on prefectural taxes was

No. 5.

receipts in Osaka. (In ¥1,000)

taxes.	Osaka Municipal special taxes.								Total.	
	Special land surtax.	House tax.	Business tax.	Miscellaneous tax.	Exchange tax.	Town planning special tax.	Electric pole tax.	Butchi tax.		Acreage tax.
—	—	—	—	13	—	—	—	106	118	983
—	530	76	260	16	—	—	—	131	124	1,777
—	543	84	267	24	—	—	—	122	123	1,841
—	548	77	271	13	—	—	—	123	121	1,838
—	542	72	225	12	—	—	—	136	117	1,839
—	547	60	218	12	—	—	—	110	116	1,666
—	590	62	232	10	—	—	—	133	150	1,817
—	—	—	—	15	—	—	—	293	148	1,448
—	—	—	—	26	—	—	—	265	186	2,211
—	—	—	—	42	—	—	—	150	184	1,427
—	—	—	—	41	—	—	—	239	171	1,916
—	—	—	—	51	—	—	—	332	168	2,185
—	—	—	—	63	—	—	—	393	161	2,273
—	—	—	—	55	—	—	—	325	150	2,331
—	—	—	—	61	—	—	—	219	146	2,189
—	—	—	—	47	—	—	—	218	144	2,161
—	—	—	—	—	—	—	—	269	142	2,080
—	—	—	—	—	—	—	—	476	140	2,534
—	—	—	—	—	—	—	—	849	137	3,388
—	—	—	—	—	—	—	—	876	245	4,828
—	—	—	—	—	—	—	—	1,528	236	6,216
—	—	—	—	—	—	—	—	871	444	6,789
—	—	—	—	—	84	—	—	936	418	10,532
—	—	—	—	—	1,814	—	—	776	355	14,052
—	—	—	—	—	1,305	—	—	747	294	11,440
—	—	—	—	—	1,825	—	—	893	238	12,017
—	—	—	—	—	2,291	18	1,125	196	154	15,539
—	—	—	—	—	2,628	26	1,116	154	154	15,397
—	—	—	—	—	1,429	41	1,122	131	131	18,667
—	—	—	—	—	1,702	43	1,204	108	108	20,247

suspended between 1900 and 1905. In 1906, this system was given up, and the collection of the house-rate (the house surtax), the business-rate (the business surtax), and the miscellaneous-rate (the miscellaneous surtax) was resumed. In 1913, these levies were renamed the house surtax, the business surtax, and the miscellaneous surtax respectively, but in substance they were the same. In 1926, the

special land surtax was created with the result that the number of the surtaxes on Osaka prefectural taxes was increased to four, viz. the house surtax, the business surtax, the miscellaneous surtax and the special land surtax.

Next, I will explain the special taxes of the Osaka Municipality. In 1899, were imposed the exchange tax, the *buichi* (percentage) tax, and the acreage rate, but during the six years from 1900 to 1906, various kinds of Osaka municipal special taxes were created on account of the system which prevailed during this period, requiring a contribution from the Osaka Municipality toward a fixed part of the prefectural expenditure. To be more exact, the house tax, the miscellaneous tax, the A-class business tax, the B-class business tax, and the railway business tax were initiated in 1900. Of these taxes, the railway business tax and the A-class business tax were abolished in 1904, while the B-class business tax, the miscellaneous tax and the house tax continued in force until 1905. The following table gives the receipts from these sources:—(in ¥1,000)

Years.	House tax.	Miscellaneous tax.	Business taxes.			Total.
			A-class business tax.	B-class business tax.	Railway business tax.	
1900	530	260	4	60	11	76
1901	543	267	6	65	12	84
1902	548	271	6	65	6	77
1903	542	225	7	60	5	72
1904	547	218	—	60	—	60
1905	590	232	—	62	—	62

After 1906, the three special taxes of the exchange tax, the *buichi* tax and the acreage rate were imposed as before, but in 1915, the exchange tax was abolished, because from that year the surtax was imposed on the exchange business tax, now a national tax. In 1921, the town planning special tax was created and in 1925, the electric pole tax was initiated. Thus, the Osaka municipal special taxes which were imposed in the fiscal years 1928-1929 were the town planning

special tax, the *buichi* tax, the acreage tax and the electric pole tax.

The burden of the municipal taxation on Osaka citizens, consisting of the surtaxes on both national and Osaka prefectural taxes, and the Osaka municipal special taxes, which totalled ¥980,000 in 1899, increased to ¥20,247,000 in 1928, in other words, it became 21 times as large. Thus, it will be seen that although the rate of increase in the municipal taxes is lower as compared with that in the national taxation, it is much higher than that of the prefectural taxation.

The business surtax (the business-profit surtax) and the income surtax are the most important of all the surtaxes on national taxes, and next in importance comes the land surtax; the exchange business surtax and the patent-medicine surtax bringing in the smallest contributions to the revenue.

With regard to the surtaxes on Osaka prefectural taxes, the miscellaneous surtax and the house surtax are of greater importance than any other of the surtaxes, and the business surtax stands third on the list. It is noteworthy that since 1927 there has been a remarkable increase in the house surtax as a municipal impost, while the house surtax as forming part of ward levies has witnessed a marked decrease, as a result of the abolition of the school district system in favour of the unification of the educational system.

So far as the Osaka municipal special taxes are concerned, the *buichi* tax formerly stood first on the list, with the acreage tax second, but these are now far surpassed by the town planning special tax, which was created in 1921.

6. THE WARD LEVIES ON OSAKA CITIZENS

Lastly, I must make clear the incidence of the ward levies on Osaka citizens. Since the introduction of the municipal system, the city of Osaka had been divided into the four juridical *ku* or wards, Higashi-ku, Nishi-ku, Minami-ku and Kita-ku, until the area of the city was extended

under the Home Office Order dated February 21st, 1925, when the four wards were abolished and thirteen wards were newly created. That is to say, since April 1st, 1925, the old area of Osaka has been divided into the eight wards of Higashi-ku, Nishi-ku, Minami-ku, Kita-ku, Konohana-ku, Minato-ku, Tennoji-ku and Naniwa-ku, and the area newly incorporated into the five wards of Nishi Yodogawa-ku, Higashi Yodogawa-ku, Higashi Nari-ku, Sumiyoshi-ku and Nishi Nari-ku, making a total of thirteen wards. In conjunction with these wards, the school district system was in operation in Osaka, and under this system the whole cost of the municipal schools and kindergartens was borne by the school districts. Such being the case, the ward expenditure as well as the national, the prefectural and the municipal taxes entered into the composition of the burdens on the citizens of Osaka. In April, 1921, a new arrangement was made under which, of all the educational costs borne by the school districts up to that time, the defrayals on account of the salaries and allowances for school teachers and officials were shifted on to the Municipality, thereby relieving the school districts of much of their burdens. Subsequently—under the Osaka Prefectural Order No. 62 dated November 11, 1926—the school district system was abolished in April, 1927, and so the burden of ward levies ceased to exist in 1927 as a matter of principle, but in Higashi-ku and Nishi-ku, where middle-grade schools and industrial supplementary schools are still run by these wards, the ward levies are still retained.

The following Table No. 6 shows the amount of ward levies in Osaka since 1899 (the figures being given in units of ¥1,000):—

The ward levies consist of surtaxes on national taxes and surtaxes on Osaka prefectural taxes. Between 1900 and 1905, however, surtaxes on Osaka Municipal taxes instead of surtaxes on Osaka prefectural taxes were collected as ward levies, as, during the period, the *bumpu* system (under which the prefectural expenditure was met by contributions from the Municipality, etc.) operated. To be more

Table No. 6.

The amount of ward levies collected in Osaka.

Fiscal years.	National Surtaxes.			Osaka Prefectural Surtaxes.			Osaka Municipal Surtaxes.			Total.
	Income surtax.	Land surtax.	Business surtax.	House surtax.	Business surtax.	Miscellaneous surtax.	House surtax.	Business surtax.	Miscellaneous surtax.	
1899	2	50	172	235	42	23	—	—	—	526
1900	41	56	182	—	—	—	282	32	53	649
1901	43	56	188	—	—	—	304	40	57	691
1902	94	39	109	—	—	—	377	43	52	717
1903	122	40	121	—	—	—	382	37	55	760
1904	80	30	89	—	—	—	321	33	51	606
1905	90	27	82	—	—	—	304	35	52	593
1906	148	34	115	425	44	68	—	—	—	837
1907	136	35	143	609	54	79	—	—	—	1,058
1908	181	40	192	721	68	101	—	—	—	1,306
1909	170	42	218	867	73	102	—	—	—	1,474
1910	201	57	232	951	81	103	—	—	—	1,628
1911	242	70	231	1,051	96	116	—	—	—	1,808
1912	281	77	265	1,204	103	144	—	—	—	2,076
1913	243	80	275	1,095	88	129	—	—	—	1,913
1914	243	80	288	1,070	84	128	—	—	—	1,897
1915	216	81	224	1,031	109	122	—	—	—	1,786
1916	377	84	252	1,126	103	152	—	—	—	2,097
1917	777	86	332	1,223	112	188	—	—	—	2,720
1918	1,518	83	468	1,337	111	207	—	—	—	3,725
1919	1,705	83	619	1,779	130	349	—	—	—	4,666
1920	1,653	118	1,175	3,170	193	521	—	—	—	6,884
1921	—	—	—	3,250	—	—	—	—	—	3,250
1922	—	—	—	3,685	—	—	—	—	—	3,685
1923	—	—	—	4,015	—	—	—	—	—	4,015
1924	—	—	—	3,728	—	—	—	—	—	3,728
1925	—	—	—	5,117	—	—	—	—	—	5,117
1926	—	—	—	6,397	—	—	—	—	—	6,397
1927	—	—	—	169	—	—	—	—	—	169
1928	—	—	—	204	—	—	—	—	—	204

exact, in 1900, the surtaxes on the municipal house tax, miscellaneous tax, and business tax were imposed as ward levies, instead of the surtaxes on the prefectural house tax (household rate), miscellaneous tax and business tax, which had been imposed in the preceding year. The following table shows the details:—

Years.	House surtax (yen)	Miscellaneous surtax (yen)	Business surtax (yen)			Total
			Railway business surtax	A-class business surtax	B-class business surtax	
1900	282,788	53,855	1,385	932	30,089	32,406
1901	304,431	57,814	4,713	—	35,868	40,581
1902	377,574	52,578	4,935	1,820	36,464	43,219
1903	382,256	55,309	1,296	1,559	35,067	37,922
1904	321,536	51,219	—	—	33,428	33,428
1905	304,644	52,843	—	—	35,103	35,103

The ward levies collected from 1906 to 1920 consisted of three surtaxes on national taxes (income surtax, land surtax, and business surtax) and three surtaxes on Osaka prefectural taxes (house surtax, business surtax and miscellaneous surtax). It is true that up to 1912, the surtax on the national land tax had been called the land-rate, the surtax on the prefectural business tax the business-rate, the surtax on the prefectural miscellaneous tax the miscellaneous-rate and the surtax on the prefectural house tax the house-rate, but the difference existed in name only.

In April, 1921, the new arrangement was made, as a preliminary to the abolition of the school districts, under which all expenses on account of the staffs of the schools and of the kindergartens were paid out of the Municipal coffer. As a result, the ward levies were reduced, the imposts being confined to the surtax on the house tax. This caused the amount of the ward levies to decline considerably from ¥6,880,000 in 1920 to ¥3,250,000 in 1921. The school district system was abolished in 1927, after which ward levies were collected in exceptional cases only. The ward levies, which stood at ¥6,400,000 in 1926, fell to the small sum of ¥204,000 in 1928.

7. THE BURDEN OF TAXATION ON OSAKA CITIZENS

In the previous chapters, I have examined the burdens of national, prefectural, municipal and ward imposts on Osaka citizens during the last 30 years. The burden of taxation on Osaka citizens can be appreciated only when what they have to pay in their quadruple capacity, viz. as Japanese subjects, as inhabitants of Osaka prefecture, as Osaka citizens and as ward residents, is put together. Table No. 7 gives the total of these various kinds of imposts on the Osaka citizen. For the convenience of comparison, not only the actual sum of taxes collected, but the percentage of each kind of tax to the whole are given, so that the position occupied by the national, prefectural, municipal and ward levies respectively in the whole burden of taxation may be more clearly appreciated.

Table No. 7 reveals some interesting facts. Since 1904, the national taxes have always accounted for over 60 per cent., and, in some exceptional cases, even over 80 per cent. On the other hand, the amount of the prefectural and municipal taxes have always been small, their percentage being from 4 to 15 per cent. and from 6 to 25 per cent. respectively. It is true that the Municipal taxes rose to 40 per cent. between 1900 and 1905, but this high percentage was due to the *bumpu* system then operating under which the Municipality had to meet part of the prefectural expenditure.

Attention must, however, be called to the fact that the figures of the national taxes, which form an important part of Table No. 7, do not adequately represent the burdens of the citizens. In the first place, as already mentioned, these figures are inclusive of items which do not really embody the actual burdens falling on Osaka citizens. For, the indirect excises paid in Osaka include that portion which being shifted on to other districts is not borne by Osaka citizens after all. Secondly, these figures are incomplete as

Table No. 7.

The amount of taxes collected in Osaka.

Fiscal years.	Absolute amount. (In ¥1,000)					Percentage.				
	National taxes.	Prefec-tural taxes.	Municipal taxes.	Ward levies.	Total.	National taxes.	Prefec-tural taxes.	Municipal taxes.	Ward levies.	Total.
1899	1,725	605	983	526	3,841	44.9	15.8	25.6	13.7	100.0
1900	1,890	—	1,777	649	4,318	43.8	—	41.1	15.0	100.0
1901	1,828	—	1,841	691	4,361	41.9	—	42.2	15.9	100.0
1902	2,922	—	1,838	717	5,478	53.4	—	33.6	13.1	100.0
1903	2,881	—	1,839	760	5,481	52.6	—	33.6	13.9	100.0
1904	4,416	—	1,666	606	6,689	66.0	—	24.9	9.1	100.0
1905	8,321	—	1,817	593	10,732	77.8	—	17.0	5.5	100.0
1906	8,954	765	1,448	837	12,006	74.6	6.4	12.1	7.0	100.0
1907	7,084	1,138	2,211	1,058	11,493	61.6	9.9	19.3	9.2	100.0
1908	9,903	1,260	1,427	1,306	13,897	71.2	9.1	10.3	9.4	100.0
1909	8,210	1,138	1,913	1,474	12,736	64.7	9.0	15.1	11.6	100.0
1910	8,152	1,443	2,185	1,627	13,408	60.8	10.8	16.3	12.1	100.0
1911	9,838	1,615	2,273	1,808	15,536	63.5	10.4	14.7	11.6	100.0
1912	10,444	1,739	2,331	2,076	16,592	62.9	10.5	14.0	12.5	100.0
1913	10,122	1,541	2,189	1,913	15,766	64.1	9.8	13.9	12.2	100.0
1914	11,188	1,496	2,161	1,897	16,743	67.0	9.0	13.0	11.4	100.0
1915	13,500	1,482	2,080	1,786	18,850	71.5	7.8	11.1	9.5	100.0
1916	18,457	1,629	2,534	2,097	24,178	76.3	6.7	10.5	8.7	100.0
1917	30,653	2,043	3,388	2,720	38,806	79.0	5.3	8.7	7.0	100.0
1918	52,261	3,135	4,828	3,725	63,950	81.7	4.9	7.6	5.8	100.0
1919	77,651	4,288	6,216	4,666	92,823	83.7	4.6	6.7	5.0	100.0
1920	63,248	5,644	6,789	6,884	82,566	76.6	6.8	8.2	8.3	100.0
1921	52,895	5,277	10,532	3,250	71,955	74.9	7.3	14.7	4.5	100.0
1922	57,340	6,166	14,052	3,685	81,245	70.6	7.6	17.3	4.5	100.0
1923	54,062	5,051	11,440	4,015	74,570	72.5	6.8	15.4	5.4	100.0
1924	56,038	4,995	12,017	3,728	76,780	73.0	6.5	15.7	4.9	100.0
1925	67,267	6,338	15,539	5,117	94,262	71.4	6.7	16.5	5.4	100.0
1926	64,040	7,414	15,397	6,397	93,249	68.8	8.0	16.6	6.9	100.0
1927	60,704	7,086	18,667	169	86,627	70.1	8.2	21.6	0.2	100.0
1928	64,587	9,466	20,247	204	94,504	68.3	10.0	21.4	0.2	100.0

representing the burdens of Osaka citizens, for, besides the national taxes mentioned in Table No. 7, Osaka citizens bear the burden of Customs duties, the Tobacco Monopoly tax—the Salt Monopoly levy in the past—the registration tax and the stamp duty. Moreover, some taxes paid in other districts are shifted to Osaka citizens. If the unnecessary portion contained in Table No. 7 is of exactly the same amount as the portion which is lacking in it, they will counterbalance each other, but such a coincidence cannot be expected. So, it is necessary to revise it properly. Various methods of revising Table No. 7 may be suggested. One of these is negative, that is to say, to give the figures of the direct national taxes only. This method of revision carries one serious defect in that it leaves indirect excises out of consideration, but as it deals exclusively with direct taxes, which are not amenable to shifting, it may be said to be a comparatively accurate method. Table No. 8 shows the changes which the burden of direct national taxation and that of local taxation have undergone in the city of Osaka during the 20 years since 1909.

The figures given in Table No. 8 represent the estimated amount which the direct taxes should produce, so some disparity occurs when compared with the figures given in the previous tables which represent the amount actually collected. It must also be noted that the amount given in Table No. 8 under the head of Osaka municipal taxes embodies both the municipal taxes and the ward levies as mentioned in Table No. 7. Due note must further be taken of the fact that whereas up to 1925, the direct national taxes consisted of the land, the income, the business, the mining, the patent-medicine business, and the exchange business taxes, three more taxes have since been added to the list in the shape of the business-profit, the interest on capital and the inheritance taxes. Table No. 8 has been drawn up with due regard to these facts, in order to examine the estimated amount of the direct taxes in the city of Osaka in the aggregate, per household, and per capita.

Table No. 8.

The estimated amount of direct taxes in the city of Osaka. (In ¥1,000).

Fiscal years.	1) Total amount.										Grand total.
	Direct national taxes.	Osaka prefectural taxes.			Osaka municipal taxes.			Local taxes in Osaka.			
		Direct national surtaxes.	Others.	Total.	Direct national surtaxes.	Others.	Total.	Direct national surtaxes.	Others.	Total.	
1909	5,432	499	674	1,173	831	2,231	3,063	1,330	2,906	4,236	9,669
1910	5,708	584	882	1,467	914	2,298	3,212	1,498	3,181	4,679	10,388
1911	6,538	795	851	1,646	990	2,304	3,294	1,785	3,155	4,941	11,480
1912	7,425	859	979	1,839	943	2,094	3,038	1,803	3,073	4,877	12,302
1913	7,315	775	912	1,687	1,208	2,322	3,531	1,984	3,235	5,219	12,535
1914	7,789	654	885	1,539	1,445	2,631	4,076	2,100	3,516	5,616	13,405
1915	7,491	617	932	1,549	1,232	2,712	3,945	1,850	3,644	5,494	12,986
1916	10,674	766	936	1,703	1,477	2,792	4,270	2,244	3,729	5,973	16,648
1917	21,514	1,065	965	2,030	2,510	3,603	6,113	3,575	4,568	8,144	29,659
1918	27,193	2,247	1,116	3,363	4,930	3,653	8,584	7,177	4,770	11,947	39,141
1919	37,385	2,443	1,631	4,175	5,590	5,265	10,856	8,134	6,897	15,031	52,417
1920	44,849	4,020	1,755	5,775	7,064	6,481	13,546	11,085	8,236	19,321	64,170
1921	35,908	4,014	2,165	6,180	8,238	6,484	14,722	12,253	8,650	20,903	56,812
1922	39,005	4,148	2,282	6,431	8,877	8,411	17,289	13,026	10,694	23,721	62,727
1923	33,275	3,187	2,682	5,870	8,760	9,892	18,653	11,948	12,575	24,523	57,799
1924	35,138	3,206	2,848	6,055	8,520	8,879	17,400	11,726	11,728	23,455	58,694
1925	39,605	3,694	3,780	7,475	9,648	12,486	22,134	13,342	16,267	29,609	69,215
1926	39,849	4,241	3,986	8,227	7,767	15,688	23,456	12,008	19,674	31,683	71,533
1927	38,154	4,059	3,458	7,517	5,134	13,884	19,018	9,153	17,343	26,536	64,691
1928	42,315	6,771	3,761	10,522	7,098	14,826	21,925	13,859	18,588	32,488	74,763

Fiscal years.	2) Direct taxes per household.					3) Direct taxes per capita.				
	Direct National taxes.	Osaka Prefec-tural taxes.	Osaka Municipal taxes.	Total.	Direct National surtaxes.	Direct National taxes.	Osaka Prefec-tural taxes.	Osaka Municipal taxes.	Total.	Direct National surtaxes.
1909	19.6	4.2	11.0	34.8	4.8	4.5	0.9	2.5	8.0	1.1
1910	19.9	5.1	11.2	36.2	5.2	4.6	1.1	2.5	8.3	1.2
1911	22.2	5.6	11.2	39.0	6.0	5.1	1.2	2.5	9.0	1.4
1912	24.2	6.0	9.9	40.1	5.8	5.5	1.3	2.2	9.2	1.3
1913	24.3	5.6	11.7	41.6	6.5	5.2	1.2	2.5	9.0	1.4
1914	25.6	5.0	13.4	44.1	15.6	5.4	1.0	2.8	9.4	1.4
1915	24.2	5.0	12.7	42.0	5.9	5.1	1.0	2.7	8.9	1.2
1916	33.5	5.3	13.4	52.3	7.0	7.0	1.1	2.8	11.0	1.4
1917	65.5	6.1	18.6	90.3	10.8	13.1	1.9	3.9	19.0	2.2
1918	84.6	10.4	26.7	121.8	22.3	16.6	2.0	5.2	23.9	4.1
1919	118.2	13.2	34.3	165.8	25.7	23.6	2.6	6.8	33.3	5.1
1920	162.3	20.9	49.0	232.2	40.4	35.7	4.6	10.8	51.2	8.8
1921	119.5	20.5	49.0	189.1	40.8	26.6	4.5	10.9	42.1	9.1
1922	120.3	19.8	53.3	193.4	40.1	29.0	4.7	12.8	46.7	9.7
1923	107.0	18.8	59.9	185.8	38.4	24.0	4.2	13.4	41.7	8.6
1924	109.7	18.9	54.3	182.9	36.6	24.5	4.2	12.1	40.9	8.1
1925	81.8	15.4	45.7	143.0	27.5	18.7	3.5	10.4	32.7	6.3
1926	83.1	17.1	48.9	149.2	25.0	18.2	3.7	10.7	32.7	5.4
1927	82.1	16.1	40.9	139.3	19.8	16.8	3.3	8.4	28.6	4.0
1928	77.5	19.2	40.1	137.0	25.4	18.1	4.5	9.3	32.0	5.9

Having exclusive regard to the burden of direct taxation also, we find that the same phenomenon observable in regard to the burden of national taxes as a whole, was witnessed during the twenty years between 1909 and 1929. Direct national taxes head the list and then come the Osaka municipal taxes and the Osaka prefectural taxes. Let me examine the state of revenue in 1928, for instance. Against the revenue of ¥42,315,000 from direct national taxes, the Osaka municipal and prefectural taxes were put at ¥21,925,000 and ¥10,522,000 respectively, making a total of ¥32,448,000 or less than 77 per cent. of the direct national taxes. The tax incidence per household in 1928 shows that the direct taxes totalled ¥137, of which the direct national taxes amounted to ¥77, the Osaka prefectural taxes ¥19, and the Osaka municipal taxes ¥40. Thus, it will be seen that both in the aggregate and in the incidence per household, the direct national taxes constitute the nucleus of the tax burdens of the Osaka citizens.

8. THE BURDEN OF DIRECT TAXES ON THE CITIZENS OF THE GREAT CITIES

In the preceding chapters, I have studied the tax burdens on the Osaka citizen from the two angles of national taxes and local taxes. Local taxes have been divided, for the sake of investigation, into prefectural and municipal taxes, and ward levies have been singled from the municipal taxes for special study. By making a similar study in regard to the tax burdens on the whole country and on the six big cities, we can make clear the economic life of the big cities of this country, as seen from the condition of burdens of taxation.

(1) THE BURDEN OF DIRECT NATIONAL TAXATION

Table No. 9 shows the burden of direct national taxation on the whole country, on the six big cities and on the

city of Osaka during the fourteen years from 1915 to 1929. This period was chosen by reason of the materials for study available.

Table No. 9.

The amount of the burden of direct national taxation on the whole country, on the six big cities as a whole and on the city of Osaka.

Fiscal years.	Burden of direct taxation (¥).			Percentage.		
	On the whole country.	On the six big cities.	On the city of Osaka.	Burden on the six big cities to that on the whole country.	Burden on the city of Osaka to that on the whole country.	Burden on the city of Osaka to that on the six big cities.
1915	136,898,263	33,085,012	7,485,496	24.2	5.5	22.6
1916	152,907,311	41,626,819	10,666,719	27.2	7.0	25.6
1917	202,100,596	82,437,600	21,510,393	40.7	10.6	26.1
1918	241,613,345	98,335,783	26,876,890	40.7	11.2	37.3
1919	325,286,510	96,126,180	37,296,758	29.5	11.4	38.7
1920	339,389,685	141,134,643	43,398,532	41.5	12.7	30.7
1921	356,216,644	152,194,292	36,760,246	42.7	10.3	24.1
1922	384,579,077	Indistinctly	38,932,629	Indistinctly	10.1	Indistinctly
1923	301,740,246	95,854,788	34,454,921	31.7	11.4	35.9
1924	352,974,602	151,373,008	38,164,730	42.8	10.8	25.2
1925	387,629,316	174,417,741	41,017,770	44.9	10.5	23.5
1926	388,918,171	161,986,807	39,202,997	41.6	10.1	24.3
1927	369,103,494	168,289,973	38,154,295	45.5	10.3	22.6
1928	386,140,651	176,090,400	42,869,181	45.6	11.1	24.3

In 1915, one quarter of the direct national taxes imposed throughout the country was borne by the six big cities, but in 1928, this rate advanced to a little less than one half of the whole amount. This offers a striking contrast to the increase of the percentage of the total population of the six big cities to that of the whole country from 10 per cent. in 1915 to 12 per cent. in 1928. It is also noticeable that the amount of direct national taxes collected in Osaka rose in percentage from 5.5 per cent. in 1915 to 11 per cent. in 1928, whereas the percentage of the population of the city of Osaka to the entire population of Japan advanced from a little less than 3 per cent. in 1915 to a little less than 4 per cent. In short, the share of the city of Osaka and the six big cities in the burdens of direct national taxa-

tion, which was huge in 1915, and out of proportion to their population, grew even huger in 1928. This tremendous share of the big cities in the burden of direct national taxation is worthy of attention.

(2) THE BURDEN OF LOCAL TAXATION

The following Table No. 10 gives the amount of local taxation collected in the six big cities and in the city of Osaka during the last fourteen years.

Table No. 10.

The amount of local taxation collected throughout the country, in the six big cities, and in the city of Osaka.

Fiscal years.	Burdens of local taxation (¥).			Percentage of local taxation.		
	The whole country.	The six big cities.	The city of Osaka.	Local taxation in the six big cities to that of the whole country.	Local taxation in Osaka to that of the whole country.	Local taxation in Osaka to that of the six big cities.
1915	175,427,226	18,315,821	5,366,844	10.4	3.1	29.3
1916	184,000,291	20,239,818	6,264,933	10.9	3.4	30.9
1917	210,192,876	24,930,923	8,035,158	11.8	3.8	32.2
1918	262,772,364	34,629,076	12,950,660	13.1	4.9	37.3
1919	377,296,226	47,915,776	14,703,124	12.6	3.9	30.6
1920	520,230,681	62,717,810	18,360,657	12.0	3.5	29.2
1921	587,326,316	78,683,341	19,688,159	13.3	3.4	25.0
1922	635,994,842	88,869,171	23,904,137	13.9	3.6	26.8
1923	605,774,140	62,173,539	21,479,114	10.2	3.5	36.9
1924	624,629,869	76,078,234	22,467,814	12.1	3.6	29.6
1925	632,002,495	96,615,058	27,013,854	15.2	4.3	27.9
1926	653,260,939	91,573,106	29,297,942	14.0	4.5	31.9
1927	619,594,237	86,996,633	26,210,158	14.0	4.2	30.1
1928	655,863,686	96,358,802	30,137,001	14.7	4.6	31.3

To compare the figures for 1915 with those for 1928, whereas the percentage of the total population of the six big cities to that of the whole country was 10 and 12 per cent. respectively for 1915 and for 1928, the percentage of the burden of local taxation on the six big cities to that on the whole country for these two years was 10 and 15 per cent. respectively. Again, the percentage of the population of the city of Osaka to that of the whole country was 2.7

and 3.8 per cent. respectively, while the percentage of the burden of local taxation was 3.1 and 4.6 per cent. respectively. It may, therefore, be said that the burden of local taxation falling on the six big cities is a little more than the average for the whole country.

The burden of local taxation in the cities must be studied by dividing it into the burden of prefectural taxation and the burden of municipal taxation. Let us first take the prefectural taxation and then the municipal taxation.

Table No. 11.

The burden of prefectural taxation in the whole country, in the six big cities and in the city of Osaka.

Fiscal years.	Amount of prefectural taxes (¥).			Percentage of the burden of local taxation.		
	The whole country.	The six big cities.	The city of Osaka.	Prefectural taxes in the six big cities to those in the whole country.	Prefectural taxes in Osaka to those in the whole country.	Prefectural taxes in Osaka to those in the six big cities.
1915	66,436,573	4,797,994	1,499,473	7.2	2.3	31.3
1916	69,116,736	5,081,043	1,630,931	7.4	2.4	32.0
1917	80,211,639	5,515,483	2,043,878	6.9	2.5	37.0
1918	101,859,137	8,072,424	3,136,727	7.9	3.1	38.8
1919	141,747,470	10,777,570	4,142,904	7.6	2.9	38.4
1920	185,284,828	14,133,960	5,326,447	7.6	2.9	37.6
1921	217,214,354	20,249,971	5,722,339	9.3	2.6	28.2
1922	233,118,332	20,487,315	6,166,656	8.8	2.6	30.1
1923	236,970,535	13,696,880	4,985,510	5.8	2.1	36.3
1924	242,735,013	17,412,248	5,284,192	7.2	2.2	30.3
1925	251,088,455	30,298,929	6,337,839	12.0	2.5	20.9
1926	254,439,714	21,561,989	7,411,472	8.5	2.9	34.3
1927	242,573,913	23,629,164	7,081,745	9.7	2.9	29.9
1928	265,761,843	29,226,371	9,292,654	11.0	3.5	31.8

One noteworthy fact in connection with the burden of prefectural taxation is that both in the case of Osaka and in that of the six big cities put together, the amount of prefectural taxation is small for their population. Take the year 1928, for instance. Whereas the total population of the six big cities was 12 per cent. of that of the whole country, the total amount of prefectural taxes for these

cities was 11 per cent. In the case of the city of Osaka, its population was 3.8 per cent. of that of the whole country, while the percentage of the amount of prefectural taxes was 3.5 per cent. As one cause of the comparatively low aggregate amount of prefectural taxes in the six big cities, the enforcement of the *sambu* system in Kyoto, Kanagawa and Hyogo prefectures must be mentioned. In these three prefectures, the prefectural expenditure is apportioned to Kyoto, Yokohama and Kobe respectively, with the result that these big cities are collecting the sums assessed in the form of municipal taxes. Inasmuch as three of the six big cities are levying as municipal taxes what, in ordinary circumstances, should be collected as prefectural taxes, the total of the prefectural taxes is naturally reduced by that amount. In the city of Yokohama, however, this system was abolished in 1927, when, in consequence, the Kanagawa prefectural taxes and the Yokohama municipal taxes were collected simultaneously.

The municipal taxes consist of national surtaxes, prefectural surtaxes, municipal special taxes, and ward imposts—in some cities. In Kyoto, Kobe, and Yokohama, of the six big cities, that part of the expenditure of their respective prefectures which is assessed upon them is being collected as municipal taxes, the amount of the municipal taxes in the six big cities is proportionately increased. In Yokohama, however, this system was abolished in 1927.

Table No. 12 shows the amount of municipal town and village imposts in the whole country and municipal taxes in the six big cities and in the city of Osaka from 1215 to 1928.

Table No. 12 shows that the percentage of the amount of municipal taxes in the six big cities and in the city of Osaka is high for the percentage of the their population. The percentage of the amount of municipal taxes in these cities is consequently far higher than that of the amount of prefectural taxes, though far lower than that of the amount of the direct national taxes.

Table No. 12.

The amount of municipal town and village imposts in the whole country and municipal taxes in the six big cities and in the city of Osaka.

Fiscal years.	The amount of municipal, town and village taxes (yen).			Percentage of municipal, town and village taxes.		
	The whole country.	The six big cities.	The city of Osaka.	Municipal taxes in the six big cities to those in the whole country.	Municipal taxes in Osaka to those in the whole country.	Municipal taxes in Osaka to those in the six big cities.
1915	108,990,653	13,517,827	3,867,371	12.4	3.5	28.6
1916	114,883,555	15,158,775	4,634,002	13.2	4.0	30.6
1917	129,981,237	19,415,440	5,991,280	14.9	4.6	30.9
1918	160,913,227	26,556,652	9,813,933	16.5	6.1	37.0
1919	235,548,756	37,138,206	10,560,220	15.8	4.4	28.4
1920	334,945,853	48,583,850	13,034,210	14.5	3.9	26.8
1921	370,111,962	58,433,370	13,965,820	15.8	3.8	23.9
1922	402,876,510	68,381,856	17,737,481	17.0	4.4	25.9
1923	368,803,605	48,476,659	16,493,604	13.1	4.4	34.0
1924	381,894,856	58,665,986	17,183,622	15.4	4.5	29.5
1925	380,914,040	66,316,129	20,676,015	17.4	5.5	31.2
1926	398,821,225	70,011,117	21,886,470	17.6	5.5	31.3
1927	377,020,324	63,367,469	19,128,413	17.8	5.1	30.2
1928	390,101,843	67,132,431	20,844,347	17.2	5.3	31.0

(3) THE BURDEN OF ALL DIRECT TAXES

In Tables Nos. 9, 10, 11, and 12, the state of taxation has been studied by dividing direct taxes into direct national taxes and local taxes, which have been sub-divided into prefectural, municipal, town and village taxes. Table No. 13 shows the burden of direct taxation, in which all these taxes have been put together.

According to the above table, in 1915, the six big cities bore a little over one-seventh of the direct taxes imposed throughout the country, while in 1928 the percentage advanced to more than one-fourth. As to the amount of direct taxes in Osaka, it was 4.1 per cent. in 1915 and 7.0 per cent. in 1928. These figures, however, refer to the total amount of direct taxes, and so it does not necessarily follow that the same percentage of increase is witnessed in regard to national, prefectural and municipal taxes. In Table No. 14,

Table No. 13.

The amount of direct taxes in the whole country, in the six big cities and in the city of Osaka.

Fiscal years.	The amount of direct taxes (yen).			Percentage of direct taxes.		
	The whole country.	The six big cities.	The city of Osaka.	Direct taxes in the six big cities to those in the whole country.	Direct taxes in Osaka to those in the whole country.	Direct taxes in Osaka to those in the six big cities.
1915	312,325,489	51,400,833	12,852,340	16.5	4.1	25.0
1916	336,907,602	61,866,637	16,931,652	16.5	5.0	27.6
1917	412,293,472	107,368,523	29,545,551	26.0	7.2	27.5
1918	504,385,709	132,964,859	39,827,550	26.4	7.9	30.0
1919	702,582,736	144,041,956	51,999,882	20.5	7.4	36.1
1920	859,620,366	203,852,453	61,759,189	23.7	7.2	30.3
1921	943,542,960	230,877,633	56,448,405	24.5	6.0	24.4
1922	1,020,573,919	Indistinctly	62,836,766	Indistinctly	6.2	Indistinctly
1923	907,514,386	158,028,327	55,934,035	17.4	6.2	35.4
1924	977,604,471	227,451,242	60,632,544	23.3	6.2	26.7
1925	1,019,631,811	271,032,799	68,031,624	26.6	6.7	25.1
1926	1,042,179,110	253,559,913	68,500,939	24.3	6.6	27.0
1927	988,697,731	255,286,606	64,364,453	25.8	6.5	25.2
1928	1,042,004,337	272,449,202	73,006,182	26.1	7.0	26.8

Table No. 14.

The amount of direct taxes per head in the whole country, in the six big cities and in the city of Osaka (yen).

	1915			1928		
	Whole country.	The six big cities.	Osaka.	Whole country.	The six big cities.	Osaka.
Direct national taxes.	2.515	5.951	5.126	6.216	23.412	18.369
Prefectural taxes.....	1.220	863	1,027	4.278	3.886	3.982
Municipal, town & village taxes.....	2.002	2.431	2.648	6.280	8.925	8.932
Local taxes.	3.222	3.294	3.675	10.558	12.811	12.913
Direct taxes.	5.737	9.245	8.801	16.774	36.224	31.282

the amount of direct taxation per capita is classified according to the kinds of taxes, and a comparison is made in reference to the whole country, the six big cities and the city of Osaka, the years 1915 and 1928 being chosen for comparison.

A comparison of the amount of direct taxes per head for 1915 with that for 1928 shows that it was nearly trebled during the period in the case of the whole country, almost quadrupled in the case of the six big cities and more than trebled in the case of Osaka. An examination of the contents of the direct taxes discloses a phenomenon common to 1915 and to 1928. Both the six big cities and the city of Osaka, which is one of these six big cities, manifest a striking feature in comparison with the whole country. The amount of the direct national taxes per head in the big cities is much larger than the average for the whole country; that of the municipal, town and village taxes only a little larger than the average; and that of the prefectural taxes even smaller than the average. It is worthy of special note that direct national taxes are predominant in the tax burdens on the citizens of big cities.

I have made a statistical study of the tax burdens on the six big cities, on the city of Osaka in particular. Although I regret that lack of adequate materials prevented a more comprehensive study, I think I have made clear the fact that the direct national taxes play the predominant part in the burdens of direct taxes in the big cities. On the basis of these statistical figures, a financial policy applicable to State finance and local finance may be framed.

In conclusion, I must express my gratitude to Mr. Chotaro Takeda, of the University Hall, for the valuable materials with which he kindly furnished me and which enabled me to write this article.

SABURO SHIOMI