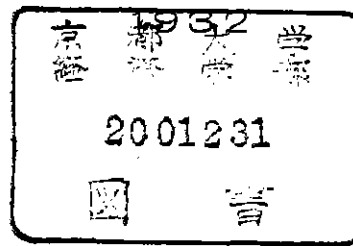


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FROM THE TOKUGAWA PERIOD TO THE MEIJI RESTORATION

1. PREFACE

The Tokugawa period was an age of feudalism. From the economic point of view, feudalism was a system in which land constituted the principal means of production and the farming population formed practically the sole producing class, supporting the privileged class called samurai, which ranked above it. Unlike a similar class in the Kamakura period, the samurai in the Tokugawa period was an unproductive class; they did not farm the land. They were fed by the farmers.

The Tokugawa period is also known as an age of rice economy, because rice constituted the basis of the finance and economy of those days. As a general medium of exchange, however, money came into wider use in this age. Although it was not an age of currency economy, pure and simple, as the present age is, money was more extensively used in that period than in any of the previous periods. In short, after the middle of the Tokugawa period commerce and industry witnessed remarkable developments and money came into general use. This led to the development of urban districts and to the rise of the *chōnin* (commercial) class to a position of influence. The land economy that had prevailed gave way to the currency economy, and a new economic power came into being, side by side with the economic power of the farmer class. These marked economic changes rendered it impossible for the samurai class to maintain their livelihood under the old economic system. Nor could the farming population support the samurai class any longer. In such circumstances, the samurai had finally to bow to the new economic power. They either went to

the *chōnin* class for financial aid or converted themselves into virtual *chōnin* or actually adopted *chōnin* ways. On the other hand, the *chōnin* class became predominant in society by virtue of their financial power. Their influence rose above that of the samurai class, on the one hand, and made inroads in the agricultural sphere, on the other. In this way, class distinctions became confused and the foundations of the feudal system badly shaken. In its economic policy also, the Shōgunate, in its closing days, was forced by various circumstances to adopt many new measures which ran counter to its traditional policy. The new Meiji Administration that supplanted the Shōgunate succeeded to many of these measures. It also depended largely on the financial power of the *chōnin* class for the execution of its policy. In the following chapters, I propose to make a general review of these circumstances.

2. THE AGE OF THE RISE TO POWER OF THE CHONIN CLASS

In the Tokugawa period, currency economy developed as against land economy, but when in that period was it that money came into general use? In the *Rōjin Zatsuwa* (老人雑話), we find the passage: "There has been a plentiful supply of gold and silver for the past fifty years." The years mentioned refer to the Keichō (1594-1614) and the Genna (1615-1623) eras. In the *Tamakushige Beppon* (玉くしげ別本), written by Norinaga Motoōri, there occurs the following remark: "It is since the Keichō era that gold and silver coins have been in wide circulation. Prior to that era, small coins only had been in popular use." In the *Keizairoku Shui* (經濟錄拾遺), Shuntai Dazai says: "In former days, Japan had little gold and silver, and as coinage was unknown, gold or silver coins were very rarely used by people, high or low. In those days, the use of foreign coins only sufficed. In the Keichō era, however, the supply of gold and silver became plentiful. Since Kanyei coins were

struck and put into circulation, it has become the fashion to use gold and silver coins in big transactions and to employ small coins in minor dealings. This is, however, an age of gold and silver. , and money is spent a hundred times as much now as in former days." In the *Seidan* (政談), Sorai Ogyu also says: "Formerly coins were particularly scarce in rural districts. I remember that in the days when I was still in my native place all things were bought, not with money, but with rice or barley. I learn now, however, that since the Genroku (1688-1703) era coins have been in circulation even in rural districts so that things are now bought with money." All the descriptions quoted above show that gold and silver coins were already in circulation in the Keichō and the Genna eras and that in the Genroku era they were current even in rural districts. The phrase "possessor of gold" or "possessor of silver" was already used in those days in the sense of a wealthy person.

Why was it, then, that money came into such wide circulation in the Tokugawa period? It appears that at the initial stage of the Tokugawa period, the output of gold and silver ore witnessed a sudden increase, which led to the frequent coinage of gold, silver and copper coins and also to the unification of the currency system. Moreover, the *sankin-kotai* system (a system under which feudal lords stayed in Edo by turns in the Shogun's service) did much to increase the use of money by samurai either on their way to and from Edo or during their sojourn in Edo, the seat of the Tokugawa Shōgunate. Also the development of castle towns and the progress of commerce and industry fostered, both among the samurai class and among the populace, the custom of purchasing all necessaries with ready money. Sorai Ogyu says (in the *Seidan*): "The life of samurai congregated in castle towns is like hotel life, but these towns are not their fiefs, so they must buy all things there, no matter how trifling, not to mention the vital necessaries of life." In the *Taiheisaku* (太平策) he says: "As

in hotel life one must needs buy all things necessary for living, money is the most important thing for travellers. Never in any age since the foundation of the country has money been so indispensable to life as during the last 100 years." These descriptions clearly denote the fact that the economic life of those days had attained the stage of currency economy. It may be said that the impression became general among the people of that time that money could do anything. Bantō Yamakata, in his book *Yumeno-shiro* (夢の代), says: "Since the middle times of Tokugawa Era, gold and silver coins are to be met with every where. The possession of gold and silver means wealth. The foolish are held to be wise, and the wicked good, if only they are possessed of gold and silver. On the contrary, one who has neither gold nor silver is poor. However wise he may be, he is dubbed a fool. A clever man with no money is regarded by the public as a dullard, and a good man so circumstanced is looked upon as a worthless person. Money can restore a ruined family to former prosperity. As all things, life or death, success or failure, depend on the possession or non-possession of gold, all people, irrespective of rank or trade, run after gold as the first requisite for existence." Thus, the enormous power of gold and silver came to be generally recognised. In the previous ages land was regarded as the only source of wealth, but now gold and silver became by far the most important. Notwithstanding the fact that the idea of respecting cereals and despising money was assiduously inculcated by some people, money was sought after by all classes, and it found wide circulation not only in urban but in rural districts also.

As already stated, the currency economy developed steadily in those days. In such an age, those who have talent for business can amass wealth and gain much influence. After a prolonged period of tranquillity, martial arts were at a discount then, and spears and swords were hung up out of the way. War becoming merely a matter of history, self-indulgent habits prevailed, and everybody's

sole desire was to accumulate money and lead a luxurious life. There was no room for the use of military power and it was supplanted by money power. And it was the *chōnin* class which possessed money power. The Shōgunate and many clans which were in financial straits, therefore, either requisitioned money from rich merchants in Edo, Kyoto and Osaka, or went obsequiously to them for loans, so that they could balance their budgets satisfactorily. In the *Keizairoku* (經濟錄), it is mentioned: "The present-day feudal lords, big and small, go obsequiously to merchants for loans of money. It is only through the financial aid of rich merchants in Edo, Kyoto, Osaka and other places that they can get along." This illustrates at once how largely the feudal lords were dependent upon rich merchants for their livelihood and how great was the influence of the *chōnin* class who possessed money power. In the *Chōnin Kōkenroku* (町人考見錄), a book written by Takafusa Mitsui, an ancestor of the Mitsui family, the author gives a rough description of how about fifty rich merchants in Kyoto went bankrupt during fifty or sixty years some time in the Genroku era both through the loans they had made to feudal lords and through their own ostentatious habits. It is clear from what is written in this book that the feudal lords of Kaga, Satsuma, Sendai, Higo, Aki, Inaba, Nambu, Owari, Kii, Chōshū, Tosa, Saga, Yonezawa and Fukuoka borrowed money from Kyoto merchants in order to balance their budgets.

In those days, many feudal lords had warehouses in Osaka, Edo and other cities for the purpose of selling rice and other products of their respective provinces. Most of the feudal lords in Ōshū provinces had their warehouses in Edo; but the great majority of feudal lords including those of Saikoku, Chūgoku, Hokkoku, Kwantō and Tōhoku districts had their warehouses in Osaka. They either sold the products of their fiefs there or with the commodities as security, they borrowed the money they needed. Functionaries of different ranks and with different duties, called

kurayakunin, *kuramoto*, and *akeya* were appointed to these warehouses in Osaka. *Kurayakunin*, officials detailed from their respective clans, at first performed the duties of *kuramoto* as well as their own, but later *chōnin* were made *kuramoto*, whose duty it was to take charge of the warehoused goods. The *akeya*'s duties were to receive money for the goods sold and keep it in custody. The *kuramoto* often performed both duties. The *akeya* in Osaka, like the *fudasashi* in Edo, did duty as financial agents for samurai. Feudal lords gave allowances of rice to *akeya*, and treated them in the same way as they did their *karō* (chief retainers). Zenyemon Kōnoike was *akeya* for the five clans of Kaga, Hiroshima, Awa, Okayama and Yanagawa. He was also purveyor to the Owari and Kii clans. The allowances of rice which he received for his services as such aggregated 10,000 *koku*. Even a branch family of the Kōnoikes was the recipient of allowances of rice for seventy men. Such being the case, the life of rich merchants such as Zenyemon Kōnoike, Gohei Hiranoya, and Gohei Tennojiya was as self-indulgent as that of feudal lords. The influence exerted by *kuramoto* over the clan finance was accordingly very great. Several commercial families served as *kuramoto* for the Sendai clan at different times, but particularly well-known is the connection of the clan with Heiyemon Masuya, of Osaka. As Seiryō Kaihō says in his book, Masuya had the Sendai clan finance under his control.

Once samurai borrowed money from *chōnin*, it was no easy task for them to pay their debts. Very often they became more and more deeply involved in debt until they were obliged to make importunate overtures to their creditors for consent to payments by instalments spread over a long period or to the remission of the interest. As for the *kuramoto*, the creditors, they acquiesce in their debtors' demands, because they were usually able to recover the principal of their loans in ten years or so in the interest on them, allowances of rice, presents, etc. which they got from their debtors. In case debtors refused to meet their

obligations, they often resorted to the method of boycotting such defaulting feudal lords by agreement among money lenders. Unable to obtain any loans of money anywhere in such circumstances, officials in the service of such lords were obliged to apologise and make presents to their creditors and pay the old debts so that they could obtain fresh loans. In the Kyoho era (1716-1735) already, there were cases of reprisals adopted by aggrieved *chōnin* against samurai. It often happened in Edo that *chōnin* insulted the samurai who had failed either to pay their debts or to pay for articles bought, by planting paper banners or putting up defamatory placards at the doors of the defaulters. In December of the 14th year of Kyoho (1733), the Shogunate issued a decree ordering severe punishment for *chōnin* who might thenceforward go to such lengths as thus to insult samurai. At any rate, the samurai were helpless before the money power of the *chōnin*.

It was at the same time observable that many *chōnin* extended their financial influence to agricultural districts and became extensive landowners. When there were annexations of land or reclamations of land, their influence made insidious advances. Land reclamation works in those days were sometimes undertaken on contract with *chōnin*, a fact which shows that *chōnin* capital was often invested in such works. This does not, of course, mean that the *chōnin* converted themselves into regular farmers, but it means that they acquired the status of landowners in addition to their status as rich merchants.¹⁾

In short, both the samurai class and the farming class had to yield to the *chōnin* class in money power. In the *Chōnin Bukuro* (町人譚), we find the following passage: "All classes of people have gradually become slaves to gold and silver, and as such treasures have mostly fallen into the possession of the *chōnin* class, rich *chōnin* are sometimes

1) See my article: Changes of Social Classes during the Tokugawa Period, in this Review, vol. III, No. 1.

honoured by nobles with invitations to their mansions. Thus, the *chōnin* class has risen above farmers in social standing before the public was aware of it." Not only was the *chōnin* class superior to the farming class, but it was even superior to the samurai class. It must be clear from what I have already described that the *chōnin* class acquired great social prestige by means of the money power which it monopolised.

In the Tokugawa period, the *chōnin* class made a remarkable development. There were many *chōnin* who amassed enormous fortunes and led lives even more luxurious than that of feudal lords, squandering tens of thousands of *ryo* in all sorts of selfish pleasures. In Edo, Bunzaemon Kinokuniya and Mozaemon Naraya were the most notable examples. They accumulated immense fortunes and lived in great luxury. Kuranosuke Nakamura and Juemon Naniwaya, of Kyoto, and Tatsugoro Yodoya, of Osaka, also startled the public of their time by building themselves magnificent mansions and spending huge sums on gorgeous clothing and costly food. They were typical of the voluptuary *chōnin* of the Genroku era. Some time in the Empo era (1673-1680), the story goes, Rokubei Ishikawa, a rich Edo merchant, and his wife visited Kyoto. On hearing of their visit, the wife of Juemon Naniwaya, of Kyoto, in her desire to outshine Rokubei's wife in sumptuous attire, had made for herself a silk satin garment embellished with a landscape of Kyoto in flashing silk broidery. Rokubei's wife, on the other hand, walked about the streets of Kyoto, garbed in a quiet black silk garment with a nandina pattern. The Kyoto citizens who saw them both thought that Juemon could afford greater splendour than Rokubei, but what was their surprise when they learned afterwards that each berry of the nandina in the pattern of the garment worn by Rokubei's wife was a coral globule.

In bygone ages, it was generally believed that samurai formed the governing class, farmers the productive class and *chōnin* the useless class. These class features gradually

changed, and in the Tokugawa period the samurai class became powerless, the farming class exhausted and impoverished, and the chōnin class rose to power.

3. CONVERSION OF SAMURAI AND FARMERS INTO CHŌNIN

The samurai in the Tokugawa period either left their native places to live in their castle towns or went to Edo in attendance on their feudal lords in their regular visits to the seat of the Shogunate under the *sankinkotai* system. In the case of the direct retainers of the Shogun, they took up their permanent residence in Edo. Large towns were centres of the currency economy where commerce and industry were most developed and where *chōnin* who were possessed of great money power lived. It was but natural that the samurai who lived in such towns should have gradually attained higher standards of living until they found themselves unable to support themselves on their regular stipends. To make their livelihood even more difficult, many clans were driven by their straitened financial circumstances to adopt what was called the *hanchi* (half-stipend) system. Under this system the feudal lords borrowed part of the stipends from their samurai. The amount of reduction in stipends varied; it was not necessarily 50 per cent. In some cases, samurai had to give up one third of their stipends and in other cases one-fourth.

As samurai were in such financial straits, they did job-work besides practising economy. Even by such means they could not keep themselves out of debt. They very often contracted heavy debts and put themselves helplessly in the hands of usurers. Samurai who used to value honour above all became, by force of circumstances, so degenerate as to put material gains before every thing else. It became the fashion among them not to do anything which did not bring them material profit. The habit also grew on them of taking commission from merchants for articles purchased

for, or on behalf of their lords. In many other ways, they tried to realise gains by utilising the offices which they held in their clans. Even when taking some one into his service, a samurai made the go-between offer some money in return. In adopting a child, he made a point of choosing the scion of a rich family. The right of succession in the family of a retainer of the Shogun was actually sold for money. Some feudal lords in those days made poor samurai carry on certain industries with a view to affording them relief. The samurai's pursuit of material gains and their attempts to earn their livelihood by means of industrial work or job-work indicate that, finding themselves unable to support themselves under the economic system then prevailing, they were compelled to alter their modes of living so as to adapt them to the changing economic conditions. Nor was this all. Many gave up their status as samurai and converted themselves into *chōnin*. The result is that samurai blood runs in a good many famous old families of merchants.²⁾

Now as to the farming class. The fundamental policy pursued to keep farmers in subjection was to prevent them from raising their standards of living. For the execution of this policy, various restrictions were imposed on their clothing, food, habitation and other phases of life. That such steps were taken in order to restrain farmers to their wretched existence is clear from the official instructions of the Keian era (1149). It was strictly forbidden for farmers to lead a luxurious life in imitation of *chōnin* and townspeople. The agricultural communities were detached from town life, farmers were segregated from *chōnin* and the growth of economic knowledge among the farming population was checked. Although farmers were groaning under the heavy weight of taxation, they had a natural desire to improve their condition of life. It was impossible to keep them contented with their wretched life forever. With the

2) For particulars, see my article: The Decay of the Samurai Class, in this Review, Vol. II, No. 1.

gradual raising of the standards of living among other classes of people, and especially as they witnessed the prodigal life of the *chōnin* class, their natural desire for a better life was whetted. This rendered their lot only the harder through the higher cost of living. Norinaga Motoori says in his book: "Farmers in dire distress have been particularly numerous of late years. There are two chief reasons for this. One is the heavy taxes which they are called upon to pay to the lord and the other is their gradual acquirement of extravagant habits in consequence of the general tendency for all classes to live luxuriously."³⁾

As already mentioned, it was the policy of the powers that were in those days to prevent the contact of farming communities with town life and keep farmers and *chōnin* apart, but some farmers, enamoured of the life of *chōnin*, settled down in town and became merchants or town labourers. Some formed matrimonial alliances with *chōnin* families. Even those who remained in their villages gave up the plough and turned shop-keepers. It is a fact generally admitted that the expansion of big cities—Edo in particular—was largely due to the settlement there of many people from the provinces. It appears that there was a remarkable development of urban life already in Kyoho times.⁴⁾ Thus, there were, needless to say, many *chōnin* who had been farmers in their earlier life. It is said that there were many *Kamigata* (Kyoto, Osaka and neighbourhood) men—natives of Ise and Omi provinces especially—in Edo. It is probable that these *Kamigata* men included many who, abandoning agricultural life in the provinces, settled down in Edo as merchants.

3) See my article: The Agrarian Problems in the Tokugawa Regime, in this Review, vol. I, No. 2.

4) See my article: Population Problems in the Tokugawa Era, in this Review, vol. II, No. 2.

4. ADOPTION OF *CHŌNIN* WAYS BY THE SHŌGUNATE AND MANY CLANS

As already described, the samurai and the farming classes gradually developed the tendency to turn merchants or adopt *chōnin* ways in order to accommodate themselves to the changes in economic conditions. A similar tendency was also manifest in regard in the Shōgunate and many clans. Kagetaka Toyama urged the necessity of the monetary power being taken over by the authorities. In his book he says: "If the lords, the samurai and the people generally, are to be enriched, the money power should not be left in the hands of commercial men." In the *Shūmai-ken Josho* (收米權上書) also it is urged that the right of controlling rice should be taken over by the authorities. These arguments were all advanced from the desire of extending the financial power of the Government, so that the authority of the Government might be firmly established through the overthrow of *chōnin* power and prestige. In fact, many instances may be cited where the Shōgunate and many clans acted after the fashion of *chōnin* in order to meet the changes that came over economic conditions. The inauguration of a system analogous to the monopoly system and the establishment of the *Sambutsu-Kaisho* (products gathering storehouse) for provincial products are cases in point. In the *Keizairoku* (經濟錄), we find the following:—

"All high samurai and feudal lords nowadays use money in all transactions, just as merchants do, and so they are bent on possessing themselves of as much gold and silver as they can. They seem to regard the possession of money as the most essential need of the day. The shortest way to get money is to engage in commercial transactions. In some clans it has been a long-established practice to find the wherewithal to pay the expenses of their clans by means of such transactions, thereby making up for the smallness of their fiefs. The feudal lord of Tsushima, for instance, is master of a small province and

his fief produces only a little over 20,000 koku of rice. He is, however, rich, and is even better-off than a lord with a fief of 200,000 koku, because he purchases Korean ginseng and other goods at low prices and sells them at high prices. The lord of Matsumae has a small fief of 7,000 koku, but through the sale of the products of his own clan and of articles produced in Ezo (Hokkaido), he is richer than a lord of, say, a fief of 50,000 koku. Again, the lord of Tsuwano, despite his small fief of 40,000 koku, has wealth comparable to that of a lord of a fief producing 150,000 koku of rice, because much profit accrues to him from the manufacture and sale of pasteboard. The lord of Hamada in the same province follows the example set by the lord of Tsuwano and encourages the manufacture of pasteboard in his own clan. This makes him as rich as a lord with a fief of more than 100,000 koku, though his fief produces only 50,000 koku of rice. Satsuma is, of course, a big clan, but its incomparable wealth is due to its monopolistic sale of goods imported from the Luchus. Chinese goods also are imported into Satsuma through the Luchus, and then sold widely in this country. Since the Tsushima, Matsumae and Satsuma clans have a monopoly of the importation of foreign goods and sell them to other clans, they are much richer than other clans of similar dimensions. As for the clans of Tsuwano and Hamada, they are rich because of their sale of the products of their respective clans. The lord of Shingū has a fief of only 30,000 koku, but as he sells the land and marine products of Kumano, his wealth is to be compared with that of a lord of a fief of 100,000 koku."

The monopoly system was already in existence in many clans in the early days of the Tokugawa period, but it increased in popularity after the middle of the period. The *Sambutsu-kaisho*, which were mostly established in and after the days when Yoshimune was Shōgun, were originally intended for the encouragement of production, but later many of them assumed the character of markets for the

sale of provincial products. That is to say, they partook of the nature of monopoly. For the purpose of regulating prices, the Shōgunate often prohibited cornering operations. In October of the 13th year of Tempo (1842), it vetoed the monopoly sale of provincial products in the various clans of the Kinai, Chūgoku, Saikoku and Shikoku districts. This veto was issued in the year following the prohibition of wholesalers' guilds under the Tempo Reform plan, and it is clear that it had the reduction of the prices of commodities in view. In the closing days of the Tokugawa period, the Shōgunate itself attempted to adopt a system resembling monopoly by establishing the *Sambutsu-kaisho*. This policy was not prompted by the motive of regulating prices, but was designed to deprive the commercial class of its influence and to replenish the depleted coffers of the Shōgunate. Whatever may have been the motive, the fact remains that the Shōgunate attempted to do what it forbade the various clans to do in the 13th year of Tempo. This *Sambutsu-kaisho* was planned in November of the second year of Ansei (1855), and in November of the first year of Keio (1865), but each time the plan fell through. That the Shōgunate attempted to seize the commercial rights which had been monopolised by merchants shows that the Shōgunate itself developed the tendency to engage in commerce. It testifies to a marked change in the spirit of the age.

Besides the above-mentioned plan, many new measures which ran counter to the traditional policy were adopted in the closing days of the Shōgunate, as, for instance, the importation of new Western technical arts, the introduction of the company system, and the issue of notes.⁵⁾ All these measures were necessitated to meet the economic changes of the times, and they throw a sidelight on the adoption by the Shōgunate and the clans of commercial ways. It is noteworthy that these were visualised in the policy pursued

5) See my article: The New Economic Policy in the closing days of the Tokugawa Shogunate, in this Review, vol. IV, No. 2.

after the Meiji Restoration (1868)—in the first ten years of Meiji especially.

5. THE MEIJI RESTORATION (1868)

As already explained, the *chōnin* class gained much influence in and after the middle of the Tokugawa period and the growth of the currency economy followed. In consequence, the feudal system, which was based on land economy, was badly shaken. Even by reason of these internal circumstances, the feudal system was nearing its end. The invasion of foreign capitalism which synchronised with these changes compelled the opening of the country to foreign intercourse, culminating in the downfall of the Tokugawa Shōgunate. From the economic point of view, the age of land economy, on which the feudal system was founded, was superseded by the age of currency economy, which was incompatible with the former, and then came the importation of foreign capitalism.

It was not, however, the *chōnin* class, but the samurai class of the lower grades, that brought down the Tokugawa Shōgunate. The fact that the *chōnin* class played no important part in the overthrow of the Shōgunate was partly due to the imperfect political and economic awakening of the *chōnin* class, whose influence could not rise above a certain level because of the feudalism and the exclusion policy that ruled in those days. Another contributory cause was that the actual political change was induced both by the foreign relations and by the movement launched for the overthrow of the Shōgunate by patriots, a circumstance which afforded low grade samurai a better chance to participate in the work of the Restoration. These low grade samurai could not earn their living under the feudal system, nor could they give full play to their talents under it. This naturally caused much discontent among them, and they keenly felt the necessity of changing the existing order of society. When they saw the opportunity they

seized it energetically for the realisation of their cherished desires. Disregarding the counsels of upper grade samurai, they managed to establish a stable new Government on the ruins of the feudal system.

The Restoration did not take political power from the samurai class. The only change that took place was that power passed from the upper grade samurai to the lower grades. It was, however, impossible for all low grade samurai who played a part in the Restoration to be put in Government offices. They were therefore given pension bond certificates instead of their former stipends, and had to live as best they could with them in accordance with the dictates of the new currency economy. Some of these samurai took to trade but in most cases they failed. Recognising the necessity of removing a menace to politics by providing these samurai with regular employment, the Government devised means to give them work. Reclamation works and the encouragement of agriculture were among these measures. It further encouraged and subsidised the establishment of the State Bank, the Nippon Railway Company and other companies. A vigorous policy of protective interference was pursued in order to make them operate their undertakings on the advanced Western plan. The result was that they gradually constituted themselves a new economic influence as the advanced leaders of the business world, far-reaching reforms in the social and economic organisations of this country following. It is an irony of fate that the samurai who used to despise money became the pioneers of the industrial world and leading capitalists. The part played by low grade samurai before and after the Meiji Restoration was, indeed, very important. It is, of course, true that the great majority of them were swept away by the tidal waves of the Restoration, but some low grade samurai who took an active part in the great political change seized political power, while some others secured money power and became capitalists.

It was in the Genroku era that the currency economy

began to encroach on the natural economy of old-world Japan. The main source of revenue for the Shōgunate, which was based on the feudal system, was from the natural products of the land. In the meantime, the new wealth in the shape of money was monopolised by the *chōnin* class, and with the progress of the currency economy, the military power of the samurai class gradually gave way to the money power of the *chōnin* class. When the Meiji Restoration came (1868), the *chōnin* class, which had made much headway in the Tokugawa Age, was deprived of the privileges and official protection which it had previously enjoyed, and was compelled to devise means to support itself in a world of free competition. The *chōnin* class in the Tokugawa period valued gold so highly that it regarded wealth as the "pedigree of the *chōnin*." Although the idea of making money was well developed among these *chōnin*, they lacked either the enterprising spirit or the passion for new enterprises. In a capitalist society that was ushered in after the Restoration, therefore, they failed to take the lead. It was the former low grade samurai, such as Shibusawa and Iwasaki, who played the leading part in the new capitalist society. The conversion of the Mitsui into modern capitalists was due to the able presence of Rizaemon Minomura, who was formerly a samurai, in their management. It would, however, be too hasty a conclusion to say that the *chōnin* class made no contribution to the Meiji Restoration. For, but for the wealth of *chōnin* which they could utilise, the samurai from Chōshū and other clans would have been unable to achieve the stupendous task of the Meiji Restoration. It was by the help of the money supplied by *chōnin*—by Osaka *chōnin* especially—that the battles of Toba, Fushimi, Edo and the North-East could be fought by the Imperial Army. They also supplied funds to the Meiji Government and lent financial aid to note issues and other financial measures. Osaka was then the virtual treasury of the Government. Indeed, it was said that 70 per cent. of Japan's wealth was in Osaka. Such being the case, those

who took an active part in the establishment of the Meiji Government acted very wisely in securing the financial aid of Osaka merchants. It is doubtful whether the Meiji Government could otherwise have been established so successfully.

The financial straits of the Government at the time of the Restoration were almost beyond imagination. The Government made rich merchants, shrines and temples in big cities contribute money so as to help it to tide over the pressing financial crisis. Donations were often exacted from these rich men for putting the finances of the Government on a stable basis. It was not on a few millionaires only but on many others also that these contributions were levied. In the Government campaign for raising the State financial funds, for instance, 650 people were summoned to the local Government office on two occasions in Osaka alone and ordered to donate sums. The list of the donors shows that collections were made from many ordinary citizens as well as from millionaires. The *Dajōkwan* notes and other notes also did much to maintain the national finance in the early days of Meiji. Recourse was had to these note issues when it was realised that the Government could not keep on collecting donations interminably and that this policy of raising funds became unworkable. These notes were, of course, inconvertible, and consequently their circulation was attended with great difficulties. Many devices were accordingly invented to put them into circulation. That the finances of the Meiji Government were maintained by the circulation of these inconvertible notes testifies, in a sense, to the financial strength of the people at large. At the same time, it must be noted that their circulation owed much to the credit and efforts of the Mitsui and other millionaires who helped in the matter. The same thing may be said of the issue of notes in the closing days of the Shōgunate. Thus viewed, it is obvious that the financial power of the *chōnin* class had a great deal to do with the consummation of the Meiji Restoration. It is nevertheless

true to say that the Meiji Government was supported by the financial power of the public rather than by that of a few millionaires exclusively.

On the other hand, in the economic world, the currency economy had already been making good progress, and, moreover, towards the end of the Tokugawa Shōgunate, new measures such as have already been mentioned were adopted. The new Meiji Government came into being just when the Shōgunate had by this means been making a big volte-face in its policy, in order to meet the requirements of the new age about to be born. It too launched various economic enterprises to cope with the needs of the times and introduced Western material civilisation. This accounts for the fact that the capitalist society which followed the Meiji Restoration was built up not by the *chōnin* class but by low grade samurai who seized power in the Meiji Government.

The political transition from the Tokugawa Shōgunate to the Meiji régime did not deprive the samurai class of political power. Power simply passed from the upper grade to the lower grade samurai. As the economic changes took place in the circumstances already described, moreover, the economic development subsequent to the Restoration embodied nothing but the gradual growth of the germ which had already been in existence in the closing days of the Tokugawa Shōgunate. It is not correct to say that all of the important economic measures adopted by the Meiji Government were conceived and carried out after the Restoration. This fact deserves the attention of all students of the nature of the reforms effected at the time of the Restoration.

6. THE CONCLUSION

In short, the Tokugawa Age was a time in which there was a general tendency for all classes to become merchant-like. In order to cope with the changes in economic life,

measures were taken in all quarters to encourage commercialisation. Such measures became more pronounced as time passed. The downfall of the Tokugawa Shōgunate was partly due to these circumstances at home and partly owing to the invasion of foreign capitalism. This capitalism means after all the development of the policy of commercialisation. Such being the case, it may be said that the consummation of the Meiji Restoration and the subsequent economic developments denote the fruition of this commercialisation policy.

The establishment of the Meiji Government was, in so far as form is concerned, due to the activity of lower grade samurai, and these samurai formed the nucleus of the new Government. The money power of *chōnin* was, however, at the back of their success. It was because they could utilise the financial power of *chōnin* that they could bring the new Government into being. The money was not supplied by a few millionaires only; it is more correct to say that the wealth of the people generally was mobilised. It is accordingly noteworthy that the new Meiji Government had the support of the people at large.

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