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AN OUTLINE OF ECONOMIC POLICY IN THE TOKUGAWA PERIOD

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1. PREFACE

The term economic policy embraces all measures and executive actions undertaken by the State or other political organizations in order to establish, develop or create *de novo* certain desired economic relations. If the entire process of a national economy is capable of being divided into parts, when regarded from different viewpoints, it may be possible also to classify economic policy under the general headings of production policy and distribution policy or again as agricultural policy, commercial policy, industrial policy and social policy or, alternatively, as internal policy and external policy. The question as to which of these individual policies is dominant or as to what system of policy governs their relationship in any given instance, must necessarily vary with the character of economic relations prevailing at the time and, therefore, in accordance with the circumstances in which the subject of policy is placed.

In the present article, I propose to consider the economic policy of the Tokugawa period with a view to clarifying the principles which governed it. To this end, I must first make some general observations regarding the economic relations existing during the period and the economic circumstances which surrounded the subject of the policies in question.

Needless to say, a land economy prevailed the period under review ; for it was on this basis that the feudal system throughout subsisted. Specifically, the Bakufu (the Tokugawa

Shogunate) and the feudal lords collected from the farmers part of their harvest from the land, chiefly in kind, and with these revenues satisfied their financial requirements. Accordingly, the *samurai* in general derived their livelihood from the stipends which they received from their feudal lords which were, in turn, disbursed from these revenues. In other words, a land economy characterised the economic aspect of the feudal system.

It was not a strictly typical, however, land economy which prevailed in the period under review. The productive power which developed with the advent of an era of peace stimulated in a remarkable degree commodity economy or currency economy, thanks chiefly to the surplus of products realized primarily under the ægis of the land economy. Rice was the most important commodity. The rice which was put on the market in those days fell roughly within three categories, namely, *gojōmai* 御城米, as the Bakufu grain was called, *okuramai* 御藏米, the produce of the various feudal lords and *nayamai* 納屋米 or the rice sold by the *samurai* and the farmers. Among these three classifications, the *okuramai* excelled in volume. It is said that, of the 4,000,000 or more *koku* of rice marketed in Osaka annually, about three-fourths was *okuramai*. However, there were many commodities, other than the *okuramai*, which the feudal lords placed upon the market. From this fact it may be inferred that the surplus produce in the possession of feudal lords constituted, so to speak, the motive power which stimulated the development of commodity economy.

It will thus be seen that the development of commodity economy was intimately connected with the basic productive organization. The fact that commercial goods consisted largely of commodities placed on the market by feudal lords, however, does not imply that these lords figured in the market as merchants in the modern sense. Far from it. As commerce was then looked down upon as a lowly occupation, it was the merchants, not the feudal lords themselves, who were directly concerned with the business of marketing. These

merchants, either as intermediary agents for the distribution of commodities or as commercial capitalists, continued to accumulate wealth until at length they acquired such a position of financial dominance that even the Bakufu and the feudal lords, with all their wide powers, were not only unable to undermine it but were actually obliged to bow before it. In short, commodity economy developed on the basis of feudal productive relations and as an integral part of such relations. At the same time the commercial capital power of the merchants who controlled this economy, which steadily extended its influence over the ruling classes and the farmers (the chief producers), operated to expedite the ultimate collapse of the fundamental feudal economic relations themselves. Herein lies inherent inconsistency as between the land economy and the currency economy of the period. The Bakufu and the feudal lords were obviously faced with the problem of coping with the growth of currency economy, without compromising the feudal system itself. Such was the general economic situation in which the Bakufu and the feudal lords were placed.

2. DETAILS OF THE ECONOMIC POLICY

(1) The production policy. Inasmuch as land formed the economic basis on which the Bakufu and the feudal lords maintained their existence and as rice was the principal product of land, it is hardly necessary to say that great endeavours were made to maintain and increase the production of this grain crop. These efforts were, roughly speaking, exerted in three directions. First, guidance and encouragement was given in the matter of improving the technique of farming. It is difficult to indicate exactly what results attended this policy, but the fact remains that more learned agriculturists appeared and a greater number of agricultural treatises were published in the age under review than in any previous period. Nor can it be denied that there was a marked increase in the productive power of farmers in this

age, as compared with the previous era. In the second place persistent efforts were put forth to maintain and to increase the farming population itself. Abandonment of the plough by farmers has always been frowned upon by the authorities from the beginning of the Tokugawa period. In the middle and later phases of the period, when this practice began to affect agricultural production seriously, the Bakufu took positive steps to urge the farmers who had left their villages to return to the plough; in some instances even resorting to compulsory measures to force them back on the land. Again, when the evil custom of artificially restricting population grew more prevalent among the populace, the Bakufu and the clans did their best to discourage the practice in the interests of increasing the agricultural population. They either moralized on the wickedness of the custom in general or granted special allowances to poor parents to enable them to rear their offspring. Finally, the reclamation of land was encouraged. Especially during and subsequent to the Kyōhō era, the Bakufu and many clans took upon themselves the task of bringing waste land under cultivation, adopting a variety of measures for this purpose. For example, rewards were offered *daikan* officials (local magistrates under the direct control of the Bakufu) for locating waste lands fit for cultivation while contracts were proffered to rich *chonin*, wealthy farmers and even whole villages for the reclamation of land. In the later phases of the period, however, the indiscriminate reclamation of land was forbidden partly because the farmers tended to neglect their old paddy in their enthusiasm over newly-reclaimed rice fields and partly because there had developed the evil tendency of land annexation. In any case, the increase of the total area of arable land in the Tokugawa period is largely ascribable to the above-mentioned policy of encouraging the reclamation of waste lands.

The cultivation of cereals such as barley, wheat and millet, of barn-yard grasses, and of other food crops, including potatoes and sweet potatoes, was encouraged in

connection with the measures designed primarily to increase the production of rice.

Encouragement was at the same time given to the production of various kinds of agricultural commodities of a special nature and of industrial goods as well, with the declared object of encouraging *kokusan* 國産, or home products. Among these commodities were raw silk, sugar and medicinal ginseng. Until the middle period of the Tokugawa era, these commodities had been imported from China, Holland and Korea. Gravely concerned over the outflow of gold and silver in connection with this foreign trade, which was carried on at Nagasaki in those days, the Bakufu strove to place Japan on a more self-supporting basis so far as these articles were concerned; consequently it encouraged their production at home. In this connection the Bakufu itself sometimes set a practical example for the public to follow or contented itself by distributing seeds of ginseng and sugarcane seedlings among the people. The policy of encouraging the development of maritime and other similar products, which were to be exported for the purpose of counterbalancing payments for imports, was presumably part of the general policy of encouraging native products already referred to. Although this policy was initiated and carried out by the Bakufu itself, the various clans were also made to share in its execution.

However, since the clans were then pursuing a financially independent economic existence, they instituted on their own initiative measures to encourage provincial products (also called *kokusan*), while at the same time taking a share in the execution of the Bakufu's policy for the general encouragement of home products. The commodities whose production was thus encouraged by the various clans were of a multifarious nature, comprising, for example, such articles as clothing materials and dyestuffs and including cotton cloth, hemp fabrics, raw silk, textiles and indigo-balls; foodstuffs, including sugar and mandarine oranges; and various basic necessities such as paper, wax, floor-matting, umbrellas,

ceramics, lacquer ware and tobacco. All clans vied with one another in their endeavour to produce these goods.

It may be mentioned that these products consisted largely of agricultural crops destined for special uses or of goods made from these materials. Consequently production chiefly occurred in the agricultural districts. Although the cultivation of agricultural products for special purposes was encouraged, the production of rice was not to be neglected on that account. For the cultivation of these agricultural products, therefore, the utilization of waste lands, outlying areas and unused lands was especially recommended. In short, the output of these goods was encouraged within limits which would not endanger the production of rice.

(2) The distribution policy. I shall now summarize the Bakufu's foreign trade policy which will serve to clarify the situation still further. As everyone knows, the Bakufu adopted a strict exclusionist policy subsequent the Kan-ei era, permitting, as an exception, trade with Chinese and Dutch merchants at the port of Nagasaki only. Even this Nagasaki trade suffered rigorous restrictions at a later date. For example, in the fifth year of Shōtoku, trade with Chinese merchants was so restricted that the number of Chinese ships which were allowed to visit the port for purposes of commerce was limited to thirty a year, and the maximum amount of trade was fixed at 6,000 *kwamme* of silver. Trade with Dutch merchants was similarly restricted, the number of Dutch ships being limited to two and the volume of trade to 3,000 *kwamme* of silver. Again, in the tenth year of Bunka, a further restriction was imposed, this time the number of Chinese ships was reduced to ten, and the volume of trade limited to 3,500 *kwamme* of silver, while the maximum amount of trade permissible with Dutch merchants was reduced to 1,700 *kwamme*. Foreign trade in those days was, on the whole, passive in character in that the import trade was dominant. Moreover, as the exchange basis of gold and silver varied as between Japan and foreign countries, a heavy outflow of gold and silver resulted. It was with a

view to preventing this outflow that the above-mentioned restrictions were imposed on trade. As another means of checking the outflow of gold and silver, copper was used, in addition to gold and silver, for the settlement of accounts. Domestic products were also encouraged, as already noted, in order to reduce imports directly and to pay for imports with home products. The Bakufu dreaded the outflow of gold and silver because it gave rise to a shortage of coinage materials, which, either directly or indirectly, and through increasing the price of commodities, tended to endanger the basis of its existence.

Thus, the Bakufu endeavoured to place the national economy on a self-supporting basis in so far as its foreign contacts were concerned, while the various clans, which lived an independent financial and economic life, also pursued a similar policy with their own ends in view. The *tsudome* 津留 policy pursued by them, under which the movement of commodities into or out of their clan areas was either restricted or banned, was designed to serve this purpose. This policy was enforced in regard to a large variety of commodities. Among the articles whose movement into other clans was prohibited were goods for military use and all manufactures necessary for the operation of an economy based on a policy of self-sufficiency. In some cases, the *tsudome* policy was applied in order to ensure an adequate supply of raw materials, as witness the prohibition of the export of raw silk which was designed to stimulate the silk textile industry. The fact that all clans impose customs duties on commodities leaving and entering the clan areas may well be regarded as a development representing a modified form of the *tsudome* policy. One of the direct objects of this policy was, no doubt, to increase revenue, but it is obvious at the same time that it formed part of the general policy of clan self-sufficiency.

Due to the measures adopted by the clans, the free movement of commodities within the Empire was impeded to a certain extent. It is further noticeable that many clans

stroved to secure profit through direct participation in the distribution of commodities, as is evidenced by their adoption of what is called the "clan monopoly policy". This policy took on a variety of forms. In some cases, the clan authorities monopolized the distribution of certain goods produced either in their own clan areas or imported from other clans, while in other cases they controlled the business of exporting the products of their clans. In any case, these practices constitute an attempt on the part of the feudal lords to monopolize the distribution of goods under the cloak of political authority. In the case of a few clans, the authorities monopolized both the distribution within the clan and the exportation of certain specified commodities. The underlying motive was presumably the desire to stimulate production and ensure the exportation of these commodities.

The policy described above had a close bearing on the general policy of stimulating domestic production. It was actually an attempt on the part of various clans to apply the general policy for the encouragement of domestic production for their own benefit. Nor can it be denied that this monopoly policy served to secure a certain measure of success for the policy in question. As already pointed out, the monopoly of the exportation of provincial products to other clans formed the most important feature of the above-mentioned general monopoly policy. By this means the clans, which had no right to mint coins or to place them in circulation, tried to obtain specie which was designed for nation-wide circulation. One thing which rendered this policy possible was the fact that the *tenryo* 天領 or fiefs under the direct control of the Bakufu, within which the great cities such as Edo (Tokyo), Kyoto and Osaka were located, were free markets. The various clans strove to sell their respective provincial products either directly in these markets or to some other destination through these markets. It may appear, at first sight, that this policy would of necessity be inconsistent with the general policy pursued by the various clans of restricting the movement of goods out of their clan

areas, but if viewed from the standpoint of maintaining or strengthening the independence of their respective economies, it will be seen that the inconsistency is more apparent than real. In connection with this policy, a few observations may be made concerning the relations which existed between these clans and the merchants who were in control of the process of distribution. There were cases where the activity of merchants was inhibited, but in most cases their cooperation was sought, and a relationship of close mutual dependence was often observed to exist between the clans and a group of privileged merchants. Especially close were the relations which developed between the clans and the wholesale dealers in Osaka, Edo and other centres to which provincial goods were consigned. This was a prominent feature of the economic policy based on commodity economy.

(3) The price policy. As commodity economy developed, there was a tendency for prices to rise, and the result was that the finances of the Bakufu and the clans, whose sources of revenue were rigidly fixed, and the livelihood of *samurai*, who lived on their fixed stipends, became increasingly precarious. In such circumstances, the means to be adopted to meet this rising tendency of prices was a subject which naturally claimed very serious attention. There existed a theory in those days that the prices of commodities rose or fell according to fluctuations in the price of rice, but this theory was not always verified by the actualities. For example, in the days of the Tempō Reform, the price of rice manifested a falling tendency while the prices of other commodities kept on rising, to the great embarrassment of the statesmen of the day. Rice was the most important commodity, and the Bakufu, the feudal lords, the *samurai* and the farmers, who were the original suppliers, found themselves forced to purchase all other commodities at prices already comparatively high. Again, whereas the price of rice rose or fell in harmony with the abundance or otherwise of the annual crop, as a general rule,—rice merchants also being in a position to manipulate the price—the prices of other com-

modities were not subject to these violent fluctuations dependent on the volume of the harvest. For this reason, a policy designed to control the price of rice would naturally differ from one adopted on behalf of the prices of other commodities.

With regard to the price of rice, special care was taken to maintain it at a proper level, for although it was to the interest of the Bakufu, the feudal lords and the *samurai* that the price of rice should always be maintained at a high level, the authorities had to avoid causing discontent among the commercial and industrial classes by keeping it so high as to injure their interests, as otherwise their grievances might develop into a revolt against the constituted authority and the class system. From a realization of the necessity also of avoiding social disturbances such as *uchikowashi* 打毀し and other forms of rioting, which it was feared an excessively high price for rice might stir up among the poorer classes, the Bakufu was induced to devise measures to check every abnormal advance in the price of the cereal. Various measures were, therefore, devised in order to regulate the price within proper limits. In seeking to raise the price of rice, steps were taken on the one hand to reduce the quantity of rice to be placed on the market or alternately to withhold the stocks already in the market. When trying to lower it, attempts were made to increase the quantity of rice in the market. Furthermore decrees were issued to fix the price of rice officially or conversely to lower it. Measures were also taken to control the rice merchants and the organs entrusted with rice transactions.

On the other hand, for the regulation of the prices of commodities generally, the Bakufu took direct measures calculated to check any rise in price or conversely to force prices down. For instance, it frequently issued orders prohibiting cornering operation, and arrested merchants who violated these orders. It also issued decrees ordering the increased production of rape-seed oil, wax and other necessities of life, with a view to securing an increased

supply of these commodities in Edo. As emergency measures for forcing down prices, the Bakufu reduced, on the occasion of the Kyōhō Reform, the currency in circulation through the reminting of imperfect coins. In the Tempō Reform it ordered the dissolution of *kabunakama* 株仲間, as it looked upon these associations of merchants as organizations seeking to corner the market, and banned the monopoly business which was carried on by the various clans; though the latter prohibitory order was not strictly enforced. After the opening of ports to foreign trade in the Ansei era, when prices in Edo rose excessively because many important commodities were forwarded direct to Yokohama, the Bakufu took steps to reroute them to Edo.

Measures taken by the Bakufu to encourage thrift and to curb extravagance also deserve special note. Generally speaking, thrift was recommended not only in the Tokugawa era but in all periods of the *buke* Age 武家時代 (Age of Military Government) as a fundamental principle of life worthy of strict observance. It is hardly necessary to say that in the Tokugawa period especially, farmers were forced to practise strict economies. The Bakufu and all the clans, whose sources of revenue were rigidly fixed, found it necessary to practise thrift in order to make both ends meet. That the *samurai* generally, who had nothing but their regular stipends to live upon, had to live economically goes without saying.

On the other hand, *chonin* (merchants) could afford a mode of living which appeared luxurious to the authorities. In fact, luxurious habits were the rule throughout the *chonin* class. The decrees issued enjoining thrift on the *samurai* and common people were evidently aimed chiefly at the *chonin*. These orders were designed to prevent the spread of *chonin* extravagances among the *samurai* and farmers for fear that the standards of living of the ruling and producing classes might become economically impossible. In order to enforce the standards of a simple life among the populace, the Bakufu often prohibited the manufacture or

the sale of high-priced clothing, footgear, utensils, toys, etc. On the occasion of the Tempō Reform, more than eighty Edo merchants were arrested for dealing in costly articles. It was partly with a view to controlling extravagance that certain rich Edo and Osaka merchants, who were enjoying a luxurious mode of life at the time, were punished by the infliction of *kessho* (confiscation of property) in the Jōkyō and Genroku eras. Thrift was thus encouraged by the Bakufu not only as a means of improving its own financial position but as a general policy for regulating consumption on the one hand and prices on the other.

(4) The social policy. In order to gain a better understanding of the above-mentioned measures, a knowledge of the social policy pursued by the Bakufu is essential. From its inception, the Bakufu prohibited the perpetual sale of lands by farmers and restricted the subdivision of real estate. These steps were taken chiefly for the purpose of safeguarding the land economy basis of the feudal system from the danger of destruction implicit in a widening of the gulf between the richer and the poorer farmers. The Bakufu feared that if the gulf between these groups were allowed to widen, there might presently emerge a number of farmers so rich and powerful that they might conceivably defy its orders; while, on the other hand, the poorer farmers would not even be in a position to pay their taxes. As another measure for preventing an increase in the number of indigent peasants, the Bakufu encouraged the storing of cereals. The rice storage system was adopted by the Bakufu and the various clans to provide for lean years. In time of poor harvest or famine, much was done in the way of reliving the stricken people by supplying them with food and seed rice.

Poor relief measures were extended to the poverty-stricken class in the urban districts also, but even more noteworthy were the measures adopted for the relief of the poorer *samurai* whose economic difficulties were notorious. The most notable of these measures were the ones enacted on behalf of the poorer *hatamoto* 旗本 and *gokenin* 御家人,

retainers of the Bakufu. On the occasion of the Kansei and the Tempō Reforms, *kien* 棄捐 or the cancellation of the debts which these retainers owed to the *chonin* was officially announced. The *aitai-sumashi* 相對濟し decrees issued on several occasions after the second year of Jōkyō were equally effectual in bringing relief to this class. Under these decrees, the Bakufu refused to honour any law-suit claiming the payment of debts with interest, ordering that the parties directly interested should settle their dispute by compromise. Both *kien* and *aitai-sumashi* were, in a sense, measures designed to ensure a fairer distribution of wealth among the people; but a measure which had this objective even more clearly in view was a scheme adopted by certain clans to re-distribute lands, in other words, a policy of taking over estates held by wealthy farmers and subdividing them among a number of poor farmers. Among other measures worthy of note may be mentioned the *kessho*, by which the property of wealthy and extravagant merchants was confiscated; and a further method of levying forced loans on rich merchants.

As will be seen from the foregoing summary, the social policy had three aspects, namely, the attempt to prevent the widening of the gulf between the rich and the poor, the relief of people in distress and the restraint of merchants of great wealth; but its main objective was to maintain the feudal status of the populace. The repressive measures instigated against merchants who amassed enormous wealth as a result of the development of commodity economy deserves special attention in view of the fact that there was emerging an ever-closer relationship of interdependence between the feudal lords (including the Bakufu) and these merchants.

3. THE SYSTEM OF ECONOMIC POLICY

In the previous chapter, I have dealt with the main features of the economic policy in the Tokugawa period. Needless to say, the production policy—more especially the policy designed to increase the production of rice—formed

the pivot of the system. The significance of the population policy of the period and the policy of relief for poor farmers, which formed part of the social policy, can best be grasped when they are viewed in the light of this production policy. Those were the days of the so called *kometsukai no keizai* * 遣ひの經濟 (rice economy). The finances of the Bakufu and the feudal lords depended mainly on their revenues in rice, and the *samurai* also depended for their livelihood on the stipends which they received chiefly in rice. Since the economic power of the Bakufu and the feudal lords thus depended to a great extent on the quantity of rice which they could secure, they were naturally most eager to increase the production of this commodity.

Inasmuch, however, as currency economy and commodity economy were then making steady headway, the Bakufu could hardly afford to ignore this fact in shaping its policy. Moreover, as their finances, which were based directly on land economy, were becoming increasingly compromised in consequence of the development of this currency economy, the Bakufu and the feudal lords were obliged to devise measures which were designed partly to check and partly to take advantage of the situation. The price policy was an outstanding example of the measures adopted to check the development of currency economy. It was designed to regulate effectively the price of rice—a commodity of which the Bakufu, the feudal lords and the *samurai*, viz. the ruling classes under the feudal system, were the principal suppliers—and to check any rise in the prices of general commodities in so far as this was possible, in order to promote the stability of the finances of the Bakufu and the clans and ensure the livelihood of the *samurai* class, which were all based on land economy. As already pointed out, the foreign trade policy had some connection with this price policy. Subjectively, if not objectively, the motive was the maintenance of the existence of the Bakufu rather than the support of the national economy.

The forced loans levied upon rich merchants, to which

reference has already been made, implied, in a sense, the utilization of the currency economy by the Bakufu, but as the measure was really motivated by the desire to reduce the gulf between the rich and the poor, this measure, like the penalty of *kessho* inflicted on luxurious millionaires, may well be regarded as forming part of the general policy of repressing the rich merchants. The same motives explain the policy adopted by the Bakufu in regard to the *kabunakama* system. *Kabunakama* were organizations of merchants and artisans who, with the sanction and under the protection of the feudal lords concerned, monopolized business in their respective spheres. The fact that the feudal lords received *myogakin* 冥加金 or monetary contributions from the *kabunakama* in return for the grant of monopoly appears to give this measure the aspect of a policy designed to utilize the currency economy. However, since *kabunakama* was really a procedure adopted to check free competition in business, it actually operated to check the free development of currency economy.

More interesting perhaps than these measures was the policy adopted by the various clans of monopolizing the sale of certain provincial products. That these clans should not only participate in the distribution of commodities, an activity which ought to have been relegated to the merchants, but actually attempted to monopolize the profits from such commercial transactions may be regarded as a notable example of the positive utilization of the currency economy. For the carrying out of this policy, they were obliged to encourage provincial products. Thus, the local policy for the encouragement of provincial products was at once their production policy and the *raison d'être* of their distribution policy. While making strenuous efforts to maintain or increase the production of rice, all the clans strove earnestly to increase the production of other special agricultural products and the output of industrial goods made with these products, insofar as this policy did not interfere with the cultivation of the rice crop. Native products were encouraged by the Bakufu

also, but it did nothing beyond issuing orders to all clans and setting up model equipment. On the other hand, the clans devoted considerable energy to the execution of this policy, in view of its vital bearing upon their interests.

In short, measures devised to meet the needs of the land economy system constituted the nucleus of the economic policy of the Tokugawa period, while those measures evolved to meet the requirements of the currency economy should be regarded as subsidiary. Such was the economic policy of the period and this was in accord with the economic organization and the economic situation then prevailing. It may well be asked then what position was assured, under this system of economy, to the *chonin* class, who were most directly concerned with the operation of currency and commodity economy? From the early days of the Tokugawa era, they were regarded as an important group in actual practice, if not in popular esteem. It is on record that desiring to promote the prosperity of castle towns by their presence and activities, the Bakufu and the feudal lords remitted the land tax in such towns on behalf of the merchants and, in general, relieved them of all taxes on principle. This testifies to the importance which the Bakufu and the feudal lords attached to commerce. Notwithstanding the fact that trade was traditionally held in contempt as a lowly occupation, the situation became so altered that even feudal lords began to take part in this "despicable" commerce, necessarily utilizing and co-operating with the *chonin* in the circumstances. At the same time, however, they saw fit to take measures such as those already described in order to restrain the free activities of the *chonin*. In short, when viewing the economic policy of the Tokugawa era, and more especially that aspect of the policy which bore on currency economy, it is clear that special care was taken to utilize commerce and the *chonin* class by incorporating them into the feudal social organization. When the economic policy so conceived sought, on the one hand, to promote a relationship of mutual utilization and mutual reliance with

the *chonin*, and on the other to repress them, it does not necessarily mean that the policy was itself inconsistent. If there was any inconsistency in the economic policy under review, it was that, in defiance of the actuality of the steady development of currency economy, the authorities held stoutly to their attitude of reliance on the land economy and based their economic policy primarily on measures designed to support such a scheme.

However, as the change-over from a land economy to a currency economy basis meant the negation of the feudal social organization, it was impossible for the statesmen of the day, especially as they were imbued with the idea of scrupulous regard for all the rules laid down by the founders of the Bakufu, to encompass it. Consequently, the system of economic policy was organized in the manner described, and it need hardly be pointed out that the fundamental object in view was the maintenance of the existing feudal social organization. It may be remarked in passing that financial difficulties were, in most cases, the occasion for the elaboration of specific measures; for financial stability was, as a matter of fact, conducive to the maintenance of feudal power. Moreover the economic theory of the day stressed the fact that good government derived directly from rich financial resources and the abstention from exactions. Thus, the economic policy pursued was in effect also the financial policy of the day.

I have so far briefly described the system of the economic policy, but there are still two features deserving of mention. In the first place there is the difference between the Bakufu's economic policy and that of the various clans, and in the second the evolution in economic policy, which is apparent in the chronological view.

As to the first-mentioned point, I have already explained the difference between the domestic production encouragement policy adopted by the Bakufu and that pursued by the various clans. As regards the monopoly of the sale of local domestic products, it was a matter in which the Bakufu had

practically no concern. Indeed the Bakufu issued a decree prohibiting monopoly, on the occasion of the Tempō Reform, as one article of its price policy. As a matter of fact, the Bakufu evinced great enthusiasm over this price policy. With the regulation of prices in Edo chiefly in view, it laid down a price policy and enforced it throughout the country; though the various clans evidently followed the Bakufu's lead in this matter in a very perfunctory manner. The policy which restricted foreign trade was, needless to say, one initiated by the Bakufu, and in the matter of organizing *kabunakama* also, the Bakufu played a leading rôle. Although the Bakufu's economic policies and those of the various clans were essentially identical, and the objectives in general the same, yet some points of difference were nevertheless observable. Generally speaking, where the Bakufu, as a complementary policy, sought to check the development of currency economy, the various clans followed a policy designed to utilize it.

What led to this divergence? While the *tenryō* or domains under the direct control of the Bakufu were thrown open as free markets and the nation-wide economy developed around them, the Bakufu was in a position to control national economy. At the same time the various clans, as a rule, carried on their financial and economic life in their respective fiefs, independently of one another. This represents in brief the economic side of the so-called centralized feudal system, and it was due to this circumstance that the above-mentioned disparity arose as between the Bakufu's economic policies and those of the various clans. Notwithstanding the fact that the Bakufu's economic policy was nation-wide in the scope of its operation, it lagged somewhat behind the economic policy of the clans because of its negative nature, especially when viewed as a preparation for the capitalistic community which was about to develop.

Now, as to the evolution of economic policy, when viewed chronologically: the prohibition of the perpetual sale of lands and the restrictions on the subdivision of estates, which

formed part of the social policy, dated from the early days of the Tokugawa period, but it was only during the era of Kyōhō, when Yoshimune was Shogun, that measures falling under the category of production policy, such as the encouragement of agriculture, the encouragement of the reclamation of land for the cultivation of rice, and the encouragement of local domestic production took a very definite form. Among measures of distribution policy, the one relative to the creation of *kabunakama*, for example, was aimed chiefly at the extension of police control, when first adopted in the early days of the Tokugawa era, but by the time we reach the period known as the Tanuma régime, the chief aim was the revenue to be derived from *myogakin*, and to this end the formation of *kabunakama* was encouraged. As regards the monopoly systems initiated by the various clans, although the early phase of the Tokugawa period was not without some examples of this system, it was in the Kyōhō era and subsequently that much importance came to be attached to it. It was chiefly after the Bunka and Bunsei eras that this policy was introduced in many clans. The same thing may be said in regard to the price policy. It was after the Kyōhō era that the policy for the regulation of the price of rice was enforced in real earnest. It was also after the Kyōhō era that the need for the reduction of prices in general was strongly urged. Price policy may be said to have acquired increasing importance with the lapse of time. For instance, the price policy adopted in the Tempō Reform was incomparably more rigorous than the one adopted in connection with the Kyōhō and Kansei Reforms. In the closing days of the Tokugawa Shogunate, the Bakufu even planned the reduction of prices by means of a monopoly of distribution—a course on which it had once frowned.

On a general view, it may be said that it was during and subsequent to the Kyōhō era that economic policy was systematized in the manner already described. Although this economic policy was maintained down to the end of the Tokugawa Shogunate, there were variations in relative

importance particularly as between the specific and the more general measures. For instance, the Bakufu attached far greater importance to the maintenance of the farming population than to the encouragement of the reclamation of land for the cultivation of rice, and it also put special stress on price policy. On the other hand, in the provinces various clans devoted increasing energy to the monopolistic sale of provincial products. In short, the above-mentioned economic policy developed in conformity with the evolution of currency economy, and later it even appeared as though measures which were primarily regarded as complementary might assume a position of dominance within the system, superseding the principal measures. It is true that this alteration in priority did not actually take place, but the development of such a tendency indicates that the process of transition to the economic policy of the following age was already under way. In the closing days of the Tokugawa Shogunate, the economic policy of the new age was adumbrated by the adoption of western-style industries, in the initiation of an active form of foreign trade and in other ways.

4. CONCLUSION

In the foregoing chapters, I have described briefly the principal measures of economic policy pursued in the Tokugawa period and explained how these measures were systematized. Notwithstanding the fact that there were certain points of difference as between the measures adopted by the Bakufu and those adopted by the clans and that these measures in turn underwent certain changes in the process of time, the fact remains that measures based on land economy were invariably dominant throughout the system while those based on currency economy always occupied a secondary position. Needless to say, the fundamental aim of the policy was to maintain the feudal system intact though its avowed object was the strengthening of the finances of the Bakufu and the various clans.

This aspect of the policy was founded upon the ruling economic theory. Most economists of the period in question believed in the feudal system and their economic ideas naturally assumed the maintenance of this system. It was generally recognized by the scholars of the day that the development of currency economy and the increasing influence of the *chonin* who controlled this economy tended to imperil the feudal system. Consequently, the problem of coping with this situation formed one of the important subjects of discussion among these savants. Although it appears that all scholars readily recognized the fact that commerce was a useful instrument for supplying the needs of the populace, some of them, Hayashi Shihei and Yamagata Banto to particularize, held merchants in such contempt that they referred to them as parasitic beings. Miura Baien and Motoori Norinaga, while recognizing the general usefulness of the merchant class, urged the necessity of restricting their commercial transactions with a view to preventing profiteering and discouraging the growth of luxurious habits. At any rate, most economists were agreed in regarding commerce as a lowly occupation. Consequently, it was maintained that, instead of competing with merchants in the effort to secure commercial gains, the rulers should improve their finances by thrift and govern all classes with benevolence. At the other extreme, however, Dazai Shundai and Kaiho Seiryō urged that feudal lords should embark in commercial enterprises positively and seek to improve their financial position with the profits realized by this means.

Although opinions held by scholars on the subject of merchants and commerce differed widely, they may roughly be divided into two main groups—one body of opinion advocating the suppression of the merchants and their activities with a view to maintaining the existing social status, and the other favouring positive participation on the part of the rulers in commerce in order to improve their finances and thereby stabilizing their position. Kumazawa Banzan summed up the situation as follows: "Although money is a thing to

be despised, the rulers should not surrender money power to their inferiors. The masses consist of uncultured men and women, and the right to control them should rest with the rulers. The wise value virtue above wealth, but the right to control wealth should belong to those who are highly placed." That is to say, commerce and the merchant class should be incorporated into the feudal social organization and limited or utilized by the rulers through the channels of regularly constituted authority. It is hardly necessary to add that practically all economists regarded agriculture as the paramount industry and stressed the need of treating the farming population with consideration. It will thus be seen that the economic theories prevalent in the period in question were in harmony with the practical economic policies of the time.

As the economic outlook was generally speaking negative, practical economic policies followed the same pattern. That is to say, the thought uppermost in the minds of the authorities was the maintenance of the feudal social order. In their eagerness to improve the financial position, however, the rulers adopted measures which brought results quite contrary to the ideals of the prevalent economic theories, instances of this divergence being the collection of heavy taxes from the farmers and collusion with rich merchants. These facts show that it had become impossible for the emergent currency economy and the expanding commercial capital to be incorporated into the feudal social organization. In such circumstances, the need became pressing for the renovation of policy. The monopoly system introduced by the various clans and the policy for the encouragement of local domestic production related to it deserve special attention as measures which foreshadowed this alteration in policy.