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## THE LAST FIFTEEN YEARS OF THE TOKUGAWA SHŌGUNATE

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### 1. CRITICAL DAYS OF THE SHŌGUNATE

The last fifteen years of the Tokugawa Shōgunate represent the period in which the Shōgunate experienced the greatest unrest and underwent the most profound changes in its history. In this period a last supreme effort was made to prop up the tottering edifice, and various reforms, which were against its traditional policy, were carried out. All this, however, failed to avert the collapse of the edifice.

In June of the 6th year of Ka-ei (1853), the first year of these last fifteen years, Commodore Perry arrived at Uraga in command of four warships, and in July of the same year, the Russian Admiral Putiatin entered Nagasaki with four warships. Commodore Perry's projected expedition had been known to the Shōgunate the previous year through information given by the Deshima Factor, and yet when it did actually take place, the whole country was thrown into utter consternation, especially great being the alarm caused in Edo.

Commodore Perry presented the letter of the President of the United States of America, to the Shōgunate, which also accepted presents from him. To the request of the American Government for the establishment of diplomatic and trade relations, however, the Shōgunate reserved its definite reply, promising to give it the following year. Admiral Putiatin, the Russian Envoy, besides asking for the opening of diplomatic and commercial relations, proposed the delimitation of the Russian and Japanese territories in the Northern Seas. To his request also the Shōgunate refused to give any definite reply. There soon ensued a heated controversy in this country as to whether Japan

should be opened to foreign intercourse or whether it should remain closed. Some were for peace and others were for war. Commodore Perry came to Uraga again in January of the following year (1854), and asked for a definite reply. This finally led to the conclusion of the so-called Treaty of Kanagawa, consisting of twelve articles. In this treaty, the opening of the ports of Shimoda and Hakodate to foreign intercourse was promised. This having created a precedent, similar treaties were signed with Britain in August and with Russia in December. In the third year of Ansei (1856), Townsend Harris, the American Consul-General, arrived at Shimoda. Desirous of concluding a more complete treaty with Japan, he visited Edo in the following year, and his negotiations with the Shōgunate culminated in the conclusion of the Japan-American Treaty, in June of the 5th year of Ansei (1858). By this treaty, the opening of the five ports of Kanagawa, Nagasaki, Niigata, Hyōgo and Hakodate, and freedom for Americans to reside for the purposes of trade in Edo and Ōsaka were promised. Between July and September of the same year, treaties very similar in content were signed with Holland, Russia, Britain and France. Thus, what are commonly known as the *gokakoku jōyaku* (treaties with five countries) of the fifth year of Ansei were signed.

In the meantime, opinion was growing in many quarters against the opening of the country to foreign intercourse and a movement to exclude the foreigners was gaining force. The fact that the Shōgunate had concluded the treaties above referred to without obtaining the Imperial sanction gave many patriots special cause for indignation, and in consequence, the *Tairō* 大老 (President of the Council of State in Edo in times of emergency), was assassinated outside Sakurada Gate by a band of indignant *rōnin*. Some foreigners also were the objects of murderous attacks. As the domestic unrest grew, the Shōgunate, in the first year of Bunkyū (1861), approached the signatory countries with a request for their consent to the postponement of the opening of the ports stipulated in the various treaties. In the third

year of Bunkyū (1863), Iemochi 家茂, the Shōgun, proceeded to Kyōto to be received in audience by the Emperor, only to be enjoined to sweep barbarians away. But when, in the first year of Keiō (1865), British, French, American and Dutch warships came to Settsu from Yokohama and pressed for the opening of the port of Hyōgo, the Shōgunate finally succeeded in securing Imperial sanction for this step. It is noteworthy that although exclusionist and anti-foreign views were finding vigorous expression at the time, things were, as a matter of fact, moving in the direction of the opening of the country to foreign intercourse.

Thus, the heated controversy over the propriety or otherwise of the opening of the country to foreign intercourse led to the Shōgun's proceeding to Kyōto. It also resulted in the dispatch of Tokugawa officials to various foreign countries. On the other hand, numbers of patriots were vigorously carrying on their activities against the policy of the Shōgunate, and assassinations took place frequently. The troops of the Satsuma, Chōshū and other clans entered Kyōto, and the Namamugi affair (the Richardson murder) and the bombardment of Shimonoseki by foreign warships occurred in rapid succession. In short, with both domestic troubles and external difficulties, there was intense uneasiness and disturbance throughout the country.

It is widely believed that Japan is now facing the most serious crisis in her history, but it seems that the national crisis in the closing years of the Shōgunate was even more serious than that which confronts the country today. In those days, at home, the old feudal system was beginning to crumble away, and, abroad, foreign countries were importunately demanding the opening of the country to foreign trade, and were threatening to resort to armed force if their requests were not complied with. Indeed, the times were critical, in the true sense of the word. It is not my purpose, however, to enumerate in the present article the incidents which occurred during the fifteen years under review. My object is to discuss the measures that were taken to meet

the critical situation during that eventful period.

## 2. THE NEW SITUATION AT HOME AND ABROAD

**The growth of the *chōnin's* influence.** In the latter half of the Tokugawa period, commerce and industry made remarkable progress. Currency found wide circulation and the *chōnin* (commercial) class steadily gained influence in consequence of the development of urban districts: The land economy which had previously prevailed gradually gave way to currency economy, and there came into existence a new economic influence, that of the *chōnin* class, which existed apart from the agrarian economic influence. Owing to these marked economic changes, it was found that the samurai class could not maintain their livelihood as under the old economic organisation. Nor was it possible for the agricultural communities to feed the samurai class as before. Under such circumstances, the samurai in the end had to submit to the new economic conditions rely on the financial power of the *chōnin* for their subsistence. In some cases they either adopted the ways of the *chōnin* in their daily life or turned *chōnin* themselves. On the other hand, the *chōnin* class, in virtue of their financial power, came to wield considerable social influence. They gained predominance over the samurai class, on the one hand, and extended their influence even to the agrarian communities, on the other. In this way, class distinctions became confused, and the feudal system was shaken to its foundations.

Tōyama Kagekata 遠山景賢, in his book, *Rikenron* 利權論 published in the fifth year of Kansei (1793), denounces the tendency of merchants to monopolise rights and interests by lending money to feudal lords and high samurai, and urges the necessity of the Government taking over the business of money transactions. He insists that merchants should be strictly forbidden to lend money to feudal lords and samurai, to whom, he argues, the Government should advance funds at low rates of interest in order to relieve them of financial

distress. To poor farmers also cheap money should be supplied by the Government, and at the same time private individuals should be forbidden to lend money. Again, in the *Shūmaiken Jōsho* 收米權上書, presented in the third year of Keiō (1867), the crafty tactics of rice merchants are vigorously attacked on the ground that it is very harmful to the nation's interests to allow the merchants to manipulate the price of rice as they please, and it is urged that the Government should monopolise rice rights and initiate a kind of rice monopoly system. The underlying motive of the propounders of these views was to increase the financial power of the Government and to establish official authority on a firm basis by curbing the influence of the *chōnin*. The *Bussan Kaisho* 物産會所, or monopolies of provincial products, which were established by various clans, may presumably be considered as one attempt to achieve the above-mentioned objects.

**Progressive ideas.** The visit of Commodore Perry's squadron took place, as already mentioned, in June of the sixth year of Ka-ei (1853), and on July 1st of the same year, the Shōgunate, in the name of the *rōjū* 老中, the Council of State, communicated the contents of the President's letter to the various clans, seeking their frank expression of opinion on it. The views submitted in response were diverse. Some clans urged that the American demand should be rejected even at the risk of war with that country. Other clans maintained that Japan's definite reply to the American demand should be put off in order to gain time to strengthen her defences. More moderate views argued that the American demand should be partially accepted so as to bring about a peaceful solution. Not a few clans, on the other hand, took the view that the exclusionist policy was no longer tenable and that there was no alternative but to open the country to foreign intercourse and trade.

In points of detail, however, the views of these advocates of trade with foreign countries were at variance. It is true that certain clans (the Gujo clan in Mino province

and the Muramatsu clan in Echigo province, for instance) favour the course unconditionally, but many others supported it only on a variety of conditions. There was a fairly large body of opinion which advocated trade with foreign countries for a certain prescribed period — say for five or ten years. Of the advocates of this line of policy, the Iwamurata fief in Shinano province and the Tsuyama clan in Mimasaku province advised the Shōgunate to strengthen the coastal defences during this period, the Sakura clan in Shimōsa province was for suspending trade after having tried it, if it proved of no benefit to the country, and the Uwajima clan in Iyo province and the Shinobu clan in Musashi province suggested that trade should be discontinued on completion of the defences. Again, the Fukuoka clan in Chikuzen province was in favour of granting trading facilities to America and Russia, but not to Britain or France. The course recommended by the Tsuyama clan in Mimasaku province and the Obama clan in Wakasa province was that trade should be permitted on condition that it was carried on through the intermediary of Dutch merchants. The Hikone clan in Ōmi province submitted the most positive view, viz. that as to supply one another's wants is the decree of Heaven, not only should the foreign request for trade be granted but that the *shuinsen* 朱印船 (vessels specially permitted by the Shōgunate to engage in trade with foreign countries) should be revived in order to carry on foreign trade vigorously. Some clans were in favour of setting certain restrictions on the volume of trade or on the kinds of articles for trading. Memorials were also submitted by Mukōyama Gendayū 向山源太夫, Katsu Rintarō 勝麟太郎 and other Shōgunate officials, as well as by certain scholars at the time urging the necessity of accepting the request of foreign countries for intercourse and trade. But, I shall refrain from giving here any detailed description of the contents of these memorials. A perusal of most of the views given above may make us suspect that the advocates of foreign trade in those days were largely prompted by the idea of gaining time for equipping the country with

stronger armaments and defences, and not by any strong enthusiasm over the trade itself, but the view of the Hikone clan, which supported foreign trade for its own sake, and the views of Mukōyama Gendayū and Takashima Kihei 高島喜平, who maintained that through trade with other countries Japan's national wealth and prosperity could be enhanced, go to show that there were at least certain people who were firmly convinced of the benefits accruing from foreign trade. Even if we admit that most people favoured trade only as a temporary expedient for getting over the urgent problem of the moment, the very fact that views in favour of the opening of the country could find expression in this way is enough to show the marked change that was coming over the spirit of the times.

In his memorial submitted to the Shōgunate in October of the sixth year of Ka-ei (1853), Takashima Kihei says: "Although the Japanese people are in the habit of taking upon it as a shame to follow the ways of other countries, foreigners think highly of those who adopt the ways of other nations, because, in their opinion, such people are working for the advance of their country's interests. They visit many countries and are ready to adopt all the good things they can find in the peoples of these countries so as to make up for the deficiencies of their own nation. If they are eager to make profit out of trade, it is because they desire to make their country wealthier and stronger. As they are not in the habit of adhering rigidly to old customs, they are far from being ashamed of learning from others. Indeed, they look down upon those who refuse to learn from others as being bigoted." In this way, he emphasised the need of seeking knowledge widely in the world and adopting any good things in foreign countries to make up for the shortcomings of the Japanese people, thereby ridding the nation of its antiquated evil habits. Expressions of opinion of this kind also throw some light on the new situation that was developing in the closing years of the Shōgunate.



### 3. MEASURES TAKEN IN VARIOUS FIELDS TO COPE WITH THE CRITICAL SITUATION

**Polity.** The Shōgunate used to act arbitrarily in the administration of both domestic and foreign affairs, but after Commodore Perry's visit, it began to seek Imperial sanction for its measures. Even in regard to matters other than diplomatic, it came to ask for Imperial guidance. There were even cases where it sought the views of the various feudal lords on certain problems, instead of shaping its course arbitrarily as before. That it asked the various clans for a frank expression of opinion on the President's letter, already referred to, is a case in point. The Shōgunate had never before sought the views of the feudal lords at large as to the course it should take, and it was thus quite unprecedented when it did so on this particular occasion, very serious though the problem certainly was. This departure from its usual ways furnishes a notable proof of the declining authority of the Shōgunate in its closing years. It also goes to show that the idea of deciding State matters by public opinion must have been slowly germinating.

In the first year of Man-en (1860), the Shōgunate dispatched an envoy to America. Although this was a natural outcome of the conclusion of the Ansei Treaty, it was certainly a very extraordinary event to happen under the Shōgunate which, since its adoption of the exclusionist policy, had strictly prohibited Japanese nationals from going abroad. In the following year, that is, in the first year of Bunkyū (1861), and in the third year of the same period (1863) also, envoys were sent to Europe. Again, in the first year of Keiō (1865), Shibata Gōchū 柴田剛中 and others were dispatched to England and France in connection with a scheme for establishing a dockyard and ironworks; in the next year, a mission was sent to Russia, and two years later another mission was sent to France, utilising the opportunity afforded by an exhibition being held in that country. Besides these envoys, young men were sent abroad for study

both by the Shōgunate and by the Satsuma and Chōshū clans.

The most important alteration effected in the political system was the revision of the *sankin kōtai* 参勤交代 system (under which the feudal lords had to spend every alternate six months or every alternate year in Edo in the Shōgun's service). The peculiar feudal system of the Tokugawa period and the tranquillity that prevailed for some 250 years were, no doubt, maintained in consequence of the various policies pursued by the Shōgunate, but they were very largely due to the *sankin kōtai* system. This system was part and parcel of the Shōgunate and was strictly enforced for upwards of 200 years. Under such circumstances, it naturally had far-reaching effects on economic and social conditions. Towards the end of the Tokugawa period, however, the decline of the influence of the Shōgunate and the increasing financial straits of many feudal lords, which developed in them a strong desire to throw off the yoke of a system which involved them in heavy expense, rendered its strict enforcement difficult. Moreover, as in consequence of the increasing complexity of foreign relations, the necessity was more and more keenly felt of providing the country with stronger defences and armaments and of uniting the whole country into one compact whole in readiness for any possible foreign attacks, it was gradually realised that this system, which had been invented with the sole object of keeping the feudal lords in subjugation, hardly answered the requirements of the new situation, and it was finally revised in the second year of Bunkyū (1862).

It is on record that on the last day of February of the first year of Ansei (1854), Matsudaira Shungaku 松平春嶽 presented a memorial to Abe Masahiro 阿部正弘, of the Council of State, emphasising the need of reducing the obligatory official visits of feudal lords to Edo to once in three or four years so that they could devote their energies to the strengthening of national defence. Yokoi Shōnan 横井小楠 also, in a memorial of seven articles presented to

the Shōgunate in the second year of Bunkyū (1862), recommended, among other things, the total abolition of the *sankin kōtai* system. These recommendations were, however, not accepted by the Shōgunate, which refused to do any violence to the established system of "ancestral law." When, however, Matsudaira Shungaku was appointed Director General of Political Affairs by Imperial command in July of the second year of Bunkyū and came to take active part in the Shōgunate administration, with Yokoi Shōnan as his adviser, he managed to establish a new system in August of the same year, which laid down that feudal lords should visit Edo once every three years and stay there 100 days each time.

There was fear about this time that, in view of the prevailing sentiment of many clans and the dwindling influence of the Shōgunate, many feudal lords might come to defy the *sankin kōtai* system. In carrying out the above-mentioned reform Matsudaira Shungaku and other officials of the Shōgunate were prompted by the desire to avert such a contingency. They concluded that it was better to take the initiative in effecting a reform and retain something of the old system rather than to sit idle and see the whole system set at naught by the feudal lords. But as the authority of the Shōgunate was already on the wane, this reform, as perhaps was inevitable under the circumstances, had the opposite effect and hastened the collapse of the system. It is true that in October of the first year of Genji (1864), the old rule was to a certain extent revived and the wives and children of feudal lords were ordered to reside in Edo, but it is clear from the account given in the *Ka-ei—Meiji Nenkan Roku* 嘉永明治年間錄 that the revived rule was not observed. It says, "As the Shōgunate, under the reform plan of the August of the second year of Bunkyū, ordered the wives and children of the feudal lords back to their respective provinces, nearly all of them had already left Edo, when another order was issued recalling them. Very few of them returned to Edo under the new order, however."

Be that as it may, any reform of the *sankin kōtai* system embodied a course incompatible with the traditional policy of the Shōgunate.

Some people of advanced views in those days held that the feudal system could no longer be continued and that it should be replaced by a new system of *gun-ken* 郡縣 (counties and prefectures), so that the entire country might become one united entity in resisting foreign pressure. It is clear from the account of the *Kaikoku Kigen* 開國起原 that Oguri Kōzuke-no-Suke 小栗上野介 stated such a view to Katsū Kaishū 勝海舟. This idea met with little support among the authorities and the *gun-ken* system was not introduced, but the fact that such a view was actually held by some people in those days is worthy of special note.

The Shōgunate effected administrative reforms in other directions also. It revised the Government organisation during the latter part of the second year of Keiō (1866) and the following year. Acting on the recommendation of Léon Roches, the French Minister, the Shōgunate appointed from among the *rōjū* (Council of State) Directors of the Army, the Navy, Home Affairs, Finance, and Foreign Affairs. It is noteworthy that the *rōjū* in question was put in exclusive charge of each of these five departments, for it meant the adoption of the administrative system ruling in European countries. Equally deserving of special mention is the fact that the Shōgunate adopted the policy of assigning important posts to men of talent, irrespective of birth or social standing. There had previously been a clear line of demarcation between the posts open to feudal lords and those for which *hatamoto* (direct retainers of the Shōgun) were eligible. Again, *hatamoto* and lower samurai families, themselves being of different ranks, had access to such posts only as were open to families of their respective status. This rule was now set aside and the policy of throwing open important posts to men of talent, regardless of their family rank or position, was initiated. For instance, whereas under the old régime, only lords or high samurai with an annual income

of more than 10,000 koku of rice were eligible for the post of *wakadoshiyori* 若年寄 (member of the Council, below the *rōjū*), this rule was departed from and Nagai Genban-no-Kami 永井玄蕃頭 was promoted to that office from the much lower post of *ōmetsuke* 大目付. This certainly was another bold stroke of policy adopted in defiance of the established regulations.

**Armaments.** Commodore Perry's visit produced more far-reaching effects on armaments than on anything else. Accustomed as they were to the tranquillity which had prevailed at home for some two hundred years, the samurai were neglectful of military training. Further, their strained circumstances had rather directed their attention to the question of how to make money. According to certain memorials presented to the Shōgunate, the visit of the American warships found many samurai in possession of no armour whatever that could be worn in case of need. History records cases where the Shōgunate had previously issued orders to have foreign ships driven away, but nothing had been done up to that time in the way of increasing armaments. In July of the 13th year of Tempō (1842), the famous expulsion decree issued on the eighth year of Bunsei (1825), was modified, and the new order was to the effect that foreign vessels should be asked to leave Japan, after having been supplied, if necessary, them with food, fuel and fresh water. This change of policy deserves notice. The visit of Commodore Perry's squadron to these shores shocked the nation and rudely reminded it of the necessity of coastal defence — particularly the defence of the Bay of Edo. The construction of forts off Shinagawa followed accordingly, in August of the six year of Ka-ei (1853). The value of the forts was nevertheless called in question by many, who contended that hostile vessels might easily draw far out where they were secure from bombardment and then return to the attack again and again, whenever they found opportunities. The Satsuma, Mito, Echizen, Saga and Uwajima clans, which held such a view and saw the need of big

vessels, urged on the Shōgunate the necessity of lifting the embargo on the construction of big ships. At first, the Shōgunate, unwilling to act in violence of the ancestral law, stubbornly turned a deaf ear to their recommendations, but in September of the sixth year of Ka-ei (1853), the embargo was finally removed. Not only did the Shōgunate then advise the various clans to build strong warships but itself purchased several warships and about 30 other vessels. In home dockyards also, a dozen vessels, warships and others, were built. This accounts for the building of the Shōgunate navy towards the end of the Tokugawa period. In the fourth year of Ansei (1857), the Shōgunate started work on the construction of ironworks at Akunoura, Nagasaki, the work being finished in the first year of Bunkyū (1861). Seeing, however, that it was not only on a small scale but was located far from Edo, the Shōgunate, acting on the recommendation of Oguri Kōzuke-no-Suke, decided to build another ironworks at Yokosuka under French management and to establish a small dockyard at Yokohama as an adjunct to the new Yokosuka Ironworks. Work on the construction of the Yokohama dockyard was started in February of the second year of Keiō and finished the following year. As to the Yokosuka Ironworks, the construction work began in March of the second year of Keiō (1866), and afterwards the work, half-finished, was handed over to the Meiji Government. It proved a useful institution both for repairs and for ship-building. Besides, reverberatory furnace and a gunpowder factory were established in the first year of Genji (1864) and in the third year of Keiō (1867) respectively.

Similar institutions were established by the Kagoshima, Saga, Mito and other clans also. Reverberatory furnaces were built, guns were cast, ships were constructed and research was conducted on the manufacture of gunpowder.

**Foreign-style industry.** In this way, the increase of armaments stimulated the manufacture of arms. But not only in the manufacture of arms but in the field of industry in general, foreign methods were introduced, a fact which

deserves notice as reflecting the effects of the opening of the country on the economic life of the Japanese people. During the Bunsei period (1818—1829) already, the woolen cloth industry was started by the Kagoshima clan, and later the manufacture of medicines and glass was also undertaken. On his becoming the head of this clan, Shimadzu Nariakira 島津齊彬 adopted newer methods of manufacture and built factories for the production of glass, ceramics, agricultural implements and other articles. The research was extended even to gas lighting, telegraphic apparatus and photography. It is particularly noteworthy that in the first year of Keiō (1865), he projected the establishment of a spinning industry on the foreign plan, and that this industry was begun in the third year of the same period. In the Saga clan too, a refinery section was established in the provincial production department of the clan in the fifth year of Ka-ei (1852), and it began to conduct experiments on the materials necessary for firearms such as gunpowder and fulminating powder and to manufacture drugs and machinery for chemical industry. During the Ansei period (1854—1859), models of small steamships and trains were made, and in the first year of Bunkyū (1861), a factory for manufacturing boilers was established. Some of these industries modelled after the western pattern were for the specific purpose of equipping the country with more efficient armaments, but some were introduced for purposes other than military, and these played an important part in developing this country's chemical, electric, spinning and other industries. It is interesting to note that in those days already, men of advanced views held it necessary to develop Japanese economic life by reorganising industry on handicraft lines into industry by machinery.

**Foreign Trade.** In the field of economy, foreign trade was most directly influenced by Commodore Perry's visit. In and after the first year of Ansei (1854), the Shōgunate opened the ports of Shimoda, Hakodate, Nagasaki and Kanagawa. Later, the port of Yokohama supplanted Kanagawa and the port of Kōbe was opened in lieu of Hyōgo. In

those days, Yokohama was the most important trading port, and the greatest volume of trade passed through that port. Whereas both imports and exports stood at something like ¥ 500,000 in the sixth year of Ansei, the figure rose to ¥ 30,000,000 in the following year (first year of Man'en) and in the Keiō period exceeded ¥ 60,000,000. The exports in those days included articles for shipping use, such as coal and charcoal, and marine products, which up to that time had figured in the Chinese trade. As new exports to Western countries, there were tea, silkworm egg-cards and yarns. Trade ceased to be one-sided, export trade being carried on as well as import trade. Thus, the traditional exclusionist policy of the Tokugawa Shōgunate was overthrown in and after the Ansei period in favour of a new policy of foreign intercourse and trade.

**Joint-stock Company.** Again, in the matter of business management, a new form was introduced, viz. the joint-stock company. In June of the third year of Keiō (1864), the Shōgunate decided to make Ōsaka *chōnin* organise a company on a joint-stock basis. At the time, it was in need of money to the extent of 800,000 to 900,000 *ryō* for laying out the foreign concessions in Hyōgo and Ōsaka and also for improving facilities for foreign trade. As it was found difficult to provide this money by means of special levies on big merchants, the Shōgunate conceived the idea of making Ōsaka merchants establish the above-mentioned company. In a written memorial presented by the *kanjōbugyō* 勘定奉行 and other Shōgunate officials appears the following: "Unless the company system be adopted, it will be difficult to develop trade and advance the nation's interests." It is clear that the Shōgunate's plan was prompted by the motive of introducing the company system of Western countries. It is said that the project to establish such a company was under discussion already in the first year of Keiō (1865). Oguri Kōzuke-no-Suke, who went to America in the first year of Man'en (1860) in the suite of the Japanese Envoy and there became acquainted with American finance and



economy, was among the foremost advocates of the establishment of such companies. Fukuzawa Yukichi 福澤諭吉, in his book *Seiyō-Jijō* 西洋事情, published in the second year of Keiō (1866), dwells on the merits of the company system. References to the company system also appear in the *Shōnan Ikō* 小楠遺稿, published in the second year of Keiō (1866), and in the *Keizai Shōgaku* 經濟小學 by Kanda Kōhei 神田孝平, published in the third year of Keiō (1867). From this it is obvious that the necessity of running business on company lines and of introducing this mode of business management was recognised and urged by men of enlightened views of the day. The rich merchants of Ōsaka, however, had no experience of foreign trade, nor had they any knowledge of the company system. It was through compulsion and against their will that these Ōsaka merchants established a company. No matter what were the circumstances of its establishment, it is worthy of special mention that a joint-stock company, until then unknown in this country, was actually established in the third year of Keiō (1867). Although this company was on the lines of the joint-stock system of the West, its organisation was far from perfect. Needless to say, it was one which would not stand comparison with present-day joint-stock companies, but it must nevertheless be admitted that the Shōgunate was actuated by very progressive ideas when it introduced the company system in order to help forward Japanese industry. It may fairly be described as a new, advanced line of policy in industry.

The Lord of Satsuma had a similar plan in view. A contract for the establishment of a company was signed at Brussels in the first year of Keiō (1865) between Niinō Kyūshū 新納久修 and Godai Tomoatsu 五代友厚, representing Satsuma, and a certain Frenchman named Montblanc. In pursuance of the terms of this contract, Montblanc came to Japan in November of the third year of Keiō (1867), but the plan did not materialise after all.

**Finance.** The opening of the country affected national

finance to a serious extent also. Except during its initial period, the Shōgunate had always been in financial difficulties, and in most cases, the revenue deficit was barely made up, by recoinage or by recourse to *goyōkin* (money requisitioned from rich merchants). Its financial straits increased in its closing years, for the coastal defence, the manufacture and purchase of arms, and the establishment of shipyards and ironworks, occasioned by the visit of Commodore Perry's squadron, involved it in heavy expenditure. To enumerate here all items of this new expenditure is impossible. To give but a few examples, the construction of the forts off Shinagawa costs about 750,000 *ryō*, the purchases of foreign warships and steamers about \$ 3,300,000, the establishment of the Yokohama Dockyard and the Yokosuka Ironworks 1,500,000 *ryō*, and the establishment of the Nagasaki Ironworks 50,000 *ryō*. Besides, the Richardson murder and the Shimonoseki affair cost the Shōgunate £ 100,000 and \$ 1,500,000 respectively in the form of indemnities. The visit of the Shōgun to Kyōto for his audience with the Emperor — an event the like of which had not taken place since the Kan-ei period (1824—1643) — and the campaign against the Chōshū clan involved heavy expenditure too.

In short, in the closing years of the Shōgunate, the occurrence of a series of troubles with foreign countries and internal disturbances necessitated heavy defrayals in entirely new directions. In order to meet this increased expenditure, the Shōgunate resorted to new methods of issuing notes and floating foreign loans, besides having recourse to recoinage and *goyōkin*.

**The issue of paper-money.** Whenever it found itself in financial difficulties, the Shōgunate used to realise a good amount of profit, sufficient for its needs, by recoinage, and this practice saved it from the necessity of issuing paper-money. It is true that a plan to issue paper-money had for some time been claiming attention, but it was not until the third year of Keiō (1867) that paper-money was actually issued by the Shōgunate. This constituted yet another

departure from the traditional policy of the Shōgunate. In and after August of the third year of Keiō, the Shōgunate notes were put into circulation in the Kantō district, and in December of the same year notes were issued in the Kansai district also. The former notes were of two kinds — one known as *Ginza* gold notes, which passed in Edo and Yokohama only, and the other comprised those which circulated in Edo and in the eight provinces of Kantō. The latter notes were issued by the company established by Ōsaka millionaires by order of the Shōgunate at the time of the opening of the port of Hyōgo. They were gold notes and were put into circulation in the Kinai and the neighbouring provinces. Of the two kinds of the first-mentioned notes, those the circulation of which was restricted to Edo and Yokohama were issued with the object of alleviating the shortage of nickel in Yokohama while those which were put into circulation in Edo and the eight provinces of Kantō were intended to meet financial needs. The company's notes were in the nature of compensation to the Ōsaka millionaires for their supplied funds to establish the company, though they had, no doubt, important bearings on the financial administration of the Shōgunate.

**Foreign loans.** As regards foreign loans, the Shōgunate borrowed \$ 500,000 from France on the hypothecation of the Yokohama Ironworks, and its outstanding account with France for purchases of arms amounted to 3,300,000 francs. From America it borrowed \$ 100,000 — the purchase price of the warship Stonewall. It further attempted to obtain a loan of 6,000,000 *ryō* from France to meet the expenses of the Chōshū campaign, but this scheme fell through. Among the feudal lords also, there were many who borrowed money from Britain, France or America. Setting apart the size of these loans, the fact that foreign loans were raised was a thing entirely unknown before.

**The Sanbutsu Kaisho\*** 産物會所 (Monopoly of provincial

\* The terms *sanbutsu kaisho*, *kokusan kaisho* and *bussan kaisho* have almost the same meaning.

products). There is another matter relative to financial relief which is worth mentioning. I mean schemes of monopoly. Dazai Shundai 太宰春臺, in his book *Keizairoku* 經濟錄 illustrates by examples how the feudal lords who adopted a monopoly system were in easy financial circumstances. Towards the end of the Tokugawa period, the Shōgunate itself attempted to adopt a system verging on monopoly.

During and after the régime of Yoshimune, the eighth Shōgun, *kokusan kaisho* 國產會所 were established by many clans. Originally, most of these institutions were intended to encourage production, but later such *kokusan kaisho* as were concerned with the sale of provincial products, or, in other words, those having the character of a monopoly, increased in number. From the necessity of regulating prices, the Shōgunate often prohibited these monopolies of provincial products. In October of the 13th year of Tempō (1842), it issued instructions to the lords in Kinai, Chūgoku, Saigoku and Shikoku provinces vetoing monopolies of provincial products. This order was issued in the year following the prohibition of wholesale merchants' guilds in the Tempō Reform, and it is clear that it had the lowering of prices in view. The *sanbutsu kaisho* projected by the Shōgunate in its closing years were for the double purpose of curbing the power of the commercial classes and improving its own financial position.

Both in November of the second year of Ansei (1855) and in November of the first year of Keiō (1865), the Shōgunate attempted to establish *sanbutsu kaisho*. On the former occasion, it was in serious financial straits in consequence of both a succession of natural calamities, such as earthquakes and tidal waves, that devastated many provinces and the frequent visits of foreign warships. Concluding that extraordinary measures were inevitable in extraordinary times, the Shōgunate worked out a plan, according to which the products of the various provinces were to be forwarded to Edo by the *daikan* (local magistrate) in the case of the *goryō* (Shōgun's estates) and by feudal lords in the case of

private fiefs, so that these products might be sold at four or five *sanbutsu kaisho* to be established at suitable places, to *chōnin* among others. It was thought that if, under this plan, these institutions were made to contribute part of the proceeds to the coffers of the Shōgunate, the arrangement might serve to eliminate the predominant financial power of the merchants, at whose mercy many feudal lords lay on account of their indebtedness to them.

The similar scheme conceived in the first year of Keiō aimed chiefly at the recovery of commercial rights so that the government could regulate the prices of commodities. It was then proposed that *bussan kaisho* be established at four or five different places in Edo where transport facilities were available, and that certain people in the wholesale business be commissioned to transact the business of these institutions. Ōsaka and other places, it was further planned, should have similar institutions, if necessary. The commodities for sale should be rice and other daily necessities and the necessary funds be provided by the Shōgunate and the *chōnin*. One per cent. of the profits should be reserved for the *kaisho* and the rest distributed among the contributors of the funds in proportion to the amounts of their contributions. Neither of the *sanbutsu kaisho* plans evolved on these two occasions was, however, carried out.

**Inquiry into sources of revenue.** At the time when the government organisation of the Shōgunate was reformed in the second and third years of Keiō, financial reform also was planned. The land tax constituted the main part of the revenue of the Shōgunate. It is true that it had miscellaneous incomes in the form of offertories, but these were insignificant in amount. The French Minister, Léon Roches, advised the Government to levy taxes on houses, land, commercial profits, *sake*, tobacco, raw silk, tea and shipping. He urged the necessity of creating direct and indirect taxes in order to put finance on a stable basis. It is said that the Shōgunate, following his advice, actually started investigations of the taxable objects.

## 4. CONCLUSION

In the foregoing chapters, I have described the various policies pursued by the Shōgunate in various directions in its closing days. To sum up, the visit of Commodore Perry's squadron, which took place at a time when the political, social and economic conditions of this country had been undergoing marked changes through the rise of a new economic power, shocked the nation and accentuated the unrest in political, social and economic circles. In order to cope with this new situation, the Shōgunate had to adopt many measures which were manifestly irreconcilable with its traditional policy. In politics, military matters, finance and economy, emergency measures were devised, and the view even found expression that the feudal system should be abolished. It is said that the numerous reforms effected in quick succession by the Shōgunate put Iwakura Tomomi 岩倉具視, Sakamoto Ryūma 坂本龍馬 and Kido Kōin 木戸孝允 — heroes of the Meiji Restoration — on their guard, as they thought it possible that the Tokugawa administration might, after all, recover its former strength. Such a thing did not, however, come to pass. The battles at Toba and Fushimi were quickly followed by the downfall of the Shōgunate, and the Meiji Restoration was consummated. As the opening of the country was a *fait accompli* and as, indeed, there was no other course to follow, this policy was maintained after the Restoration, and capitalistic economy was introduced from the West with even greater zeal, as was indeed natural under the circumstances. As the slogan of anti-foreignism was, as a matter of fact, meant as a lever with which to compass the downfall of the Shōgunate, it was discarded, once the Restoration had been effected, and the policy of friendly intercourse with other countries was proclaimed. This was also in the natural order of things. Things had already been moving in this direction, as can be seen from the fact that in spite of the prevalence of exclusionist views in some quarters in the last fifteen years

of the Shōgunate, new knowledge was being largely introduced from Western countries. Thus, it may be said that the last fifteen years of the Shōgunate denote at once the period in which the Shōgunate was going the way of decay and the period in which the Meiji Restoration was being prepared.

N.B. The lunar calendar had been used in Japan till the Meiji Government, for the first time, adopted the solar calendar. The dates (according to the former) in this essay, therefore, do not agree with those according to the latter.

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