

Recent Development of Capitalism in Japan

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Japan is a snug home of modern capitalism. The government of Japan has been very eager to make it so. It helped capitalism to grow, politically and financially, in every possible manner. Originally the government of modern Japan was established by the desperate efforts of the lower ranks of samurai (the hereditary soldiers in feudal Japan), mostly of two clans—Chosiu and Sassi. When they established the revolutionary government in 1868, after successfully overturning the feudal government at Yedo, now Tokyo, they repealed all laws of the feudal regime, declared freedom of occupation and of movement, and confiscated the land of the feudal lords (36), together with those of their chief—Tokugawa Dynasty. Thus the new government took away legal monopolies that were formerly conferred on private persons by the feudal government. All castes were said to be abolished and religious restrictions were done away with. It gave tenant farmers of feudal lords a full legal title to all the land they cultivated or used, without payment. The thus newly created land owner had only to pay a tax of 3 per cent. on the land value. The valuation of the land all over the country was based on the productive income of rice crop. Rice cost then \$1.75 a koku (1 koku is 4.9629 bushels). In this way the new revolutionary government obtained the confidence of the farmers. The government, moreover, promised the farmers that the land tax of 3 per cent. would soon be reduced to 1 per cent., a promise which was, however, never fulfilled. But the land owners have profited by the natural increase of land values and the increased incomes from the yield of land as a result of the general progress of the country.

Until the revolution of 1868 the farmers had been paying, in a form of rent in rice, 85 per cent. of the entire national expenses, but to-day the land owners pay only slightly over 12 per cent. of

the national budget, although they have been getting larger rice crops. From 24,449,000 koku in 1877 it increased gradually to 58,301,000 koku in 1916, while the price of rice increased in the same period from \$2.75 to \$10.00, an increase of 267 per cent. This being the case, farm lands have been rapidly capitalized and the price of land has been rising by leaps and bounds. An acre of paddy field costs as high as \$3,000. As a result small farmers are being driven into a corner, to sink once more into the class of tenant farmers, under the increasing exploitation of the capitalist land owners. The thirst for land is largely attributable to valuable political rights and privileges bestowed on the land owners.

In 1890 the imperial constitution was promulgated and the national parliament was opened in the same year. The constitution has many inviting provisions, such as freedom of press, thought and assembly, but conditioned by a clause—according to the law or within the law. It gives, however, to the Japanese capitalist class a practical monopoly of political rights and privileges upon which the firm foundation of Japanese capitalism is laid. Parliamentary suffrage rights are restricted by property and educational qualifications, thus practically limiting the franchise to the big land owners and capitalists.

With a population of sixty-five millions, there are in Japan only a million and a half voters. It follows that the two branches of the parliament are completely bourgeois. The lower house is dominated by the land owners and capitalists, the upper house is controlled by hereditary nobles and specially appointed bureaucrats, all conservative and reactionary. Both houses are the faithful servants of bureaucracy and capitalism, so that the ever-increasing national budget has been shifted always onto the shoulders of the working population (\$40,000,000 in 1893 and \$301,000,000 in 1917) by means of indirect taxes. At present nearly two-thirds of the national budget is raised by indirect taxes. In every conceivable way favoritism in legislation has been bestowed upon the rich people, at the expense of the vast toiling masses. The transportation tax is a particularly flagrant example of this fact. There is a tax on one sen ($\frac{1}{2}$ c) on street