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## ON THE FINANCE OF THE TOKUGAWA GOVERNMENT

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### 1. INTRODUCTION

During the Tokugawa Period, Japan had a feudal system of centralisation. The existence of such a system presupposed that political power was unified to a certain degree; it also showed that financial power was similarly gathered at the centre. One may say that, unless the suzerain possessed predominant financial power over the other lords, it would have been impossible for him to occupy a position of political preponderance in the nation. The necessity of having immense financial power for securing general obedience is only too obvious.

The Tokugawa Family possessed not only a powerful feudal lordship; it also possessed a financial power of stupendous nature over other lords. The area of its fief was as large as one-fourth of the areas of all the country and was scattered over some 47 provinces. Moreover, the Tokugawa Shogunate had command of all territories of political importance and cities of vast commercial significance, as they were all situated in these 47 provinces. It is undeniable that the Tokugawa Government constituted a central government the like of which had never before existed in Japan. The Muromachi Shogunate, for instance, could never be compared with it in point of power and prestige, as it was an isolated local power devoid of any faculty of centralisation, political or otherwise.

### 2. CHANGES IN FINANCIAL CONDITION

(A). Plenty was the salient characteristic of the financial condition of the Tokugawa Shogunate during its early

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stage. When Iyeyasu Tokugawa (徳川家康), the founder of the feudal government, retired from active service and went to the town of Suruga, he gave 30,000 pieces of gold, and silver amounting to 13,000 kan to his son and successor, addressing the following instructions to his old retainers who had assumed important posts in the feudal government :

“ You must not use the money I now transfer for your daily expenses. You must regard it as a public trust and increase its amount as much as possible. You must make it a rule to balance your budgets in the financial administration of the Government. By exercising utmost thrift, you must store your gold reserve for the following main purposes : for possible military campaigns, for relieving people in times of calamity, and to provide against crop failures.”

Iyeyasu succeeded in enriching the treasury of his government by means of a negative policy of thrift and retrenchment and by a positive policy of monopolising mines and of expanding foreign trade. His mind was occupied with the problems of public finance even after his retirement from active service, and when he died he is said to have left something like 2,000,000 ryo of gold, which he had saved at the town of Suruga.

His son, Hidetada (秀忠), the Second Shogun, was content with keeping and maintaining his legacy ; but his successor, Iyemitsu (家光), who was a man of lofty ambitions, poured out treasure in undertaking public works such as the building of the Nikko Shrine. He also increased the fiefs of his retainers, and spent much in the suppression of the Shimabara insurrection. And yet, all that had no evil effect on the financial condition of the Tokugawa Government.

(B). From the time of the Fourth Shogunate, the Tokugawa Government began to feel the pinch of financial scarcity, and there were several causes for this. The great fire of the Meireki Era, which reduced the greater portion of Edo to ashes, imposed upon the Government a great financial burden. The construction of Imperial palace on two occasions also cost the Edo Government an enormous

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sum of money. However, its financial difficulties were not of a serious nature during this stage, and it was not till after the commencement of the Genroku Era which was noted for its luxurious mode of living, and its spirit of decadence that the finances of the Government became extremely encumbered.

During the reign of the Fifth Shogun, Tsunayoshi (綱吉), the impoverishment of the Edo Government became more and more pronounced. He was a lover of luxury and extravagance and spent a stupendous amount of money in charity, music and public works. To aggravate the financial embarrassment of the Edo Government, there were frequent earthquakes and conflagrations, requiring the expenditure of a vast amount of money for the relief of their victims and re-construction works. The output of silver and gold production had decreased by that time; while the specie of the country found its way abroad. The personal corruption of the officials in charge of the financial administration of the Government increased its difficulties. In order to escape from the imminent bankruptcy, the Government re-coined money and imposed new taxes on *saké* and foreign trade. The first-named expedient, in particular, was frequently resorted to, and during the 17 years between the eighth year of Genroku and the first year of Shotoku, money was re-coined four times. Re-coinage, in fact, was the main method of financial relief during this stage.

During the administration of the Sixth and Seventh Shoguns, namely, Iyenobu (家宣) and Iyetsugu (家繼), comprising eight years, Hakuseki Arai (新井白石), the great historian and economist, tried to adjust the financial condition the best he could, but before he was able thoroughly to solve the various problems, the Eighth Shogun, Yoshimune (吉宗), came to hold the reins of government. He was one of the most remarkable Shoguns and instituted and carried out many reform measures in order to put his government in the former position of financial abundance. Following the example set by the founder of the Shogunate, Yoshimune

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issued decrees for the purpose of enforcing thrift among the people; revised the system of *sankin-kotai* (参勤交代); established new systems of *agemai* (上ヶ米) and *tashidaka* (足高); improved the method of tax collection; did his utmost to adjust the price of rice; developed new rice fields; and re-coined money. In the 16th year of the Kyoho Era, there was a surplus of 35,654 koku of rice and 127,557 ryo of gold and silver. At the end of his 14 years' rule, there was a surplus of 792,000 koku of rice and 1,216,000 ryo. All this shows that Yoshimune made a stupendous success in view of the miserable financial condition at the time he became a Shogun.

However, what he had built up was largely pulled down by Iyeshige (家茂), his successor, within less than ten years after his accession, for in the fifth of year of the Horeki Era the financial policy established by Yoshimune was "slackened and the amount of the Government's revenue decreased while its expenditure increased". Thus, the Edo Government was again faced by immense financial difficulties. It was then decided to fix a part of the Government's expenditure for three years, and to exercise strictest thrift thereafter.

(C). The period of financial disorder commences from the time of the next Shogun, Iyeharu (家治), whose administration was in greater part carried on by Tanuma (田沼), a Minister, who exercised a sort of despotic power. Such things as the kitchen management, stationery expenditure and the repairing of the house mats were prescribed in detail, so as to forestall any over-expenditure in the household management of the ruling family. Under the sway of this Shogun, new money was coined; the *Imbanuma* (印幡沼) and *Taganuma* (手賀沼) Lakes in the Province of Shimofusa were reclaimed to be made rice paddies; new mines were worked; guilds and a kind of credit organ (*kashikinkaisho* 貸金會所) were created. But after Sadanobu Matsudaira (松平定信) replaced Tanuma under the succeeding Shogun, Iyenari (家齊), these financial measures were completely abolished.

And it is said that as the result of his wise financial policy, the surplus of the Shogunate treasury at the end of his ten years' administration, from the first of the Kwansei Era to the tenth year of the same era, was estimated at 338,000 ryo. However, his policy of thrift and retrenchment was not welcomed by the masses who had become accustomed to a life of luxury and extravagance. Up to the Bunkwa Era (1804-1817) the total revenue of the Shogunate from various sources was estimated at one million ryo per year, and this was about sufficient for its expenditure. After this era, however, the expenditure of the Government steadily increased. This was especially true after the Tempo Era (1830-1843). The expenditure was increased to 1,500,000 ryo at the commencement of this era; it rose to 2,000,000 ryo in the seventh year, and again to 2,500,000 ryo in the eighth and ninth year, thus showing an increase of 250 percent when compared with the figures at the beginning of the Bunkwa Era. All this rapid increase in the expenditure of the Government was not accompanied by a corresponding increase in its revenue, the result being a deficit in the Government finance every year. This deficit was barely met by loans and the re-coinage of money. Towards the last years of the Tempo Era, Mizuno Echizen-no-kami (水野越前守) attempted a drastic financial reform by strictly prohibiting extravagance, abolishing the guilds, lowering prices, increasing taxes, enforcing contributions, and reclaiming and developing the *Imbanuma* Lake. However, before he succeeded in his financial reform, he was forced to resign his post. When the country's diplomatic relations with foreign powers were marked by serious disturbances towards the closing days of the Tokugawa Period, the expenditure of the Shogunate was increased because of the need of coastal defence which necessitated the construction of fortresses and ship-building yards as well as the purchase of war vessels. Its financial difficulties increased at such a pace as to make the final overturning of the feudal government inevitable.

## 3. THE SOURCES OF REVENUE

(A). During the Tokugawa Period, the size of feudal territories and the revenues of lords, *hatamoto* (旗下) and ordinary samurai were expressed in terms of *koku* of rice; taxes were also paid in rice which, in fact, was the very basis of the finance and economy of the times. All this shows the important position rice occupied in the revenues of the Shogunate. However, rice as the basic revenue of the Tokugawa Government was directly secured from its own lands in various parts of the country; and the Government had no claim over the crops of lands belonging to other feudal lords. There are some tax burdens besides the revenue from rice fields, but those are not so important. Thus, the main revenue of the Tokugawa Government was derived only from the lands directly under its own control; this system was radically different from the system that existed under the Muromachi Shogunate which collected military rice from all parts of the country as a tax. The difference between the two systems is worth noting. True, there was a system of forced contribution called "*agemai*" under the Tokugawa Shogunate and this was levied on the lands of feudal lords as an objective basis, still it was at best a temporary financial measure and not a permanent system. The following lands were exempted from this tax: the *shuinchi* (朱印地), or lands such as the estates of shrines and temples or those which were exempted from all forms of public exactions by a Shogun's document; *jochi* (除地), which comprised the compounds of temples and shrines and historic lands which were exempted from taxes by legal prescription; *munenguchi* (無年貢地), which comprised roads, marshes and sites of some public establishments; *misutechi* (見捨地), which comprised grave-yards, crematories, slaughter houses, and execution grounds; *sonchi* (損地), comprising lands desolated by landslides, inundation and other natural calamities. All other lands were regarded as being productive and therefore subject to taxation, although in some

special cases exemption and allowance for tax deductions were permitted.

Besides land, there are some other sources of revenue, such as the business of commerce and industry—those taxes are called *unjo* (運上) or *myoga* (冥加)—and the labour of mankind. But those are not of so much importance as the land.

(B). Revenue from various privileges must be considered. When the Tokugawa Family rose to rule over the country, it confiscated the money saved by the Toyotomi Family, its predecessor and rival house, as well as by the fiefs of other lesser nobles. Revenue from all these sources undoubtedly added to the resources of the Tokugawa Government, which, however, had certain privileges that were used for securing further revenue. Its enterprises and the right of coinage need special mention.

The Shogunate had large pastures at Sakura (佐倉) and Koganehara (小金原) and managed mining enterprises in various parts of the country. We shall not dwell on the pastures because they were primarily necessary from the military standpoint. As to its mining enterprises, the most important ones were the gold and silver mines of Sado Island. This island originally belonged to the Lord of Uyesugi (上杉), but as there were gold and silver mines on it, it was taken over by the Toyotomi Family and then by the Tokugawa Family. The Edo Government placed the Sado mines under the personal supervision of Nagayasu Okubo (大久保長安) and it was said that during the prosperous times, gold and silver on Sado produced "1,000 kan during the day and 1,000 kan during the night". The silver mines in the provinces of Iwami and Izu were also actively worked, and provided an important addition to the Shogunate revenue.

The Shogunate also possessed the right of coining gold, silver and copper money which were circulated throughout the entire nation. The Government derived revenue by re-coining money in order to patch up its financial deficit; and thus its right of coinage was an important source of



revenue.

(C). The Shogunate also derived no small amount of revenue from contributions from feudal lords and other people, both in money and goods. Traders often were required to make loans called *goyokin* (御用金), especially after the middle of the Tokugawa Period, and this also was one of the principal sources of revenue. These "loans" were rather forced from the *chonin* (町人) or the trader class as well as from other wealthy people. We may then say that class property was one of the important revenue sources of the Edo Government.

Nor was this unnatural. Although the period being a feudal period whose economy was one of "rice economy", it was marked by the wide extension of money as the medium of exchange and by the rapid rise of commoners. All these phenomena eventually determined the sources of the Government's revenue. Thus the land tax from the direct fiefs of the Shogunate, profits from re-coinage and loans were important sources of public revenue.

#### 4. THE SHOGUNATE'S RECEIPTS FOR THE XIIIITH YEAR OF THE TEMPO ERA

Now that the sources of government revenue have been explained, let us go deeper into this problem and consider it in detail. There is a very scanty historical source showing the facts concerning the administration of public finance during the feudal period. The following figures are given in the *Suijinroku* (吹塵録), edited by Kaishu Katsu (勝海舟):

##### Receipts and Expenditure for the 13th Year of Tempo

Ordinary revenue .....	925,099 ryo
Land tax .....	550,374 ryo
River navigation tax .....	3,203 ryo
Tax paid by the hatamoto in lieu of their labor service to the state .....	34,633 ryo
Contributions .....	16,633 ryo

Tax paid by traders at Nagasaki.....	22,792 ryo
Contributions raised for river administration .....	25,932 ryo
Debts paid back by samurai.....	76,686 ryo
Contributions made in goods valued at ...	146,846 ryo
Special revenue .....	587,049 ryo
Profit from re-coinage of gold and silver money .....	557,322 ryo
Annual quota of contribution from the lords in connection with the repair of the Nishimaru Palace .....	29,727 ryo
Government expenditure .....	1,453,209 ryo
Special expenditure .....	156,469 ryo
Deficit in ordinary accounts .....	528,110 ryo

The foregoing figures show that the total amount of the regular revenue of the Shogunate during the 13th year of the Tempo Era (1842) was 920,000 ryo and that of the expenditure, 1,450,000 ryo, the deficit being more than 528,000 ryo. The fact that the amount of special revenue constituted 40 percent of the total revenue and 63 percent of the ordinary revenue testifies to the financial stringency of the times and the financial unstability of the Tokugawa Shogunate. The profit from re-coinage exceeds the revenue from the land tax and constitutes 38 percent of the total amount of revenue, thereby showing the important position it occupied in the finances of the Shogunate, and in relieving it from its financial difficulties.

We shall show in the following table how the tax burden was borne by the different classes so far as it is possible to specify them :

Burden on the Samurai Class (in ryo)	
Contributions .....	16,633
Contributions raised for river administration..	25,932
Tax paid in lieu of labor service .....	34,633
Percentage .....	12%

## Burden on the Farming Class

Land tax.....	550,374
Percentage .....	84%

Burden on the *Chonin* Class

River navigation tax .....	3,202
Tax paid by traders at Nagasaki .....	22,792
Percentage .....	4%
Grand total.....	653,566
Percentage .....	100%

The tax burden of the commoners is not exactly represented in these figures inasmuch by the 13th year of Tempo, the system of *toiya* (問屋) or guilds had been abolished by the Reform of Tempo and the tax paid by guilds was no longer enforced. However, it is undeniable that the overwhelming portion of the tax burden fell upon the farmers. On the other hand, if the "loans" made by the wealthy traders to the Shogunate are included—and in some cases they were never paid back—the tax burden of the commercial class would reach a considerable amount.

As the figures are not precise, it is impossible to go into detail, but, roughly speaking, the land tax borne by the farmers, the loans made by the commoners, and the profit yielded by re-coinage make up the governmental income.

##### 5. RELATIONS BETWEEN FINANCE AND RICE PRICE, AND RE-COINAGE AND LOANS MADE TO THE SHOGUNATE

(A). Relations between public finance and the price of rice. During the Tokugawa Period, rice was not merely the principal staple product and food of the people; because of the peculiar economic conditions prevailing during that period, rice formed the foundation of the finances of the Central as well as of the clan governments, and taxes were expressed and paid in terms of rice, and largely paid in the grain itself. On the other hand, money came to be

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used more and more extensively, and both the Shogunate and the feudal lords made payments in money as well as in rice, though the salaries of their retainers were usually paid in kind. Before payments in money could be made, one had to exchange his rice for money, and this necessity had dire effects upon the finance of the samurai class; for it was clear that fluctuations in the price of rice was inevitably accompanied by fluctuations in the amount of the revenue calculated in money.

One may think that the Shogunate derived an enormous revenue when the price of rice was exuberantly high, but this was not so, because the high price of rice was mostly caused by crop failures which meant a small amount of rice revenue; moreover, the Government had to spend much money in the relief of poverty-stricken farmers and had to adopt various measures for the purpose of adjusting the price of rice. Thus, the prevalence of a high price of rice did not benefit the treasury of the feudal government. The fact that the Shogunate faced a financial predicament because of a bad crop is shown by a decree issued in May, in the seventh year of the Kyoho Era (1723) which runs as follows: "In consequence of the failure of rice crops in recent years due to frequent storms and floods, a shortage has been reported in the official treasury, be it understood that there will be some delay in the distribution of rice to the hatamoto and in the payment to merchants."

Nor could it be said that a fall in the price of rice was necessarily followed by a reduction in the Shogunate treasury's revenue in money. As a fall in price is usually occasioned by a good harvest, the amount of rice turned in as tax was enormous. On the other hand, the amount of the proceeds from the sale of the revenue rice was not equally huge. When money economy was yet in its undeveloped stage, a good rice crop might have made the finances of the Shogunate easy and comfortable; as soon as currency economy was developed to such a point as to require the exchange of rice for money for the efficient

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administration of public finance, a depreciation in the price of rice *ipso facto* was bound to affect the public treasury unfavourably. A phenomenon like this was bound to arise as a result of the paradoxical economic organisation of the Tokugawa Period which was born of the co-existence of rice economy and money economy. Although the effect of the fluctuations in the price of rice on finance is clear enough, such a fluctuation caused by a good or a bad crop was liable to affect public finance to a degree that is hardly imaginable at a normal time when the price is maintained at an appropriate rate.

(B). Relations between finance and re-coinage. As has been already pointed out, re-coinage was resorted to as a measure of relieving the Shogunate of its financial difficulties. There is only one exception, that in the case of the re-coinage made during the Kyoho Era, the purpose of which was to improve the debased currencies of the Genroku Era and revive the system of the Keicho Era. Almost all other cases of re-coinage had as their aim to derive a profit therefrom and had the effect of deteriorating the qualities of the currencies.

Hakuseki Arai pointed out that the profit called "*deme*" (出目) from the re-coinage of money during the Genroku Era amounted to about five million ryo. Although it is impossible to find out the total amount of such profits during the entire period, the following are the figures for the years between the third year of the Tempo to the thirteenth year of the same era :

Year	Revenue	Expenditure	Deficit	<i>Deme</i>	Surplus or Deficit (marked Δ)
3	1,218,011	1,593,909	375,898	394,200	18,304
4	1,223,241	1,646,832	423,591	540,000	116,409
5	1,173,907	1,790,051	616,144	470,596	Δ145,547
6	1,031,786	1,760,288	728,502	600,000	Δ128,502
7	1,651,527	1,963,750	312,223	499,844	187,621
8	1,901,817	2,467,902	566,085	629,263	63,178

9	2,202,436	2,512,666	310,230	1,075,950	765,720
10	1,706,451	2,180,922	474,470	694,745	220,275
11	1,422,487	2,001,958	579,471	577,000	417,529
12	1,090,590	1,962,684	872,094	1,155,000	282,906
13	1,259,702	1,963,911	704,291	501,445	Δ202,764

The foregoing table shows that not in a single year were the authorities of the Government able to make both ends meet; that they had to resort to re-coinage every year; and that thrice that method failed to adjust the balance between revenue and expenditure. The total amount of *deme* during the eleven years of the Tempo Era was estimated at 7,558,043 ryo. What would have been the fate of the Shogunate, had no such financial scheme of relief been actually employed?

Now, it should be noted that financial relief was the main reason for the adoption of this method by the Government; but the desire of officials in charge of the gold and silver mints to keep up their industrial activities was mainly responsible for the frequent re-coinings. These persons had an ample business while gold and silver were produced in great quantities; but, after the production of these metals had decreased, they were placed in a difficult position financially, and the only way to keep up their activities was re-coinage. The large-scale re-coinage during the Genroku Era was planned out even as far back as 30 years before, or during the Kanbun Era, by the staff of the gold and silver mints.

(C). Relations between finance and loans to the Shogunate. These loans were a financial burden placed on the merchants for the purpose of making up the deficit in government finance, and were supposed or held to be made voluntarily by them. Ostensibly they were to be redeemed, but in fact for the most part, they were not. They were rather to be regarded as forced or patriotic, so-called, loans.

Although the general purpose of such loans was to make up the deficit in the Government's finance, they were

often spent on various individual instances. They might be spent for one of the following purposes: for the relief of the financial difficulties of some feudal lord or lords; on some gigantic public works; for the adjustment of the price of rice; and for military and coastal defense. The money, however, was to be used, in its fundamental aspect, in providing financial aid for the Shogunate, although the actual cases in which it was spent were diverse.

Wealthy commoners in such cities as Edo, Kyoto, Hyogo, Osaka, Nishinomiya, Sakai, etc. frequently received orders for loans from the Central Government; but those in Osaka most frequently received such orders. Those wealthy tradesmen who received official "suggestions" for loans usually made petitions that the amount mentioned be reduced. Frequently, the differences between the amounts asked for and the amounts obtainable from such commoners were considerable; nor did the Shogunate authorities always live up to the loan stipulations and pay either interest or principal.

One of the most frequent purposes of these loans was to raise the price of rice, for such a policy was beneficial to the ruling class which really supplied this staple product, for the high price of rice meant a relief for the poverty-stricken feudal lords and a financial surplus for the Shogunate itself. The policy of maintaining the price of rice at high levels, however, was aimed not only at the relief of the daimyos and the Shogunate, but that also of the samurai class in general as well as the farming population who were the tillers of the soil. On the other hand, the fact remains that the loans after the Tempo Era were incurred almost exclusively for the benefit of the Central Government, for they played a signal rôle in making up its financial deficits.

## 6. EXPENSES OF THE SHOGUNATE

The expenses of the Tokugawa Government were divided into the following three groups: *joshiki* (定式 ordinary),

*betsukuchi* (別口 separate), and *rinji* (臨時 temporary). It is difficult to assign them to the prevailing classification of ordinary expenditure and extra-ordinary expenditure. Moreover, it is impossible to know the expenditure of the Tokugawa Government in detail, because of the extreme secrecy which was enforced. The following table shows the expenses of the Government for the 13th year of the Tempo Era : \*

Joshiki Expenses (in ryo)

<i>Kirimai</i> (切米) and <i>yakuryo</i> (役料) payment .....	399,104
Expenses in the Shogun's palace.....	75,371
Expenses at the eight offices .....	277,077
Expenditures of the Shogunate's various offices ...	72,793
Expenditures outside Edo .....	27,213
Allowance to the <i>sanke</i> (三家), and <i>sankyō</i> (三卿) (six main branches of the Tokugawa Family) ..	32,162
Allowance to Lord So of Tsushima .....	8,655
Expenditure of the offices of daikwan, (local government of the Shogunate).....	21,803
Payment for timber.....	63,645
Expenditure for the transportation of rice .....	34,163
Expenditure for repair works, both in Edo and elsewhere and other miscellaneous expenses ...	54,791
Total .....	1,066,777

Betsukuchi Expenses (in ryo)

Expenditure of river administration .....	33,329
Payments to be made out of the Shogun's loans..	116,738
Payments to be made out of the interest on the Shogun's advances .....	8,163
Payments to be made out of the reserve fund ...	25,535
Total .....	183,766

Rinji Expenses (in ryo)

Expenditure on repairs to the Nikko Shrine and other shrines, on ceremonies, coinage, etc. ....	172,713
Grand total .....	1,423,256

\* Y. Takekoshi, The Economic Aspects of the History of the Civilization of Japan, vol. II. p. 338 etc.



Of the *joshiki* expenses, the two chief items are those on *kirimai* and *yakuryo*, and those for the eight government offices. *Kirimai* was a pension for *hatamoto* who had no domain land; it was paid three times a year in both rice and money. *Yakuryo* was a kind of salary for government offices. These were in fact personnel expenditure. The samurai who received *kirimai* or *yakuryo* lived on that revenue. This personnel expenditure was the largest individual item in the current expenditure of the Edo Government. By the eight offices are meant the following: the *onando* (御納戸), *Nishimaru-onando* (西丸御納戸), *osakuji-kata*, (御作事方), *kofushin-kata* (小普請方), *on-makanai-kata* (御賄方), *osaiku-kata* (御細工方), *on-tatami-kata* (御畳方), *on-zaimoku-kata* (御材木方). These and the next item, namely, "expenditure of the Shogun's various offices", comprise the major portion of the Government expenditure of the Shogunate. Of the former, the expenditure for *onando*, *Nishimaru-onando* and *on-makanai-kata* is made up of the living expenses of the Shogun Family; and the second item, namely, expenses in the Shogun's palace must be the salaries of persons employed in the palace.

During the Tokugawa Period, there was no budgetary system such as we have today. The maximum amount of revenue was made the basis of the expenditure. After the middle of the period, however, when the Shogun's Government was faced by serious financial difficulties, thrift began to be exercised, and it was after December in the third year of Kan-en (1750) that a sort of budgetary estimate was adopted. But this budget concerned only the living expenses of the Shogun Family and did not include the main items, such as the salaries of the samurai who received *kirimai* or *yakuryo*.

## 7. CONCLUSION

The chief principle of public finance during the Tokugawa Period was to base expenditure upon revenue. Today, although we consider the ability of the people to bear tax

burdens, we first decide on the amount of government expenditure necessary for the administration of state affairs, and then the ways and means to derive revenue necessary to cover that expenditure are sought. Thus, expenditure precedes revenue. But exactly an opposite principle was practised by the authorities of the Tokugawa Shogunate. This method was not limited to this period. It had, in fact, been the established custom in all ages from time immemorial, but the scholars of the Tokugawa Period ardently upheld this principle both in theory and in practice; and the statesmen of the times also were fully conscious of it. Thus, it must be noted that there was no difference in principle between public finance and individual household accounts; and in point of fact, it was undeniable that in actual practice there was no clear line of demarcation, naturally enough, between the finances of the Shogunate and the household accounts of the Tokugawa Family.

Except in its initial stages, the Tokugawa Shogunate always suffered from financial difficulties due to various causes, such as crop failures and other natural calamities, reduction in the output of gold and silver, outflow of currency, increase in government expenditure, wide-spread existence of luxury, personal corruption of officials in charge of public finance, and a thousand and one other causes. But the greatest and fundamental cause is to be found in the social economic system of the time.

At first, the farm was almost the only means of production and on the farm itself was the feudal government founded. But with the advance of the age, agriculture came to be faced by a deadlock, commerce and industry arose and currency came into use in greater degree; the result being that the Shogunate became no longer able to exist on the revenue from the self-sufficient agricultural products of its own lands. Accordingly, it had to welcome affably the moneyed commoners newly coming into prominence, and treat with them for financial assistance and pretend to be grateful for the new economy that ushered them in. In

other words, the Shogun's Government was no longer able to depend upon the economic system on which it was based, and was compelled by circumstances to ask for the assistance of a class which it had previously disdained and disregarded. It could no longer stand on its own bottom, and was obliged to trust in the development of a money economy which was inconsistent with its own economic foundation, for the improvement of its financial lot. Therein lies the basic cause for the financial misery as well as the final collapse of the Tokugawa Government.

EJIRO HONJO

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