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JAPANESE MONOGRAPHS

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- War and Armament Expenditures of Japan, by Giichi Ono.

WAR AND ARMAMENT TAXES
OF JAPAN

BY

USHISABURO KOBAYASHI, D. C. L.

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NOTE BY THE DIRECTOR

The plans of the Division of Economics and History of the Carnegie Endowment for International Peace have been transformed by the World War. Problems now calling for study transcend in importance those with which this Division has been dealing and material for research and record so far transcends any that was formerly available that it will demand almost exclusive attention for some years to come. A new world has evolved suddenly out of the world which we knew and the transformation extends to the foundations of government and of economic life.

The process of warfare itself is now so unlike that of former days that many military rules of the past have gone into the scrap basket. The late war ended when its deadliest tools had barely been brought into action. The peoples have fought as they had worked, by machinery, mechanical and chemical engines of destruction have decided the result and will decide in like manner the result of all wars of the future. Machine shops and chemical laboratories will so largely determine what armies shall win that fighting strength will be as much a matter of available capital and of science in applying it as of numbers of troops and strategy in directing them. It is safe to say that the death dealing arts and instruments will far surpass in destructiveness those which made the late war so deadly, and to a soldier of the future the order to march into a cloud of poisonous gas and a whirlwind of missiles will resemble an order to plunge into the rapids of Niagara. This is one central and obvious fact which the war has taught us and it has many corollaries, some of which have to do with the increased costs of war and the importance of the particular resources that make a nation powerful for offense and defense; but there are less conspicuous economic facts which are more fundamental, since they may determine where and when, if at all, wars shall hereafter occur.

Causes of warfare are always partly economic and those which incited the recent one were mainly so. The business plans of a powerful state reached to the ends of the earth

and so crossed and interlaced the claims of other states that some writers, then and afterwards, pronounced the war inevitable. If we assume a settled purpose on the part of such a state to encroach on the rights of others, we may say that it doubtless was inevitable. The victory of the defending countries has saved them from an immediate and intolerable domination, but it can not be taken as an assured fact that similar attempts will never again be made. The economic inducement continues and the means may at some time be forthcoming.

Within the several states war has democratized industry, giving to labor an increase of control—a change that if continued will entail momentous consequences; but still greater effects have been produced on the relations of states to each other. The world as a whole has changed more than its component parts and the new relation of the parts to one another is the critical element in the situation. The great increase in the economic functions of governments is one cause of this condition. Within the great international community in which the several states are units extensive economic functions have gravitated into the hands of governments and caused them to face each other as business rivals and to deal with each other in a multitude of ways in which the merely self-seeking policy of private business is intolerable. Power to invoke principles of justice and international law as interpreted by a competent court has become an indispensable means of allaying strife and this fact exalts to supreme importance the high court of nations which has just been established. It magnifies also the importance of the economic facts and principles with which the law itself will have to deal. It is not merely individual men or private corporations who now meet each other in the rough and tumble of a world-wide mart but states themselves, each representing its own population and seeking to foster its interests as a zealous and faithful agent. The chances of friction that are inherent in ordinary commerce inhere today in vast international transactions and will increase in the measure in which the intercourse grows. All this means a

great increase in incentives to warfare, on the one hand, and in the motives for preventing it, on the other. Private commerce unites more than it separates those who participate in it, and it remains to be seen whether international commerce will act in the same way; but, in view of what modern war means, the human race will deserve to perish, and much of it will probably do so, if the forces of strife are allowed to get the upper hand. Whether they will or not—whether the recent economic changes will tend to reduce warfare or to increase it—depends on the ability of nations to create and maintain the instrumentalities that in the new state of the world are necessary.

Certain it is that the feeling which prevails today, the world over, is not one of security. The dread of further war is greater than it was before 1914. In some areas war still prevails, in others peace is held by a precarious tenure and in all it can be firmly established only by conscious and intelligent action by the states themselves. Mere exhaustion holds war dogs temporarily in leash, but it will take more than that to tame them as they must be tamed if peace is to endure.

We here confront a wide difference between the several states in comparative desire for peace and disposition to maintain it. One portentous fact is the grim determination of Russian communists to extend their system by crude force from state to state. Bolshevism is government by the few and largely the bad masquerading as government for and by the people. In its mother country, Russia, the economic measure by which it began its career was confiscation of private wealth—in itself an ultra-democratic measure. If this had brought in a true communism, it would have been a ruthless and unjust measure for creating a peace-loving state. A just and orderly democratizing of industry in the several states would give new strength to the forces of peace, and it would be highly improbable that any state so influenced would try to extend its system over foreign countries by military invasion. Democracy, socialism, communism and bolshevism all appear in the aftermath of the war. The first of

them makes for future peace and so does even the conservative element in the second, while all else in the series means certainty of civil strife and danger of international war.

The fact that during the war governments had to take on innumerable functions that were formerly in private hands has lent an impetus to socialism and to the perverted growths that have accompanied it, and it has created a new international system the meaning of which is profoundly significant, though he who runs can not so easily read it. There are dangerous features in the system which the war evoked and, happily for mankind, there are available safeguards which were evoked with them and need to be retained if human effort can do it.

By a compulsion that there was no resisting, the war forced the nations of the Entente into economic cooperation with each other. Commissions centering finally in the Supreme Economic Council adjusted in a harmonious way questions that would otherwise have led to rivalry and conflicting action in purchasing war materials, securing ships, apportioning food, controlling railroads, financing the war and doing a multitude of other things with the one common purpose of victory. The special compulsion of the struggle is over, but it has left an aftermath of issues grave enough to make peace insecure unless something equivalent to the Supreme Economic Council survives in full efficiency. The agency that did so much to win the war can do so much to prevent another one, but to that end it will have to be guided by economic principles and it is a saving fact that these still survive. The war has not abolished the law of demand and supply, though governments may forget it. In the coming era they must build better than they now know. Economic knowledge must either go in advance of action and prevent disaster or follow action and be learned from disaster. Beyond computation is the importance of attaining the knowledge and using it when evil impends and prevention is possible.

JOHN BATES CLARK,

Director.

NEW YORK,

September 27, 1920.

PREFACE

For the actual compilation of this treatise we are indebted to Mr. Tamizô Kushida, a well-known student of economic subjects. The task involved a vast amount of investigation, facilitated in the main by the works of reference cited in the accompanying bibliography, and frequently complemented by material specially prepared and made accessible by the Finance Department.

The principal theme of the present work relates to the history of the Japanese war taxes. However, the work contains also an exposition of statistical analyses and their economic effects. The importance of affording European and American readers a brief knowledge of the history of Japanese taxation in general led the author to a continuous description of the facts and statistics relating thereto during those eventful years between 1868 and 1913, thus making the connection as clear as possible. In dealing with these facts and figures the writer must have met with serious difficulty, the distinction between war taxes and non-war taxes being very frequently vague. Similar difficulty presented itself in distinguishing the facts which stand in close touch with war taxes from those independent thereof.

The writer's endeavors resulted in bringing to light the following facts: Japanese war imposts have shown heavy increases from one period to another; until at present their proceeds represent nearly 65 per cent of the total revenue from taxation; before the war with China direct taxes had prevailed, whereas since that war indirect taxation has much increased, and at the present moment we see that direct taxes constitute 34 per cent and indirect taxes the remaining 66 per cent; as regards the distribution of public burden and the ensuing diversity in the enjoyment of political rights, we notice that in the beginning such direct taxes as those on land were dominant, and naturally the superior strength of the landowners and peasantry had to be reckoned with, but when subsequently such direct levies as those on trade and industry (the business tax, etc.) were introduced, the capital-owning

classes, commercial and industrial, began to hold up their heads beside the peasantry, and thenceforth these opposing classes have contended for economic supremacy. Increased imposts thereafter consisted in greater part of indirect taxes, which are partial to the direct interests of neither of the contending rivals. As the Japanese laborers are not yet organized into a social or political class, their burdens have consequently increased in rapid succession. Lastly, the author depicts the noteworthy fact that, economically speaking, national production has not been affected by the war taxation to any extraordinary extent, though in point of distribution the livelihood of smaller wage earners, especially the peasantry and laborers, has been appreciably impaired, for they bear a far heavier burden than is suited to them.

The characteristic feature of the present work lies in the social-political point of view, to which the author devoted his best efforts in the consideration of the consequences of war taxation, as well as in the collection of minute and highly instructive statistics regarding the conditions of income and livelihood of each specific social class.

The author's patient scholarship and great diligence seem to me to be deserving of the highest praise.

USHISABURO KOBAYASHI.

TOKYO, JAPAN,
April, 1916.

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EXPLANATORY TABLES

VALUE OF JAPANESE CURRENCIES

Japan adopted the gold standard system in 1871, but the inconvertible paper money became principal currency a few years later. In 1886 the paper money became convertible into silver and after that date the Japanese currency system was the silver standard *de facto*, until on October 1, 1897, the gold standard system was legally adopted. The figures necessary to ascertain the value of Japanese currencies are given below:

- (1) 1 gold *yen* (according to Coinage Law of 1871) contains 1.5 gramme pure gold.
- (2) 1 gold *yen* (according to Coinage Law of 1897) contains 0.75 gramme pure gold.
- (3) 1 silver *yen* contains 24.261 gramme pure silver.
- (4) The value of 1 silver *yen* in the English currency (according to the demand rate of exchange on London in the average of the year) is as follows:

s. d.		s. d.		s. d.	
1874.....	4.02.0	1882.....	3.08.8	1890.....	3.04.5
1875.....	4.00.8	1883.....	3.07.9	1891.....	2.02.6
1876.....	3.11.2	1884.....	3.07.9	1892.....	2.10.5
1877.....	3.11.7	1885.....	3.06.0	1893.....	2.06.7
1878.....	3.09.4	1886.....	3.03.2	1894.....	2.01.2
1879.....	3.08.0	1887.....	3.02.0	1895.....	2.01.3
1880.....	3.08.9	1888.....	3.01.0	1896.....	2.02.0
1881.....	3.08.4	1889.....	3.01.1	1897.....	2.00.4

- (5) The value of 1 *yen* of paper money in the English currency (calculated on the basis of the above mentioned exchange rate and the quotations of the silver price in the Tokyo Exchange in the average of the year) is as follows:

s. d.		s. d.		s. d.	
1877.....	3.10.1	1880.....	2.06.4	1883.....	2.10.7
1878.....	3.05.6	1881.....	2.02.1	1884.....	3.04.3
1879.....	3.09.3	1882.....	2.04.5	1885.....	3.03.7

- (6) 1 *ryō* (unit of value of the old currency system) was declared in the Coinage Law of 1871 to be equal to 1 *yen*.

CHRONOLOGICAL TABLE

Meiji	1st	1868 A. D.	Meiji	15th	1882 A. D.
"	2d	1869	"	16th	1883
"	3d	1870	"	17th	1884
"	4th	1871	"	18th	1885
"	5th	1872	"	19th	1886
"	6th	1873	"	20th	1887
"	7th	1874	"	21st	1888
"	8th	1875	"	22d	1889
"	9th	1876	"	23d	1890
"	10th	1877	"	24th	1891
"	11th	1878	"	25th	1892
"	12th	1879	"	26th	1893
"	13th	1880	"	27th	1894
"	14th	1881	"	28th	1895

CHRONOLOGICAL TABLE—(Continued)

Meiji 29th	1896 A. D.	Meiji 41st	1908 A. D.
" 30th	1897 "	" 42d	1909 "
" 31st	1898 "	" 43d	1910 "
" 32d	1899 "	" 44th	1911 "
" 33d	1900 "	" 45th	
" 34th	1901 "	Taisho 1st }	1912 "
" 35th	1902 "	" 2d	1913 "
" 36th	1903 "	" 3d	1914 "
" 37th	1904 "	" 4th	1915 "
" 38th	1905 "	" 5th	1916 "
" 39th	1906 "	" 6th	1917 "
" 40th	1907 "		

WEIGHTS, MEASURES AND MONEY

With English, American, French and German Equivalents

Japan	Great Britain	U. S. of America	France	Germany
<i>Ri</i> = 36 <i>Chō</i> = 2,160 <i>Ken</i> = 12,960 <i>Shaku</i>	{ 2.44030 Miles	2.44029 Miles	3.92727 Kiloms.	3.92727 Kiloms.
<i>Ri</i> (Marine)	{ 1.15152 Miles	1.15151 Miles	1.85318 Kiloms.	1.85318 Kiloms.
Square <i>Ri</i>	{ 5.95505 Sq. Miles	5.95501 Sq. Miles	15.42347 Km. Carrés	15.42347 Quadrat Km.
<i>Cho</i> = 10 <i>Tan</i> = 100 <i>Se</i> = 3,000 <i>Bu</i>	{ 2.45064 Acres	2.45062 Acres	99.17355 Ares	99.17355 Ar.
<i>Tsubo</i> = 10 <i>Gō</i> = 100 <i>Shaku</i>	{ 3.95369 Sq. Yards	3.95367 Sq. Yards	3.30579 Centiares.	3.30579 Quadratm.
<i>Koku</i> = 10 <i>To</i> = 100 <i>Shō</i> = 1,000 <i>Gō</i> = 10,000 <i>Shaku</i>	{ 4.96005 Bushels	{ 47.65389 Gallons (Liq.) 5.11902 Bushels (Dry)	1.80391 Hectolitres	1.80391 Hectolitres
<i>Koku</i> (Capacity of ship)	{ 1/10 of one Ton	1/10 of one Ton	1/10 de Tonne	1/10 Tonne
<i>Kwan</i> = 1,000 <i>Momme</i> = 10,000 <i>Fun</i> = 100,000 <i>Rin</i>	{ 8.26733 lbs. (Avoir.) 10.04711 lbs. (Troy)	8.26733 lbs. (Avoir.) 10.04711 lbs. (Troy)	3.75000 Kilogs.	3.75000 Kilogs.
<i>Kin</i> = 160 <i>Momme</i>	{ 1.32277 lbs. (Avoir.) 1.60754 lbs. (Troy)	1.32277 lbs. (Avoir.) 1.60754 lbs. (Troy)	0.60000 Kilogs.	0.60000 Kilogs.
<i>Yen</i> = 100 <i>Sen</i> = 1,000 <i>Rin</i> = 10,000 <i>Mō</i>	{ 2.0.582 s. d.	0.4984 Dollar	2.583 Francs	2.0924 Marks

CONTENTS

PART I—HISTORICAL SURVEY OF TAXES FOR WAR AND ARMAMENT	
CHAPTER	PAGE
I Introduction	3
II From the Restoration to the Satsuma Rebellion..	8
III From the Satsuma Rebellion to the Sino-Japanese War	13
IV From the Sino-Japanese War to the Russo-Japanese War	22
V From the Russo-Japanese War to the Present Time	29
VI Conclusion	42
PART II—ECONOMIC EFFECTS OF TAXES FOR WAR AND ARMAMENT	
I Introduction	47
II An Analytical Study of the Economic Effects of Taxes	48
III A Synthetic Study of the Economic Effects of War Taxes	117
IV Effects of War Taxation on Finance	133
V Conclusion	147
APPENDIX A.—Statistical Tables	154
APPENDIX B.—Recent Problems relating to Indirect Taxes, especially Excises	203
INDEX	251

APPENDIX A
STATISTICAL TABLES

No. I (a).—REVENUE FROM WAR TAXES AS CONTRASTED WITH TOTAL REVENUE FROM TAXATION, 1867-1877*

Items	First Period (Dec., 1867- Dec., 1868)	Second Period (Jan., 1869- Sept., 1869)	Third Period (Sept., 1869- Oct., 1870)	Fourth Period (Oct., 1870- Sept., 1871)	Fifth Period (Oct., 1871- Dec., 1872)	Sixth Period (Jan., 1873- Dec., 1873)	Seventh Period (Jan., 1874- Dec., 1874)	Eighth Period (Jan., 1875- June, 1875)	1875-6	1876-7	Total
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen
Land tax.....	2,009,014	3,355,964	8,218,969	11,340,984	20,051,917	60,604,242	59,412,429	67,717,947	50,345,328	43,023,426	326,080,220
Sundry taxes on open towns and ports.....	101,734	94,004	155,647	142,655	33,644	136,968	76,570	45,535	2,774	....	789,531
Anchorage.....	....	....	....	....	....	8,944	67,344	74,925	28,021	....	179,234
Toll on servitude of rivers.....	919	....	101,988	53,866	92,194	134,304	145,613	312,477	....	....	841,361
Tax on silkworms and raw silk.....	....	....	95,223	29,522	103,279	325,440	230,700	236,227	110,245	121,224	1,251,860
Stamp duties on raw silk and cocoons.....	....	....	....	....	....	35,176	49,771	17,120	27,191	31,457	151,724
Royalties and miscellaneous taxes Tributes from Ryukyuu.....	324,777	446,531	103,684	213,376	188,544	422,726	1,204,175	1,450,288	....	....	4,354,101
Kanrokuzai.....	....	....	....	....	....	43,584	21,908	61,745	48,190	36,945	212,372
Tax on hereditary stipends.....	....	....	....	....	....	....	59,581	....	92,621	76,881	203,247
Mining tax.....	....	....	....	....	....	....	....	2,949,839	2,075,118	2,130,187	7,155,144
Sake tax.....	....	....	....	....	16,208	961,031	1,683,530	1,310,381	2,555,595	1,911,639	8,438,384
Tax on marine products of Hok- kaido.....	....	....	....	....	....	....	....	....	....	342,526	727,110
Postage.....	....	....	....	....	17,960	88,887	188,071	599,971	583,267	689,229	2,167,385
Stamp duty on instruments.....	....	....	....	....	....	319,302	291,879	395,316	498,228	434,155	1,938,880
Proceeds from litigation papers.....	....	....	....	....	....	....	....	....	63,463	80,174	143,637
Copyright license fees.....	....	....	....	....	....	....	....	....	5,198	2,459	7,657
Attorneys' license fees.....	....	....	....	....	....	....	....	....	....	4,420	4,670
Passport fees.....	....	....	....	....	....	....	....	....	2,774	5,741	8,515
Shooting tax.....	....	....	....	....	....	7,841	45,992	36,409	46,921	46,631	183,794
License tax on ox and horse trad- ing.....	....	....	....	....	....	64,488	70,345	6,225	90,833	60,899	292,790
Tax on servants, carriage horses, palanquins and pleasure boats.....	....	....	....	....	....	19,420	70,193	52,575	....	....	142,188
Shipmoney.....	....	....	....	....	7,803	83,123	125,677	12,336	12,336	128,515	369,790
Tax on vehicles.....	....	....	....	....	....	....	....	....	213,193	234,902	448,095
Tax on weights and measures.....	....	....	....	....	....	....	....	....	2,020	2,720	4,740
Tax on patent medicines.....	....	....	....	....	....	....	....	....	....	28,455	28,455
Tax on tobacco.....	....	....	....	....	....	....	....	....	206,748	244,149	450,897
Tax on pressed oil.....	....	....	....	....	1,994	73,242	66,134	6,297	....	....	147,667
Customs duties.....	720,867	502,817	648,453	1,071,631	1,331,560	1,685,975	1,498,258	1,038,104	1,718,733	1,988,668	12,205,066
Provincial assessments on the clans.....	73,377	79,137	378,093	1,461,064	693,815	108,871	....	....	....	....	2,794,357
Total.....	3,230,688	4,478,453	9,702,057	14,313,098	22,538,918	65,123,564	65,299,170	76,432,382	59,079,004	51,676,363	371,873,697
Military taxes (armaments).....	73,377	79,137	378,093	1,461,064	693,815	108,871	....	2,949,839	2,075,118	2,130,187	9,949,501
Ratio of military taxes to total revenue from taxation, exclud- ing seventh period.....	Per cent 2.3	Per cent 1.8	Per cent 3.9	Per cent 10.3	Per cent 3.1	Per cent .17	Per cent	Per cent 3.9	Per cent 4.1	Per cent 3.3	Per cent 3.3

* The average annual revenue from war taxes is obtained by averaging eight consecutive years.

STATISTICAL TABLES

155

No. I (b).—REVENUE FROM WAR TAXES AS CONTRASTED WITH TOTAL REVENUE FROM TAXATION, 1877-1894

Items	1877-8	1878-9	1879-80	1880-1	1881-2	1882-3	1883-4	1884-5	1885-6
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen
Land tax.....	39,450,551	40,454,714	42,112,648	42,346,181	43,274,032	43,342,188	43,537,649	43,425,996	43,033,679
Income tax.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Stamp duty on cards of silkworm eggs.....	170,618	.....	.....	.....	.....	.....	.....	.....	.....
Tributes from Ryukyu.....	42,815	51,394	.....	.....	.....	.....	.....	.....	.....
Kanryokusei.....	70,596	77,285	40,054	.....	.....	.....	.....	.....	.....
Mining tax.....	9,339	10,610	12,073	12,990	26,631	18,806	14,816	13,501	18,346
Tax on national banks.....	.....	186,308	237,331	240,720	240,778	239,868	229,083	23,850	110,925
Sake tax.....	3,050,318	5,100,063	6,463,894	5,520,335	10,646,163	16,329,624	13,490,730	14,068,132	10,530,465
Export duty on sake for Okinawa Prefecture.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Business tax on barm.....	.....	.....	.....	66,550	56,796	47,200	32,100	28,510	27,410
Soy tax.....	.....	.....	.....	.....	.....	.....	.....	.....	640,179
Tax on marine products of Hokkaido.....	361,121	509,595	813,416	899,087	817,837	864,712	559,195	501,443	554,778
Stamp duty on instruments.....	505,625	588,094	695,588	809,260	885,826	872,794	671,180	678,991	435,805
Proceeds from litigation papers.....	76,482	78,855	89,330	93,441	116,597	166,016	304,457	399,977	273,806
Copyright license fees.....	3,378	3,830	3,997	3,311	3,703	4,376	4,379	4,711	2,987
Trade-mark registration fees.....	.....	.....	.....	.....	.....	.....	.....	.....	6,975
Fee on monopolies.....	.....	.....	.....	.....	.....	.....	.....	.....	2,820
Attorneys' license fees.....	7,400	5,440	10,460	8,510	10,120	10,270	10,300	10,600	7,630
Passport fees.....	4,818	3,345	9,955	7,795	7,937	4,045	23,060	28,797	19,315
Shooting-license fees.....	42,405	48,538	63,980	79,259	90,314	85,892	68,851	56,215	50,018
License tax on ox and horse trading.....	62,339	68,200	75,821	84,202	88,437	87,720	80,285	72,490	66,130
Shipmoney.....	133,119	194,738	133,589	134,658	135,289	133,418	218,040	230,435	238,334
Tax on vehicles.....	261,859	289,134	335,940	379,486	428,211	453,869	462,088	478,512	484,029
Tax on weights and measures.....	1,977	2,801	3,295	3,719	3,299	11,429	1,665	1,663	869
Postage.....	809,856	948,900	1,167,953	1,423,728	1,659,680	1,612,985	2,273,467	2,418,701	1,599,255
Tax on Rice Exchange.....	.....	201,831	241,762	58,170	210,262	95,966	13,270	15,472	69,786
Tax on brokers in Rice Exchange.....	.....	.....	.....	.....	.....	36,497	259,741	327,811	156,797
Tax on Stock Exchange.....	.....	7,306	11,139	35,388	45,184	40,701	4,360	3,672	10,092
Tax on brokers in Stock Exchange.....	.....	.....	.....	.....	.....	16,943	68,778	66,462	7,028
Tax on German Silver Exchange.....	.....	4,373	14,378	.....	.....	89,306	89,628	83,244	74,862
Business tax on patent medicines.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Stamp duty on patent medicines.....	.....	.....	.....	.....	.....	275,637	405,813	280,345	207,266
Fee on patent-medicine licenses.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Business tax on tobacco.....	181,978	200,392	214,124	225,816	225,687	231,037	364,957	321,126	268,098
Stamp duty on tobacco.....	45,103	74,140	55,451	67,065	50,645	49,813	1,789,254	973,189	636,988
Tax on licenses.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Old taxes collected.....	1,397	11,304	2,763	900	548	4,428	1,295	7,629	637
Confectionery tax.....	.....	.....	.....	.....	.....	.....	.....	.....	437,893
Customs duties.....	2,358,654	2,351,635	2,691,205	2,624,177	2,569,666	2,613,291	2,681,321	2,750,165	2,085,250
Total revenue from taxation.....	47,660,748	51,472,834	55,499,846	55,184,748	61,593,552	67,745,731	67,659,762	67,275,809	62,058,542
Military taxes.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Tax on sake manufacture.....	.....	.....	.....	.....	.....	.....	3,000,000	3,000,000	3,000,000
Soy tax.....	.....	.....	.....	.....	.....	.....	.....	.....	670,149
Confectionery tax.....	.....	.....	.....	.....	.....	.....	.....	.....	437,893
Total.....	.....	.....	.....	.....	.....	.....	3,000,000	3,000,000	4,078,072
Ratio of military taxes to total revenue from taxation, 1883-84.....	.....	.....	.....	.....	.....	.....	Per cent 4.4	Per cent 4.5	Per cent 7.8

No. I (b).—REVENUE FROM WAR TAXES AS CONTRASTED WITH TOTAL REVENUE FROM TAXATION, 1877-1894—Continued

Items	1886-7	1887-8	1888-9	1889-90	1890-1	1891-2	1892-3	1893-4	Total
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen
Land tax.....	43,282,477	42,152,172	34,650,528	42,161,328	40,084,468	37,457,500	37,925,243	38,808,680	607,500,034
Income tax.....	.....	527,724	1,066,895	1,052,982	1,092,378	1,110,554	1,132,259	1,238,763	7,221,555
Stamp duty on cards of silkworm eggs.....	.....	.....	.....	.....	.....	.....	.....	.....	179,618
Tributes from Ryukyu.....	.....	.....	.....	.....	.....	.....	.....	.....	94,209
Kamokusei.....	.....	.....	.....	.....	.....	.....	.....	.....	187,935
Mining tax.....	.....	.....	.....	95,579	.....	.....	134,033	178,869	545,593
Tax on national banks.....	221,850	221,850	221,850	221,850	221,850	221,850	221,850	220,730	3,282,543
Sake tax.....	11,743,778	13,069,808	17,063,801	16,439,720	13,912,126	14,686,920	15,812,888	16,637,436	204,566,201
Export duty on sake for Okinawa Prefecture.....	.....	.....	2,110	11,093	14,900	14,814	12,380	17,834	73,131
Business tax on barm.....	25,360	26,122	27,234	28,322	30,210	31,698	32,648	31,860	492,020
Soy tax.....	1,188,413	1,252,721	1,359,986	1,288,078	1,210,575	1,254,106	1,278,011	1,332,793	10,804,862
Tax on marine products of Hokkaido.....	611,400	220,273	218,775	215,101	223,406	219,086	303,656	303,769	8,196,650
Stamp duty on instruments.....	587,625	564,306	13,411	18,161	23,321	25,652	25,669	38,951	7,500,259
Proceeds from litigation papers.....	334,969	313,929	320,251	.....	.....	.....	.....	.....	2,569,010
Copyright license fees.....	.....	.....	.....	.....	.....	.....	.....	.....	34,372
Trade-mark registration fees.....	.....	.....	.....	.....	.....	.....	.....	.....	11,145
Fee on monopolies.....	.....	.....	.....	.....	.....	.....	.....	.....	2,820
Attorneys' license fees.....	.....	.....	.....	.....	.....	.....	.....	.....	80,730
Passport fees.....	.....	.....	.....	.....	.....	.....	.....	.....	109,067
Shooting-license fees.....	48,459	57,551	72,480	91,942	96,573	101,990	19,172	.....	1,073,639
License tax on ox and horse-trading.....	64,969	69,379	72,184	74,035	73,738	73,078	73,408	75,432	1,261,847
Shimoney.....	350,469	259,945	270,468	280,330	282,520	278,373	276,915	275,701	3,226,351
Tax on vehicles.....	531,103	577,399	611,366	648,096	664,229	682,812	729,634	773,948	8,791,706
Tax on weights and measures.....	2,002	2,476	2,583	2,483	2,564	2,165	3,041	.....	48,031
Postage.....	.....	.....	.....	.....	.....	.....	.....	.....	13,914,528
Tax on Rice Exchange.....	180,765	92,005	87,077	140,317	221,850	188,751	166,197	92,986	2,076,467
Tax on brokers in Rice Exchange.....	.....	.....	.....	.....	.....	.....	.....	.....	780,846
Tax on Stock Exchange.....	88,346	97,757	85,971	79,074	46,467	41,604	57,615	100,111	760,787
Tax on brokers in Stock Exchange.....	.....	.....	.....	.....	.....	.....	.....	.....	159,211
Tax on German Silver Exchange.....	.....	.....	.....	.....	.....	.....	.....	.....	18,751
Business tax on patent medicines.....	73,428	71,952	73,256	77,319	81,056	83,999	88,801	94,074	980,925
Stamp duty on patent medicines.....	363,061	350,635	377,151	406,411	416,430	432,400	500,415	542,359	4,557,923
Fee on patent-medicine licenses.....	2,168	1,447	1,306	1,425	1,491	1,541	.....	.....	9,378
Business tax on tobacco.....	250,672	270,838	280,538	308,330	314,420	317,225	327,665	356,225	4,658,834
Stamp duty on tobacco.....	979,844	1,313,766	1,619,288	1,666,782	1,493,332	1,474,989	1,833,984	2,284,125	16,497,758
Tax on licenses.....	5,297	6,148	7,516	6,722	6,281	5,923	.....	.....	37,887
Old taxes collected.....	394	4,771	5,821	54	.....	.....	.....	.....	41,941
Confectionery tax.....	544,901	595,738	628,323	647,033	662,647	614,192	587,001	593,809	5,311,537
Customs duties.....	2,989,686	4,135,652	4,615,494	4,728,023	4,392,566	4,539,687	4,991,524	5,125,372	58,443,368
Total revenue from taxation.....	64,471,436	66,256,346	63,755,663	70,690,296	65,569,408	63,860,999	66,534,009	69,123,827	1,066,413,466
Military taxes.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Tax on sake manufacture.....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	33,000,000
Soy tax.....	1,188,413	1,252,721	1,359,986	1,288,078	1,210,575	1,254,106	1,278,011	1,332,793	10,804,862
Confectionery tax.....	544,901	595,738	628,323	647,033	662,647	614,192	587,001	593,809	5,311,537
Total.....	4,733,314	4,848,459	4,988,309	4,935,111	4,873,222	4,868,298	4,865,012	4,926,602	49,116,399
Ratio of military taxes to total revenue from taxation, 1883-1894.....	Per cent 7.4	Per cent 7.3	Per cent 7.7	Per cent 6.9	Per cent 7.4	Per cent 7.6	Per cent 7.2	Per cent 7.0	Per cent 6.8

STATISTICAL TABLES

157

No. I (c).—REVENUE FROM WAR TAXES AS CONTRASTED WITH TOTAL REVENUE FROM TAXATION, 1894-1904

Items	1894-5	1895-6	1896-7	1897-8	1898-9	1899-1900
	Yen	Yen	Yen	Yen	Yen	Yen
Land tax	39,201,495	8,592,868	37,640,283	37,964,727	38,440,976	44,861,082
Income tax	1,353,518	1,497,095	1,810,221	2,095,092	2,351,420	4,837,320
Business tax	.....	.....	52	4,416,249	5,478,020	5,507,147
Mining tax	241,418	247,061	335,502	421,381	507,992	605,948
Tax on national banks	220,730	220,730	216,628	109,531	21,616	32
Tax on convertible bank notes	6,966	408,662	926,240	560,975	1,255,610	846,582
Tax on excess note issue	6,966	408,662	926,240	560,975	1,255,610	176,431
Sake tax	16,130,471	17,748,735	19,476,512	31,105,172	32,959,857	48,018,423
Export duty on sake for Okinawa Prefecture	25,186	19,848	35,109	56,831	72,616	81,572
Business tax on spirits	7,080	10,034	9,646	15,331	19,720	9,243
Business tax on barn	32,110	30,686	.....	.....	.....	.....
Soy tax	1,382,879	1,463,073	1,534,022	1,532,101	1,535,543	2,453,392
Tax on marine products of Hokkaido	301,925	301,344	301,522	359,289	353,188	357,611
Stamp duty on instruments	46,667	63,323	95,103	124,540	154,366	60,745
License tax on ox and horse trading	75,432	79,537	41,369	.....	.....	.....
Ship money	281,525	291,350	152,087	9	10	.....
Tax on vehicles	811,932	861,951	409,419	.....	.....	.....
Bourse tax	587,691	780,311	1,001,173	1,106,208	856,036	1,177,040
Tax on patent medicines	670,133	777,613	881,604	982,381	1,061,438	113,525
Tax on tobacco	2,680,468	2,740,774	2,977,630	4,935,173	2,120,555	.....
Confectionery tax	637,626	689,133	546,136	.....	.....	.....
Old taxes collected	.....	.....	.....	19,788	145	678
Sugar excise	.....	.....	.....	.....	.....	240,323
Tonnage dues	.....	.....	.....	.....	.....	15,936,399
Customs duties	5,755,456	6,785,640	6,728,323	8,020,513	9,092,592	.....
Total	70,546,774	74,018,430	76,104,911	94,386,266	97,597,310	126,184,044
Stamp receipts	.....	.....	5,377,049	5,970,689	6,163,011	11,942,825
Leaf-tobacco monopoly profits	.....	.....	.....	292,142	5,145,999	7,559,534
Total revenue from taxation	70,546,774	74,018,430	81,481,960	100,649,097	108,906,320	145,686,403

No. I (c).—REVENUE FROM WAR TAXES AS CONTRASTED WITH TOTAL REVENUE FROM TAXATION, 1894-1904—Continued

Items	1900-1	1901-2	1902-3	1903-4	Total
	Yen	Yen	Yen	Yen	Yen
Land tax.....	46,717,797	46,666,494	46,505,391	46,873,086	423,554,199
Income tax.....	6,368,039	6,836,890	7,460,692	8,247,177	42,857,464
Business tax.....	6,051,515	6,481,045	6,777,047	7,049,251	41,760,326
Mining tax.....	624,248	727,622	762,632	801,983	5,335,787
Tax on national banks.....	.....	.....	.....	.....	789,327
Tax on convertible bank notes.....	1,404,794	1,693,599	1,120,895	823,603	9,047,926
Tax on excess note issue.....	259,378	539,783	106,706	.....	4,240,751
Sake tax.....	50,293,651	58,017,368	63,738,010	52,821,748	391,209,947
Export duty on sake for Okinawa Prefecture.....	156,834	117,496	185,955	306,336	1,057,873
Business tax on spirits.....	.....	.....	.....	.....	71,054
Business tax on barm.....	.....	.....	.....	.....	62,796
Soy tax.....	3,153,893	3,464,025	3,555,229	3,544,528	23,618,685
Tax on marine products of Hokkaido.....	.....	.....	.....	.....	1,974,879
Stamp duty on instruments.....	.....	.....	.....	.....	544,744
License tax on ox and horse trading.....	.....	.....	.....	.....	196,338
Ship money.....	.....	.....	.....	.....	724,681
Tax on vehicles.....	.....	.....	.....	.....	2,122,402
Bourse tax.....	1,228,461	836,397	814,083	811,580	9,108,080
Tax on patent medicines.....	27,799	121,953	125,350	130,164	4,894,160
Tax on tobacco.....	.....	.....	.....	.....	15,454,600
Confectionery tax.....	.....	.....	.....	.....	1,872,895
Old taxes collected.....	.....	.....	.....	.....	20,611
Sugar excise.....	.....	612,344	4,145,773	6,942,969	11,701,086
Tonnage dues.....	336,352	361,098	387,488	430,530	1,755,791
Customs duties.....	17,015,140	13,645,125	15,501,469	17,378,303	115,859,451
Total.....	133,637,901	140,121,239	151,186,920	146,161,258	1,109,945,053
Stamp receipts.....	12,289,237	12,274,704	13,847,953	14,169,480	82,034,948
Leaf-tobacco monopoly profits.....	7,244,159	10,866,700	12,367,569	15,171,804	58,047,907
Total revenue from taxation.....	153,171,297	163,262,643	177,402,442	175,502,542	1,250,627,908
Military taxes					
Sake tax.....	.....	.....	5,166,617	5,166,617	10,333,234
Beer tax.....	.....	94,040	637,122	653,433	1,384,595
Sugar tax.....	.....	612,344	4,145,773	6,942,969	11,701,086
Customs duties.....	.....	.....	1,870,654	1,870,654	3,741,308
Increased receipts from leaf-tobacco monopoly.....	.....	3,622,541	4,255,841	4,255,841	12,134,223
Total.....	.....	4,328,925	16,076,007	18,889,514	39,294,446
Ratio of military taxes to total revenue from taxation, 1901-1904.....	.....	Per cent 2.7	Per cent 9.1	Per cent 10.8	Per cent 7.8

STATISTICAL TABLES

No. I (d).—REVENUE FROM WAR TAXES AS CONTRASTED WITH TOTAL REVENUE FROM TAXATION, 1903-1913^a

Items	1903-4	1904-5	1905-6	1906-7	1907-8 ^b	1908-9
	Yen	Yen	Yen	Yen	Yen	Yen
Land tax.....	46,873,086	60,039,781	80,473,022	84,637,408	84,973,027	85,418,391
Income tax.....	8,247,177	14,309,933	23,278,377	26,348,739	27,291,875	32,144,098
Business tax.....	7,049,251	12,601,542	18,784,656	19,770,159	20,383,940	23,574,427
Mining tax.....	998,593	1,692,593	1,692,108	1,928,152	2,173,555	1,998,143
Tax on convertible bank notes.....	823,603	1,906,234	2,472,089	1,692,285	3,329,916	1,775,465
Sake tax.....	52,821,748	58,286,011	59,099,293	71,100,004	78,406,323	83,590,684
Export duty on sake for Okinawa Prefecture.....	306,336	465,591	476,849	471,979	513,101	185,522
Soy tax.....	12,520,322	4,244,239	4,408,468	4,766,900	5,471,691	4,859,425
Bourse tax.....	811,580	880,277	2,241,098	4,679,831	3,154,929	2,410,794
Tax on patent medicines.....	130,164	167,306	197,856	204,780	.....	.....
Business tax on patent medicines.....	.....	.....	.....	.....	214,023	224,691
Salt tax.....	.....	.....	481,359	.....	.....	.....
Sugar excise.....	6,942,969	8,362,894	11,348,317	16,156,704	16,178,234	19,684,318
Textile-fabric excise.....	.....	4,423,766	5,319,899	5,037,515	19,114,902	19,316,736
Petroleum excise.....	.....	1,882,983	.....	.....	53,078	1,689,161
Traveling tax.....	.....	344,305	2,211,869	2,463,801	2,773,559	2,851,071
Succession tax.....	.....	.....	629,684	1,408,425	1,822,297	2,446,948
Old taxes collected.....	.....	.....	230	832	.....	883
Customs duties.....	17,378,393	23,159,731	36,757,382	41,853,533	50,027,305	40,667,807
Tonnage dues.....	430,530	465,066	538,435	580,581	610,458	583,008
Total.....	155,137,052	193,407,652	250,411,081	283,106,279	316,496,516	322,821,572
Stamp receipts.....	17,226,439	17,226,439	30,267,758	34,260,448	25,155,994	22,853,222
Monopoly profit.....	15,171,804	27,462,007	33,602,058	32,574,484	35,607,902	52,571,213
Total revenue from taxation.....	184,478,336	238,186,098	314,280,897	349,941,211	377,260,412	398,246,007
Military taxes						
Land tax.....	.....	23,893,145	46,249,200	49,920,982	49,920,982	49,920,982
Income tax.....	.....	5,600,129	13,409,816	15,447,150	15,447,150	15,447,150
Business tax.....	.....	5,154,609	11,273,816	11,867,276	11,867,276	11,867,276
Succession tax.....	.....	.....	629,684	1,406,650	1,822,297	2,446,948
Mining tax.....	.....	86,484	755,756	712,991	712,991	712,991
Business tax on patent medicines.....	.....	.....	74,655	80,867	80,867	80,867
Traveling tax.....	.....	232,682	1,190,547	2,339,915	2,339,915	2,339,915
Stamp receipts.....	.....	2,997,767	18,330,939	19,827,936	19,827,936	19,827,936
Sake tax.....	.....	160,855	6,442,997	8,276,263	8,276,263	9,276,262
Soy tax.....	.....	1,383,811	1,716,753	1,717,958	1,717,958	1,717,958
Sugar excise.....	.....	1,936,763	6,706,131	9,997,350	9,997,350	12,857,046
Textile-fabric excise.....	.....	4,423,767	5,319,898	5,036,715	19,114,902	19,316,736
Petroleum excise.....	.....	1,882,983	.....	.....	53,078	1,689,161
Export duty on sake for Okinawa Prefecture.....	.....	12,619	38,147	.....	.....	.....
Customs duty.....	.....	2,413,999	12,174,384	17,781,713	17,781,713	17,781,713
Salt-monopoly receipts.....	.....	.....	11,998,012	23,227,961	23,227,961	23,227,961
Salt tax.....	.....	.....	481,359	.....	.....	.....
Tobacco-monopoly profits.....	.....	8,929,793	15,157,888	14,679,794	14,679,794	14,679,794
Total.....	.....	59,178,406	154,091,850	184,839,426	199,641,933	206,041,767
Ratio of military taxes to total revenue from taxation.....	.....	Per cent 25	Per cent 49	Per cent 53	Per cent 53	Per cent 52

^a The figures for the new taxes are taken from the settled accounts, while those for the increased taxes are from the estimates, except those for the fiscal years from 1904-5 to 1906-7, which are based upon the settled accounts.

^b For the increased taxes subsequent to 1907-8, for which the budget estimates can not be ascertained, the figures given are calculated on the basis of

No. I (d).—REVENUE FROM WAR TAXES AS CONTRASTED WITH TOTAL REVENUE FROM TAXATION, 1903-1913—Continued

Items	1909-10	1910-11	1911-12	1912-13	Total
	Yen	Yen	Yen	Yen	Yen
Land tax	85,603,955	76,291,796	74,936,085	75,365,393	755,602,934
Income tax	32,800,432	31,722,257	34,755,746	38,933,497	269,892,131
Business tax	25,112,330	25,756,844	24,598,612	26,021,802	203,653,563
Mining tax	2,007,973	2,167,646	2,238,072	2,620,144	18,626,369
Tax on convertible bank notes	720,140	815,958	1,388,160	1,658,023	16,581,873
Sake tax	91,480,101	86,701,144	86,032,832	93,861,587	761,379,727
Export duty on sake for Okinawa Prefecture	124,772	70,288	74,843	38,116	2,727,397
Soy tax	4,731,800	4,680,902	4,828,316	4,902,959	55,418,022
Bourse tax	3,657,500	3,617,584	4,799,625	4,759,434	31,009,652
Tax on patent medicines					2,099,079
Business tax on patent medicines	232,166	233,314	244,309	250,470	481,359
Salt tax					140,622,315
Sugar excise	13,270,188	17,906,368	17,255,548	13,517,375	129,317,708
Textile-fabric excise	18,778,324	18,233,622	18,916,151	20,176,793	11,456,103
Petroleum excise	2,112,208	2,087,755	1,925,503	1,705,415	25,379,952
Traveling tax	3,032,800	3,408,486	3,918,334	4,375,736	19,912,421
Succession tax	2,784,436	3,132,344	4,061,596	3,629,691	10,008
Old taxes collected					36,423,860
Customs duties	36,423,860	39,949,339	48,518,614	68,496,906	402,632,780
Tonnage dues	568,761	580,246	653,817	695,522	5,706,424
Total	323,531,746	317,355,893	329,146,163	361,005,863	2,852,509,817
Stamp receipts	30,746,048	27,219,425	29,073,320	28,934,262	259,906,396
Monopoly profit	58,449,382	62,089,574	63,337,928	66,015,518	446,881,870
Total revenue from taxation	412,727,176	406,664,892	421,557,411	455,955,643	3,559,298,083
Military taxes'					
Land tax	49,020,982	39,920,982	39,020,982	39,020,982	389,589,219
Income tax	15,447,150	15,447,150	15,447,150	15,447,150	127,109,995
Business tax	11,867,276	9,667,276	9,667,276	9,667,276	92,899,357
Succession tax	2,784,436	3,132,344	4,061,596	3,629,691	19,967,652
Mining tax	712,991	712,991	712,991	712,991	5,833,177
Business tax on patent medicines	80,867	80,867	80,867	80,867	640,724
Bourse tax	2,339,915	2,339,915	2,339,915	2,339,915	17,732,634
Traveling tax	3,032,800	3,408,486	3,918,334	4,375,736	25,035,694
Stamp receipts	19,827,936	19,827,936	19,827,936	19,827,936	160,124,258
Sake tax	9,076,262	9,076,262	9,076,262	9,076,262	68,940,688
Soy tax	1,717,958	1,717,958	1,717,958	1,717,958	15,126,270
Sugar excise	12,857,046	10,857,046	10,857,046	10,857,046	86,922,824
Textile-fabric excise	18,778,324	18,233,622	18,916,151	20,176,793	129,316,908
Petroleum excise	2,112,208	2,087,755	1,925,503	1,705,415	11,456,203
Export duty on sake for Okinawa Prefecture					50,766
Customs duty	17,781,713	17,781,713	17,781,713	17,781,713	139,060,374
Salt-monopoly receipts	23,227,961	23,227,961	23,227,961	23,227,961	174,593,739
Salt tax					481,359
Tobacco-monopoly profits	14,679,794	14,679,794	14,679,794	14,679,794	126,846,239
Total	206,445,719	192,200,058	194,139,435	195,225,486	1,591,824,080
Ratio of military taxes to total revenue from taxation	Per cent 50	Per cent 47	Per cent 46	Per cent 43	Per cent 45

STATISTICAL TABLES

161

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW ^a

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Land tax^b</i>				
Provincial dwelling land.....	2.5 per cent of registered value of land	3.5 per cent of registered value of land	3.5 per cent of registered value of land	8 per cent of registered value of land
Urban dwelling land.....	2.5 "	5.5 "	12 "	20 "
Other land.....	2.5 "	1.8 "	1.2 "	5.5 "
<i>Business tax.</i>	1 "	70 "	80 "	2.5 "
<i>Income tax</i>				
First kind A.....	1 "	70 "	80 "	2.5 "
First kind B				
Income under 5,000 yen	1 "	70 "	10 "	1.8 "
" " 10,000 "	1 "	70 "	20 "	1.9 "
" " 15,000 "	1 "	70 "	30 "	2.0 "
" " 20,000 "	1 "	70 "	50 "	2.2 "
" " 30,000 "	1 "	70 "	100 "	2.7 "
" " 50,000 "	1 "	70 "	160 "	3.3 "
" " 100,000 "	1 "	70 "	230 "	4.0 "
" above 100,000 "	1 "	70 "	330 "	5.0 "
Third kind				
Income under 500 "	1 "	70 "	30 "	2.0 "
" " 1,000 "	1 "	70 "	40 "	2.1 "
" " 5,000 "	1 "	70 "	60 "	2.3 "
" " 10,000 "	1 "	70 "	70 "	2.4 "
" " 15,000 "	1 "	70 "	80 "	2.5 "
" " 20,000 "	1 "	70 "	100 "	2.7 "
" " 30,000 "	1 "	70 "	120 "	2.9 "
" " 50,000 "	1 "	70 "	140 "	3.1 "
" " 100,000 "	1 "	70 "	170 "	3.4 "
" above 100,000 "	1 "	70 "	200 "	3.7 "
<i>Sake taxes.</i>				
1. <i>Sake manufacture tax</i>				
Class 1.....	15 yen per koku	.50 yen per koku	1.50 yen per koku	17 yen per koku
Class 2.....	18 "	.50 "	1.50 "	20 "
Class 3.....	20 "	.50 "	1.50 "	22 "
Class 4.....	23 "	.50 "	1.50 "	25 "
Class 5.....	.75 yen for each degree of alcohol per koku	.025 yen for each degree of alcohol per koku	.075 yen for each degree of alcohol per koku	.85 yen for each degree of alcohol per koku

^a Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

^b The rate of the land tax for Hokkaido is one per cent, the rate of increase being the same as with the ordinary land tax.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW*—Continued

2. Beer tax.....	7 yen per koku	.50 yen per koku	.50 yen per koku	8 yen per koku
3. Export duty on sake for Okinawa Prefecture... (The rates of this duty are the same as those of the sake manufacture tax.)				
4. Alcohol and alcoholic beverage tax				
Containing pure alcohol of less than 20 per cent of the original fluid.....	16 yen per koku	.....	2.00 "	18 "
Containing pure alcohol of more than 20 per cent of the original fluid.....	.75 yen for each degree of alcohol per koku	.025 yen for each degree of alcohol per koku	.075 yen for each degree of alcohol per koku	.85 yen for each degree of alcohol per koku
<i>Sugar excise</i>				
Class 1.....	1.00 yen per 100 kin	1.00 yen per 100 kin (up to Sept., 1904) No tax from Oct., 1904	1.00 yen per 100 kin	2.00 yen per 100 kin
Class 2.....	1.60 "	3.00 yen per 100 kin (up to Sept., 1904) 2.30 yen per 100 kin (from Oct., 1904)	.50 "	4.40 "
Class 3.....	2.20 "	3.30 yen per 100 kin	1.00 "	6.50 "
Class 4.....	2.80 "	3.70 "	1.00 "	7.50 "
<i>Soy tax</i>				
Soy of <i>Moromi</i> process (Art. II).....	2.00 yen per koku	.50 yen per koku	.....	2.50 yen per koku
Soy of <i>Tamari</i> process (Art. II).....	2.00 "	.50 "	.....	2.50 "
Soy of <i>Moromi</i> process (Proviso, Art. II).....	1.00 "	.25 "	.....	1.25 "
Soy of <i>Tamari</i> process (Proviso, Art. II).....	1.00 "	.25 "	.....	1.25 "

STATISTICAL TABLES

163

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW *—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Registration taxes</i>				
1. Registration respecting immovables				
Registration of No. 1 . . .	5 per mille of the value of immovables	3 per mille of the value of immovables	First increase was abolished	5 per mille of the value of immovables
“ “ No. 2 . . .	5 “	5 “	“	5 “
“ “ No. 3 . . .	40 “	10 “	10 per mille of the value of immovables	60 “
“ “ No. 4 . . .	25 “	5 “	5 “	35 “
Preservation of ownership enjoyed to the time of registration.	2 “	3 “	.....	5 “
Creation of a peer's hereditary estate. . . .	20 “	5 “	.....	25 “
2. Registration respecting ships				
Registration of No. 1 . . .	3 per mille of the value of ship	2 per mille of the value of ship	First increase was abolished	3 per mille of the value of ship
“ “ No. 2 . . .	3 “	5 “	“	8 “
“ “ No. 3 . . .	20 “	20 “	10 per mille of the value of ship	50 “
“ “ No. 4 . . .	15 “	5 “	5 “	25 “
Preservation of ownership enjoyed to the time of registration	1 “	2 per mille	.....	3 “
3. Registration tax according to Art. VI and Art. VI, 2, of the law of registration				
(a) Art. IV. Registration of commercial companies or other judicial persons for purposes of profit				

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW *—Continued

Registration of Nos. 1 and 2.....	3 per mille of the standard taxable amount	1 per mille of the standard taxable amount	.....	4 per mille of the standard taxable amount
Registration of Nos. 3, 4, 6, 7, and 8.....	4 "	1 "	.....	5 "
Registration of Nos. 9-11, inclusive.....	1 "	1 "	.....	2 "
Registration of No. 12..	10 yen per place	5 yen per place	.....	15 yen per place
" " Nos. 13-16, inclusive.....	5 yen per case	2 yen per case	.....	7 yen per case
Registration of No. 17..	3 "	2 "	.....	5 "
Registration of Nos. 18, 19, and of the preceding number at the place of their branch office.....	1 "	.50 "	.....	1.50 "
(b) Art. IV. Registration of foundations or associations not for purposes of profit				
Registration of No. 1 ..	5 "	2 "	.....	7 "
" " No. 2... ..	3 "	2 "	.....	5 "
" " No. 3... ..	2 "	1 "	.....	3 "
Registration of Nos. 4 and 5.....	1 "	.50 "	.....	1.50 "
Registration of Nos. 6-8, inclusive, and of the preceding numbers at a place other than the principal office.....	.50 "	.20 "	.....	.70 "
(c) Registration of Art. VI, 2				
Registration of Nos. 1-3, inclusive.....	5 "	2 "	.....	7 "
Registration of Nos. 4 and 5.....	2 "	1 "	.....	3 "
Registration of Nos. 6 and 7.....	1 "	.50 "	.....	1.50 "

STATISTICAL TABLES

165

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW ^a—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Registration taxes</i>				
3. Registration tax according to Art. VI and Art. VI, 2, of the law of registration				
(c) Registration of Art. VI, 2—Cont.				
Registration of the preceding numbers at the place of the branch office.....	.50 yen per case	.20 yen per case	.....	.70 yen per case
4. Registration respecting mining				
Creation of prospecting right.....	75 "	.....	25 yen per case	100 "
Change of prospecting right due to increase or decrease of lots..	35 "	.....	10 "	45 "
Transfer of prospecting right due to causes other than succession.....	35 "	.....	10 "	45 "
New registration of mining right.....	150 "	.....	50 "	200 "
Change of mining right due to increase or decrease of lots....	75 "	.....	25 "	100 "
Transfer of mining right due to causes other than succession....	75 "	.....	25 "	100 "
Prospecting.....	75 "	25 "	.....	100 "
Mining.....	150 "	50 "	.....	200 "
Revision relative to increase or decrease of prospecting lots..	30 "	10 "	.....	40 "
Revision relative to increase or decrease mining lots of.....	75 "	25 "	.....	100 "

^a Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW —Continued

Purchase or transfer by cession.....	75 yen per case	25 yen per case	.....	100 yen per case
<i>Bourse tax</i>				
Wares and negotiable instru- ments.....	.6 per mille of amount transacted	.3 per mille of amount transacted	.3 per mille of amount transacted	1.2 per mille of amount transacted
National and local loan bonds	.3 "	.2 "	.....	.5 "
<i>Shooting-license tax</i>				
First class.....	20 yen	10 yen	10 yen	40 yen
Second class.....	10 "	5 "	15 "	30 "
Third class.....	2 "	1 "	4 "	7 "
<i>Tax on mining lots</i>				
Prospecting.....	.10 yen for each 1,000 <i>tsubo</i> per annum	.....	.20 yen for each 1,000 <i>tsubo</i> per annum	.30 yen for each 1,000 <i>tsubo</i> per annum
Mining.....	.40 "	.10 yen for each 1,000 <i>tsubo</i> per annum	.10 "	.60 "
<i>Placer tax</i>				
Alluvial.....	.....	.....	.30 yen per <i>cho</i> of placer area per annum	.30 yen per <i>cho</i> of placer area per annum
Non-alluvial.....	.....	.....	.30 yen per 1,000 <i>tsubo</i> of placer area per annum	.30 yen per 1,000 <i>tsubo</i> of placer area per annum
<i>Business tax on patent medicine</i>				
Total value of each medicine manufactured in one year				
Under 300 yen.....	2 yen per dose	.....	1 yen per dose	3 yen per dose
" 500 ".....	2 "	.....	3 "	5 "
" 1,000 ".....	2 "	.....	5 "	7 "
" 2,000 ".....	2 "	.....	7 "	9 "
" 3,000 ".....	2 "	.....	10 "	12 "
" 5,000 ".....	2 "	.....	15 "	17 "
" 10,000 ".....	2 "	.....	20 "	22 "
" 20,000 ".....	2 "	.....	30 "	32 "
" 30,000 ".....	2 "	.....	40 "	42 "
" 50,000 ".....	2 "	.....	55 "	57 "
" 70,000 ".....	2 "	.....	70 "	72 "
" 100,000 ".....	2 "	.....	85 "	87 "
Above 100,000	2 "	.....	100 "	102 "

STATISTICAL TABLES

167

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW ^a—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Stamp duty</i>				
Letter of attorney.....	1 <i>sen</i>	.....	1 <i>sen</i>	2 <i>sen</i>
Pass-book.....	20 "	.....	5 "	25 "
Promissory note				
Under 1,000 <i>yen</i>	2 "	.....	1 "	3 "
" 5,000 ".....	2 "	.....	4 "	6 "
" 10,000 ".....	2 "	.....	13 "	15 "
" 20,000 ".....	2 "	.....	28 "	30 "
" 30,000 ".....	2 "	.....	58 "	60 "
" 50,000 ".....	2 "	.....	1.18 <i>yen</i>	1.20 <i>yen</i>
" 100,000 ".....	2 "	.....	2.38 "	2.40 "
Above 100,000 ".....	2 "	.....	4.98 "	5 "
All other documents and books provided for in the stamp duty law, Art. IV.....				
Stamp duty on checks.....	.....	.....	1 <i>sen</i>	3 <i>sen</i>
<i>Import duties</i>				
Class I				
Group I				
Arms and ammunition, such as cannon, muskets, pistols, side arms, projectiles, cartridges, etc.....	25 per cent ad valorem	.....	5 per cent ad valorem	30 per cent ad valorem
Balances, measuring scales and tapes.....	10 "	.....	10 "	20 "
Barometers.....	10 "	.....	5 "	15 "
Crucibles of all kinds.....	10 "	.....	10 "	20 "
Cutlery, not otherwise provided for.....	20 "	.....	5 "	25 "
Electric light apparatus or instruments and parts thereof.....	10 "	.....	5 "	15 "
Fire-engines and parts thereof.....	10 "	.....	5 "	15 "

^a Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

	5 per cent ad valorem	....	5 per cent ad valorem	10 per cent ad valorem
Implements and tools, agricultural and me- chanical, and parts thereof. ....		....
Instruments, musical and accessories.	15 "	....	10 "	25 "
Instruments, philosphi- cal, chemical, sur- veying, surgical and all other scientific, not otherwise pro- vided for.	10 "	....	5 "	15 "
Instruments or apparat- us, photographic, and parts thereof. . .	15 "	....	15 "	30 "
Phonographs and parts thereof.	25 "	....	10 "	35 "
Spectacles and parts thereof.	10 "	....	10 "	20 "
Sporting guns and acces- sories.	25 "	....	10 "	35 "
Telephones and parts thereof.	10 "	....	5 "	15 "
Thermometers.	10 "	....	10 "	20 "
Group II				
Beverages, non-alcohol- ic, such as mineral water, lemonade and soda water. . . .	10 "	5 per cent ad valorem	10 "	25 "
Sea biscuits.	10 "	5 "	10 "	25 "
Fancy biscuits.	15 "	5 "	10 "	30 "
Butter.	15 "	5 "	10 "	30 "
Cheese.	15 "	5 "	10 "	30 "
Coffee.	20 "	5 "	10 "	35 "
Confectionery and sweetmeats.	40 "	10 "	5 "	55 "
Confectionery, preserved in sugar, molasses or syrup.	25 "	5 "	10 "	40 "

STATISTICAL TABLES

169

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW —Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Import duties</i>				
Class I				
Group II—Cont.				
Eggs, fresh.....	25 per cent ad valorem	5 per cent ad valorem	5 per cent ad valorem	35 per cent ad valorem
Flour, wheat, and flour and meal of all kinds of grains and starches	10 "	5 "	10 "	25 "
Fruits, fresh or dried, and nuts, not other- wise provided for ...	15 "	5 "	10 "	30 "
Ham and bacon.....	15 "	5 "	10 "	30 "
Meat, fresh.....	10 "	5 "	10 "	25 "
Milk, condensed or des- iccated.....	15 "	5 "	10 "	30 "
Pepper, in the seed or ground.....	15 "	5 "	10 "	30 "
Salt, crude.....	10 "	5 "	10 "	25 "
Salt, refined.....	15 "	5 "	10 "	30 "
Salt fish.....	15 "	5 "	10 "	30 "
Salt meat.....	10 "	5 "	10 "	25 "
<i>Sekikasai</i> (gelodium cor- neum).....	10 "	5 "	10 "	25 "
Tea.....	25 "	5 "	10 "	40 "
Vegetables, green, dry, salted or in brine...	10 "	5 "	10 "	25 "
All other comestibles...	15 "	5 "	10 "	30 "
Group III				
Boots and shoes of all kinds.....	20 "	.....	15 "	35 "
Braces or suspenders of silk, wholly or in part	25 "	20 "	.....	45 "
Ditto, all other.....	20 "	.....	15 "	35 "
Buttons, buckles, and hooks (except stud and sleeve, or cuff buttons or links) ..	20 "	.....	15 "	35 "

170

APPENDIX A

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW*—Continued

	25 per cent ad valorem	20 per cent ad valorem	..... 15 per cent ad valorem	45 per cent ad valorem
Comforters, neckerchiefs or mufflers of silk, wholly or in part	25	20	15	45
Ditto, all other.....	20	.....	.....	35
Gloves of all kinds.....	20	.....	15	35
Hats set with gold, silver or gems.....	30	.....	20	50
Ditto, of silk, wholly or in part.....	25	20	.....	45
Ditto, all other.....	20	.....	15	35
Scarfs and neckties of silk, wholly or in part.....	25	20	.....	45
Ditto, all other.....	20	.....	15	35
Shawls of silk, wholly or in part.....	25	20	.....	45
Ditto, of wool or em- broidered.....	25	.....	15	40
Ditto, all other.....	20	.....	15	35
Shirts.....	20	.....	15	35
Socks and hose or stock- ings of cotton of wool, or of wool and cotton.....	20	.....	15	35
Ditto, of silk, wholly or in part.....	25	20	.....	45
Ditto, all other.....	20	.....	15	35
Studs and sleeve or cuff buttons or links of gold or platinum, set with gems or otherwise.....	30	.....	20	50
Ditto, all other.....	25	.....	15	40
Trimmings of gold or silver, wholly or in part.....	30	.....	20	50
Ditto, of silk, wholly or in part.....	25	20	.....	45

STATISTICAL TABLES

171

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW *—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Import duties</i>				
Class I				
Group III—Cont.				
Ditto, all other.....	20 per cent ad valorem	.....	15 per cent ad valorem	35 per cent ad valorem
Undershirts and drawers of cotton, or of wool and cotton.....	20 "	.....	15 "	35 "
Ditto, of silk, wholly or in part.....	25 "	20 per cent ad valorem	.....	45 "
Ditto, all other.....	20 "	.....	15 "	35 "
Waterproof coats of silk, wholly or in part...	25 "	20 "	.....	45 "
Ditto, all other.....	20 "	.....	15 "	35 "
All other clothing and accessories of silk, wholly or in part...	25 "	20 "	.....	45 "
Ditto, all other.....	20 "	.....	15 "	35 "
Group IV				
(Rosin, soda ash and caustic soda are ex- cluded.)				
Alcohol.....	.42 yen per liter	.03 yen per liter	.03 yen per liter	.48 yen per liter
Alcohol, denatured, of all kinds.....	.42 "	.03 "	.03 "	.48 "
Alcoholic medicinal pre- parations, except tincture of opium...	.42 "	.03 "	.03 "	.48 "
Camphor, bornes and blumea or ngai.....	10 per cent ad valorem	.....	10 per cent ad valorem	20 per cent ad valorem
Collodium, photograph- ic, with iodizer.....	10 "	.....	10 "	20 "
Musk and artificial musk	15 "	.....	10 "	25 "
All other drugs, chemi- cals and medicines..	10 "	.....	5 "	15 "

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

	10 per cent ad valorem	.....	5 per cent ad valorem	15 per cent ad valorem
Group V (Oxide of cobalt, liquid of gold, silver and platinum, dry indigo and logwood are ex- cluded.)				
Dyes, Colors and Paints	10 per cent ad valorem	.....	5 per cent ad valorem	15 per cent ad valorem
Group VI (Except ordinary window glass, plate glass, silvered or unsilvered, and glass, broken or pow- dered)				
Glass beads, known as Venetian beads.....	20 "	.....	10 "	30 "
Glass, looking, in frame.	25 "	.....	10 "	35 "
Glass, all other manufac- tures of.....	20 "	.....	10 "	30 "
Group VII				
Cotton seeds.....	5 "	.....	5 "	10 "
All other grains and seeds	5 "	.....	10 "	15 "
Group VIII				
Feathers and downs of birds of all kinds...	25 "	.....	5 "	30 "
Furs, dressed or undressed	25 "	.....	5 "	30 "
Hair, human.....	20 "	.....	5 "	25 "
Hides or skins of deer, raw, dried, salted or pickled, and un- dressed.....	5 "	.....	5 "	10 "
Hides or skins of samba (cervuselepus), raw, dried, salted or pick- led, and undressed..	5 "	.....	5 "	10 "
Hoofs, animal.....	5 "	.....	5 "	10 "
Horns, bull, ox, cow and buffalo.....	5 "	.....	5 "	10 "
Horns, deer.....	5 "	.....	5 "	10 "
Ditto, rhinoceros.....	10 "	.....	5 "	15 "
Tusks, narwhal or unicorn	10 "	.....	5 "	15 "
Teeth, walrus or seahorse	10 "	.....	5 "	15 "

STATISTICAL TABLES

173

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW *—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Import duties</i>				
Class I				
Group VIII—Cont.				
Leather, sole	15 per cent ad valorem	.....	5 per cent ad valorem	20 per cent ad valorem
Leather, all other kinds All other bones, horns, raw hides or skins, and shells	15 "	.....	5 "	20 "
All other tusks or teeth of animals	5 "	.....	5 "	10 "
	10 "	.....	5 "	15 "
Group IX				
Brass, bar and rod, plate and sheet, rails, pipes and tubes, and screws	10 "	.....	5 "	15 "
Copper, bar and rod, plate and sheet, pipes, and tubes and wire	10 "	.....	5 "	15 "
Copper coins and nickel coins	5 "	.....	5 "	10 "
German silver, plate and sheet, rod and wire.	10 "	.....	5 "	15 "
Iron and mild steel, wire rope, galvanized or otherwise	10 "	.....	5 "	15 "
Lead, sheet, and pipes and tubes	10 "	.....	5 "	15 "
Steel (other than mild steel) wire paragon, (for umbrella ribs).	10 "	.....	5 "	15 "
Ditto, wire-rope, galvan- ized or otherwise . . .	10 "	.....	5 "	15 "
Yellow metal, sheet and plate, bar and rod, nails, and pipes and tubes	10 "	.....	5 "	15 "

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW*—Continued

	10 per cent ad valorem	.....	5 per cent ad valorem	15 per cent ad valorem
Nails, screws, bolts and nuts of metal, not otherwise provided for.....	15	.....	10	25
Bag frames.....	15	.....	5	20
Caps for bottles.....	15	.....	10	25
Door locks, knobs, bolts, hinges, etc.....	15	.....	10	25
Foils and powder of gold, silver or other metal, except bronze powder	15	.....	10	25
Gold and silver ware, not otherwise provided for.....	35	.....	10	45
Gold and silver plated ware, not otherwise provided for.....	25	.....	10	35
Grates, fenders, stoves and fittings thereof	20	.....	10	30
Safes and cash-boxes....	20	.....	10	30
Umbrella ribs and fur- nishings thereof....	15	.....	10	25
All other manufactures of metal or metals, not otherwise provided for (except building or bridge materials and posts for electric wires and other simi- lar materials).....	20	.....	10	30
Group X (Cocoanut oil, linseed oil, oil or spirits of tur- pentine and stearine candles are excluded.)	15	.....	5	20
Oil, kerosene, petroleum	20	20 per cent ad valorem	10	50
All other kinds of candles and oils.....	10	.....	5	15

STATISTICAL TABLES

175

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW *—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Import duties</i>				
Class I—Cont.				
Group XI				
Albums, photographic, and postage stamps	25 per cent ad valorem	.....	10 per cent ad valorem	35 per cent ad valorem
Books, blank and printed blank, and printed blank forms.....	15 "	.....	10 "	25 "
Ink, copying and writing Paper, Chinese, of all kinds.....	15 "	.....	5 "	20 "
Pencils in gold or platinum case.....	30 "	.....	5 "	20 "
Ditto, all other.....	15 "	.....	10 "	40 "
Pen nibs, gold.....	30 "	.....	5 "	20 "
Ditto, all other.....	15 "	.....	10 "	40 "
Sealing wax.....	15 "	.....	5 "	20 "
Strawboard.....	15 "	.....	5 "	20 "
All other stationery.....	15 "	.....	10 "	25 "
Group XII				
Sugar (up to No. 14, inclusive, Dutch standard in color).....	5 "	25 per cent ad valorem	.....	30 "
Molasses.....	10 "	20 "	.....	30 "
Syrup.....	10 "	20 "	.....	30 "
Group XIII				
Threads, cotton.....	15 "	.....	10 "	25 "
Bookbinders' cloth.....	15 "	.....	10 "	25 "
Felt, woollen.....	15 "	.....	15 "	30 "
Silk threads, not otherwise provided for...	20 "	.....	10 "	30 "
Silk crepe, Chinese.....	20 "	10 "	.....	30 "
Silk pongee, Chinese (<i>Kenchu</i>).....	20 "	10 "	.....	30 "
Silk satins, Chinese.....	20 "	10 "	.....	30 "

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW^a—Continued

13	Silk satins, figured, Chinese.....	20 per cent ad valorem	10 per cent ad valorem	.....	30 per cent ad valorem
	Silk-faced cotton satins..	20 "	10 "	.....	30 "
	Silk tissues and silk and cotton tissues, embroidered.....	25 "	10 "	.....	35 "
	All other silk tissues, pure or mixed with other materials, embroidered.....	20 "	10 "	.....	30 "
	Threads, flax or linen....	15 "	.....	10 per cent ad valorem	25 "
	Carpets and carpeting, felt	20 "	.....	15 "	35 "
	Curtains, silk, wholly or in part.....	25 "	.....	20 "	45 "
	Ditto, all other.....	20 "	.....	15 "	35 "
	Elastic boot webbing of silk, in part.....	20 "	.....	15 "	35 "
	Ditto, all other.....	15 "	.....	10 "	25 "
	Elastic braids and cords	15 "	.....	10 "	25 "
	Handkerchiefs, linen, or linen and cotton, single.....	15 "	.....	15 "	30 "
	Ditto, of silk, or of linen	25 "	.....	20 "	45 "
	Mosquito nets of all kinds	20 "	.....	15 "	35 "
	Furniture cloth, leather, etc.....	15 "	.....	15 "	30 "
	Floor cloths, oil and linoleum.....	15 "	.....	15 "	30 "
	Table-cloths or covers, silk, wholly or in part	25 "	.....	20 "	45 "
	Ditto, all other.....	20 "	.....	15 "	35 "
	Towels of all kinds, single or in piece.....	15 "	.....	15 "	30 "
	Twines, cotton, flax, hemp, jute, manila hemp or China grass	10 "	.....	5 "	15 "
	Threads of all kinds, not otherwise provided for	15 "	.....	10 "	25 "

STATISTICAL TABLES

177

^a Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Import duties</i>				
Class I				
Group XIII—Cont.				
All other products from tissues of silk, wholly or in part.....	25 per cent ad valorem	.....	20 per cent ad valorem	45 per cent ad valorem
Ditto, all other.....	20 "	.....	15 "	35 "
Group XIV				
All prepared tobacco....	150 "	100 per cent ad valorem	.....	250 "
Group XV				
(Ale, porter, and stout, beer, champagne and similar sparkling wines, port, sherry, vermouth and white or red wines are excluded.)				
Alcoholic liquors, Chinese fermented.....	100 "	20 "	10 "	130 "
Sake.....	100 "	20 "	10 "	130 "
All other kinds of wines, liquors and spirits...	.275 yen per liter	.....	.15 yen per liter	.325 yen per liter
Group XVI				
Aloeswood.....	10 per cent ad valorem	.....	10 per cent ad valorem	20 per cent ad valorem
Amber, unworked.....	10 "	.....	10 "	20 "
Ditto, worked.....	20 "	.....	10 "	30 "
All animals excepting cattle, asses, mules, sheep, goats and domestic fowl.....	10 "	.....	5 "	15 "
Asbestos in sheet or board	10 "	.....	5 "	15 "
Bamboo, unworked.....	5 "	.....	5 "	10 "

178

APPENDIX A

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW —Continued

	10 per cent ad valorem	.....	5 per cent ad valorem	15 per cent ad valorem
Belting of leather, caoutchouc or canvas, hose of caoutchouc or canvas, for machinery. . .				
Billiard tables and accessories.	30	"	10	40
Blasting materials, gelatine, and other similar explosive compounds, including detonators and fuses.	15	"	10	25
Bricks and tiles for building purposes.	10	"	5	15
Brushes and brooms of all kinds.	20	"	10	30
Canes, sticks, and whips.	20	"	10	30
Carriages, bicycles, tricycles and parts thereof.	25	"	10	35
Cars or drays for conveyance of commodities	10	"	5	15
Celluloid, worked.	20	"	10	30
Chalk and whiting.	5	"	5	10
Charcoal, wood or animal	5	"	5	10
Clays of all kinds.	5	"	5	10
Coke.	5	"	5	10
Corals, worked or otherwise.	30	"	10	40
Cordage and ropes of flax, hemp, jute, manila hemp or China grass, for rigging or otherwise.	10	"	5	15
Diamond glaziers.	10	"	5	15
Emery sands.	5	"	5	10
Emery cloths and sandpaper.	5	"	5	10
Emery wheels and grindstones of all kinds. . .	5	"	5	10

STATISTICAL TABLES

179

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW ^a—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Import duties</i>				
Class I				
Group XVI—Cont.				
Fireworks of all kinds . . .	30 per cent ad valorem	.....	10 per cent ad valorem	40 per cent ad valorem
Flowers and foliage, arti- ficial.	25 "	.....	10 "	35 "
Frames for pictures and moulding.	20 "	.....	10 "	30 "
Funori (gleopettis intri- cata)	5 "	.....	5 "	10 "
Furniture, new and old, not otherwise pro- vided for.	20 "	.....	10 "	30 "
Games, and all accessorie- s, used in playing tennis, cricket, chess, etc., not otherwise provided for.	25 "	.....	10 "	35 "
Glue, common.	5 "	.....	5 "	10 "
Guncotton.	15 "	.....	10 "	25 "
Gunpowders of all kinds	15 "	.....	10 "	25 "
Gypsum.	5 "	.....	5 "	10 "
Ivory, manufactures of, not otherwise pro- vided for.	20 "	.....	15 "	35 "
Jewelry.	35 "	.....	10 "	45 "
Labels, for bottles, tins, etc.	15 "	.....	5 "	20 "
Lamps, lanterns, and parts thereof.	20 "	.....	10 "	30 "
Leather, manufactures of, not otherwise provided for.	20 "	.....	10 "	30 "
Malt.	5 "	.....	5 "	10 "
Matches of all kinds. . . .	20 "	.....	10 "	30 "

^a Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW*—Continued

	20 per cent ad valorem	.....	5 per cent ad valorem	25 per cent ad valorem
Matting, Chinese, in rolls of 40 yards.....		.....	
Matting, cocoa, 1 square yard.....	20	"	5	25
Mats and matting, all other.....	20	"	5	25
Paintings in oil or water color, lithographs, chromolithographs, photographic albums and all other paint- ings, pictures, and calligraphy, not otherwise provided for.....	25	"	10	35
Pitch, wood-tar and coal- tar.....	5	"	5	10
Plaster of Paris.....	5	"	5	10
Playing cards of all kinds	35	"	10	45
Plumbago or blacklead...	5	"	5	10
Pottery, including porce- lain and earthen- ware, not otherwise provided for.....	20	"	10	30
Precious stones and pearls	35	"	10	45
Precious stones and pearls, imitations of	30	"	10	40
Putty.....	5	"	5	10
Rattans, split or other- wise.....	5	"	5	10
Saddles, bridles, and har- ness.....	25	"	10	35
Sandalwood.....	10	"	10	20
Shoeblicking of all kinds	20	"	5	25
Smokers' articles (articles for use in opium are excluded).....	30	"	10	45
Soapstone, in lump or powdered.....	5	"	5	10

STATISTICAL TABLES

181

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW^a—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Import duties</i>				
Class I				
Group XVI—Cont.				
Sparterie, for making hats	10 per cent ad valorem	.....	5 per cent ad valorem	15 per cent ad valorem
Sponges.....	5 "	.....	5 "	10 "
Stones and slates, (not otherwise provided for), rough or work- ed, for building pur- poses, etc.....	5 "	.....	5 "	10 "
Ditto, worked, for orna- mental works or fur- nitures, etc.....	20 "	.....	10 "	30 "
Ditto, statues and other, sculptured or engrav- ed.....	25 "	.....	10 "	35 "
Submarine telegraphic cables and under- ground telegraphic lines or cables.....	10 "	.....	10 "	20 "
Timber, santalum (shitan)	5 "	.....	5 "	10 "
Toilet or dressing cases ..	25 "	.....	10 "	35 "
Tortoise-shell, manufac- tures of.....	25 "	.....	10 "	35 "
Toys of all kinds.....	25 "	.....	10 "	35 "
Trunks, portmanteaux and traveling or courier bags.....	20 "	.....	10 "	30 "
Umbrellas, parasols and sunshades of silk, wholly or in part....	25 "	.....	15 "	40 "
Ditto, all other.....	20 "	.....	10 "	30 "
Umbrella sticks and han- dles (except those made of gold or silver)	20 "	.....	5 "	25 "

^a Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

Vessels, steam or sailing, and boats.....	5 per cent ad valorem	.....	5 per cent ad valorem	10 per cent ad valorem
Wares of santalum or ebony wood.....	25 "	.....	10 "	35 "
All articles, raw or unmanufactured, not herein enumerated...	10 "	.....	5 "	15 "
All articles, manufactured, wholly or in part, not herein enumerated.....	20 "	.....	10 "	30 "
Class II				
Cocoons of all kinds....	.....	.....	10 "	10 "
Rice and paddy.....	.....	.....	15 "	15 "
<i>Traveling tax</i>				
Over 200 miles or knots:				
First class.....	.....	.....	.50 yen	.50 yen
Second class.....	.....	.....	.25 "	.25 "
Third class.....	.....	.....	.04 "	.04 "
Under 200 miles or knots:				
First class.....	.....	.....	.40 "	.40 "
Second class.....	.....	.....	.20 "	.20 "
Third class.....	.....	.....	.03 "	.03 "
Under 100 miles or knots:				
First class.....	.....	.....	.20 "	.20 "
Second class.....	.....	.....	.10 "	.10 "
Third class.....	.....	.....	.20 "	.20 "
Under 50 miles or knots:				
First class.....	.....	.....	.05 "	.05 "
Second class.....	.....	.....	.03 "	.03 "
Third Class.....	.....	.....	.01 "	.01 "
<i>Textile fabric excise</i>				
Woolen.....	.....	15 per cent ad valorem	.....	15 per cent ad valorem
Others.....	.....	.....	10 per cent ad valorem	10 "

STATISTICAL TABLES

183

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Petroleum excise</i>				
Petroleum.....	.....	.032 yen per gal- lon (up to Sept. 1904) (No tax from Oct. 1904)	.....	.032 yen per gal- lon
<i>Stamps for use in civil suits</i>				
1. The first instance				
A demand referring to property rights				
Object in dispute val- ued at—				
5 yen or less...	.20 yen	.05 yen	.....	.25 yen
10 " ".....	.30 "	.10 "	.....	.40 "
20 " ".....	.60 "	.20 "	.....	.80 "
50 " ".....	1.10 "	.30 "	.....	1.80 "
75 " ".....	2.10 "	.30 "	.....	2.50 "
100 " ".....	3.00 "	.50 "	.....	3.50 "
250 " ".....	6.10 "	.50 "	.....	7.00 "
500 " ".....	10.00 "	2.00 "	.....	12.00 "
750 " ".....	13.00 "	2.00 "	.....	15.00 "
1000 " ".....	15.00 "	3.00 "	.....	18.00 "
2500 " ".....	20.00 "	5.00 "	.....	25.00 "
5000 " ".....	25.00 "	5.00 "	.....	30.00 "
Above 5000 yen.....	2.00 yen for every additional 1,000 yen	1.00 yen for every additional 1,000 yen	.....	3.00 yen for every additional 1,000 yen
A demand referring to other than property rights.....	3.00 yen	.50 yen	.....	3.50 yen
2. Appeal (to the Court of Appeal)				
A demand referring to property rights:				
Object in dispute val- ued at—				
5 yen or less...	.30 "	.025 "	.....	.325 "
10 " ".....	.45 "	.05 "	.....	.50 "

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

20 yen or less . . .	.90 yen	.10 yen	.....	1.00 yen
50 " . . .	2.25 "	.15 "	.....	2.40 "
75 " . . .	3.30 "	.15 "	.....	3.45 "
100 " . . .	4.50 "	.25 "	.....	4.75 "
250 " . . .	9.75 "	.25 "	.....	10.00 "
500 " . . .	15.00 "	1.00 "	.....	16.00 "
750 " . . .	19.50 "	1.00 "	.....	20.50 "
1000 " . . .	22.50 "	1.50 "	.....	24.00 "
2500 " . . .	30.00 "	2.50 "	.....	32.50 "
5000 " . . .	37.50 "	2.50 "	.....	40.00 "
Above 5000 yen	1.00 yen for every additional 1,000 yen	.50 yen for every additional 1,000 yen	.....	1.50 yen for every additional 1,000 yen
A demand referring to other than property rights	4.5 yen	.25 yen	.....	4.75 yen
3. Revision (to the Court of Cassation)				
A demand referring to property rights				
Object in dispute valued at—				
5 yen or less . . .	.40 "	.05 "	.....	.45 "
10 " . . .	.60 "	.10 "	.....	.70 "
20 " . . .	1.20 "	.20 "	.....	1.40 "
50 " . . .	3.00 "	.30 "	.....	3.30 "
75 " . . .	4.40 "	.30 "	.....	4.70 "
100 " . . .	6.00 "	.50 "	.....	6.50 "
250 " . . .	13.00 "	.50 "	.....	13.50 "
500 " . . .	20.00 "	2.00 "	.....	22.00 "
750 " . . .	26.00 "	2.00 "	.....	28.00 "
1000 " . . .	30.00 "	3.00 "	.....	33.00 "
2500 " . . .	40.00 "	5.00 "	.....	45.00 "
5000 " . . .	50.00 "	5.00 "	.....	55.00 "
Above 5000 yen	2.00 yen for every additional 1,000 yen	1.00 yen for every additional 1,000 yen	.....	3.00 yen for every additional 1,000 yen
A demand referring to other than property rights	6.00 yen	.50 yen	.....	6.50 yen

STATISTICAL TABLES

185

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW^a—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Stamps for use in civil suits—Cont.</i>				
4. Motion for a judicial summons to pay				
Object in dispute valued at—				
20 yen or less . . . . .	.20 yen	.20 yen	.....	.40 yen
50 " . . . . .	.20 "	.70 "	.....	.90 "
75 " . . . . .	.20 "	1.05 "	.....	1.25 "
100 " . . . . .	.20 "	1.55 "	.....	1.75 "
250 " . . . . .	.20 "	3.30 "	.....	3.50 "
500 " . . . . .	.20 "	5.80 "	.....	6.00 "
750 " . . . . .	.20 "	7.30 "	.....	7.50 "
1000 " . . . . .	.20 "	8.80 "	.....	9.00 "
2500 " . . . . .	.20 "	12.30 "	.....	12.50 "
5000 " . . . . .	.20 "	14.80 "	.....	15.00 "
Above 5000 yen . . . . .	.20 "	1.30 yen for every additional 1,000 yen	.....	.20 yen and 1.30 yen for every additional 1,000 yen
5. Other propositions or motions, the value of the object in dispute or of the demand being above 20 yen				
Proposition to change a fixed date, to postpone pleading or to select the date of pleading . . . . .	.20 "	.20 yen	.....	.40 yen
Proposition to continue legal proceeding interrupted or discontinued . . . . .	.20 "	.20 "	.....	.40 "
Motion for subordinate intervention . . . . .	.20 "	.20 "	.....	.40 "
Motion for recusation (or refusal of a judge) . . . . .	.20 "	.20 "	.....	.40 "
Proposition for compromise . . . . .	.20 "	.20 "	.....	.40 "

^a Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW *—Continued*

Motion for fixing the amount of expenses..	.20 yen	.20 yen	.....	.40 yen
Proposition to obtain declaration that a sentence is admitting of provisional execution	.20 "	.20 "	.....	.40 "
Proposition for the suspension or continuance of execution or for the rescission of executionary disposition.....	.20 "	.20 "	.....	.40 "
Demand for distribution	.20 "	.20 "	.....	.40 "
Proposition for insolvency of family property or for rehabilitation of civil rights in case of insolvency.....	.20 "	.20 "	.....	.40 "
Motion for forced sale by auction or for compulsory management	.20 "	.20 "	.....	.40 "
Motion for the levy of an execution upon obligation or other property rights.....	.20 "	.20 "	.....	.40 "
Proposition mentioned in Arts. 732-34 of the Code of Civil Procedure.....	.20 "	.20 "	.....	.40 "
Proposition for the collection of evidence.....	.50 "	.50 "	.....	1.00 "
Motion for the delivery of the judicial decision.....	.50 "	.50 "	.....	1.00 "
Proposition for an exemplified copy admitting of an execution; in case there are many copies, the fee per copy.....	.50 "	.50 "	.....	1.00 "

STATISTICAL TABLES

187

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

NO. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

Description	Rate of assessment	First increase	Second increase	Total rate
<i>Stamps for use in civil suits</i>				
5. Other propositions or motions, etc.—Cont.				
Provisional order of disposition.....	.50 yen	.50 yen	.....	1.00 yen
Reclamation.....	.50 "	.50 "	.....	1.00 "
Protest.....	.50 "	.50 "	.....	1.00 "
Written reply or a proposition or motion not otherwise specified...	.20 "	.05 "	.....	.25 "
Motion for a judicial subrogation.....	.20 "	.80 "	.....	1.00 "
Proposition for the sale by auction in accordance with the law of auction.....	.20 "	.80 "	.....	1.00 "
Reclamation referring to a judicial subrogation, sale by auction in accordance with the law of auction, or to the registration of an immovable...	.50 "	.80 "	.....	1.30 "
6. Proposition or motion referring to commercial or non-judicial affairs				
Reclamation.....	.50 "	.50 "	.....	1.00 "
Proposition for an adjudication of bankruptcy on the application of the creditor.....	.50 "	.50 "	.....	1.00 "
Proposition for a respite for payment.....	.50 "	.50 "	.....	1.00 "
Other propositions or motions, except that for the levy of an attachment.....	.20 "	.05 "	.....	.25 "

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. II.—TARIFFS ENACTED BY THE EMERGENCY TAX LAW—Continued

Proposition for the levy of an attachment....	.50 yen	.05 yen	.....	.55 yen
7. Opening or reopening of bankruptcy proceedings				
Value of property				
5 yen or less .....	.40 "	.10 "	.....	.50 "
10 " .....	.60 "	.20 "	.....	.80 "
20 "	1.20 "	.40 "	.....	1.60 "
50 "	3.00 "	.60 "	.....	3.60 "
75 "	4.40 "	.60 "	.....	5.00 "
100 "	6.00 "	1.00 "	.....	7.00 "
250 "	13.00 "	1.00 "	.....	14.00 "
500 "	20.00 "	4.00 "	.....	24.00 "
750 "	26.00 "	4.00 "	.....	30.00 "
1000 "	30.00 "	6.00 "	.....	36.00 "
2500 "	40.00 "	10.00 "	.....	50.00 "
5000 "	50.00 "	10.00 "	.....	60.00 "
Above 5000 yen.....	4.00 yen for every additional 1,000 yen	2.00 yen for every additional 1,000 yen	.....	6.00 yen for every additional 1,000 yen
<i>Stamps for use in administrative litigation</i>				
Written complaint.....	.....	.....	7.00 yen	7.00 yen
Protest.....	.....	.....	1.00 "	1.00 "
Proposition for collection of evidence.....	.....	.....	1.00 "	1.00 "
Motion for delivery of the judicial decision.....	.....	.....	1.00 "	1.00 "
Proposition to change a fixed date, to postpone pleading or to select the date of pleading.....	.....	.....	.45 "	.45 "
Motion for subordinate intervention.....	.....	.....	.45 "	.45 "
Motion for recusation (or refusal of a judge).....	.....	.....	.45 "	.45 "
Motion for fixing amount of expenses.....	.....	.....	.45 "	.45 "
Written reply, or a proposition or motion not specified in the preceding items...	.....	.....	.25 "	.25 "

STATISTICAL TABLES

189

* Extracted from the official Report on the Financial Condition of the Russo-Japanese War.

No. III.—TABLE SHOWING EXCESSIVE INCREASES OF INDIRECT TAXES, 1891-1913*
(in thousands of yen)

Year	Revenue from taxation									Ratio of indirect taxes					
	Indirect taxes								Other taxes	Total revenue from taxation ^b	Ratio of indirect taxes to total revenue	Monopoly profits	Total of indirect taxes and monopoly profits	Total of tax rev. and monopoly profits	Ratio of indirect taxes to total of tax rev. and monopoly profits
	Sake	Soy	Sugar	Textile fabric	Cus-toms	Travel-ing	Petro-leum	Total							
1891-2	14,687	.....	.....	.....	4,540	.....	.....	19,227	44,434	63,661	<i>Per cent</i> 29.7	.....	19,227	63,660	<i>Per cent</i> 29.7
1892-3	15,813	.....	.....	.....	4,992	.....	.....	20,805	45,611	66,416	31.8	.....	20,804	66,415	31.8
1893-4	16,637	.....	.....	.....	5,125	.....	.....	21,762	47,407	69,169	31.8	.....	21,763	69,169	31.8
1894-5	16,130	.....	.....	.....	5,755	.....	.....	21,885	48,532	70,417	31.4	.....	21,886	70,418	31.4
1895-6	17,794	.....	.....	.....	6,786	.....	.....	24,580	49,034	73,614	33.8	.....	24,534	73,568	33.8
1896-7	19,477	.....	.....	.....	6,728	.....	.....	26,205	48,837	75,042	34.7	.....	26,205	75,042	34.7
1897-8	31,105	.....	.....	.....	8,021	.....	.....	39,126	54,575	93,701	41.5	292	39,421	93,993	41.5
1898-9	32,960	1,536	.....	.....	9,902	.....	.....	44,398	52,599	96,997	46.7	5,146	48,734	101,333	48.5
1899-1900	48,918	2,453	.....	.....	15,937	.....	.....	67,307	58,726	126,033	53.22	7,560	74,869	134,595	55.9
1900-1	50,294	3,154	.....	.....	17,010	.....	.....	70,458	63,460	133,927	52.2	7,244	77,701	141,170	55.3
1901-2	58,017	3,464	612	.....	13,630	.....	.....	75,723	63,850	139,573	54.3	10,867	86,592	159,442	58.0
1902-3	63,738	3,555	4,146	.....	15,501	.....	.....	80,940	64,144	151,084	57.6	12,368	99,308	163,453	60.7
1903-4	52,822	3,545	6,942	.....	17,378	.....	.....	80,688	65,476	146,164	55.5	15,172	95,860	161,335	59.6
1904-5	58,286	5,109	8,362	4,424	23,160	344	1,883	101,568	92,795	194,363	52.6	34,589	136,157	228,952	59.4
1905-6	59,099	5,273	11,348	5,320	36,757	2,212	.....	120,000	131,266	251,275	47.8	46,343	166,353	297,618	54.4
1906-7	71,100	5,601	16,157	5,038	41,854	2,464	.....	142,214	141,256	283,470	50.2	56,971	199,184	340,440	58.5
1907-8	78,406	5,475	16,178	19,115	50,027	2,774	53	172,028	143,955	315,983	54.4	61,159	233,187	377,142	61.8
1908-9	83,591	4,859	19,684	19,317	40,068	2,831	1,689	172,039	150,044	322,083	53.2	65,132	237,191	387,768	61.1
1909-10	91,480	4,723	13,270	18,778	36,424	3,033	2,112	169,829	153,578	323,407	52.6	58,449	228,278	381,856	59.7
1910-11	86,701	4,681	17,904	18,234	39,949	3,408	2,008	172,965	144,315	317,280	54.6	62,927	235,891	380,207	62.1
1911-12	88,727	4,631	14,727	18,618	50,514	3,184	2,111	182,512	141,577	324,089	56.5	61,346	243,867	385,474	63.4
1912-13	88,482	13,790	13,790	18,644	49,892	3,580	1,999	190,177	141,944	332,121	56.0	62,213	243,233	385,177	63.1

* Prepared by the Toyo-keizai-shimpo-sha. ^b Does not include the stamp receipts.

STATISTICAL TABLES

191

NO. IV.—IMPORTATION AND PRICE OF RICE*

Year	Imported			Market price of domestic, per <i>koku</i>	Difference between prices of imported and domestic, per <i>koku</i>	Import duty	Domestic production in preceding year
	Quantity	Value	Average price per <i>koku</i>				
	<i>Koku</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Koku</i>
1868-9.....	84,000	436,000	5.18	6.37	1.19	Free	.....
1869-70.....	648,000	4,432,000	6.85	8.80	1.95	"	.....
1870-1.....	2,151,000	14,598,000	6.79	8.90	2.11	"	.....
1871-2.....	168,000	1,260,000	7.50	5.51	1.99	"	.....
1872-3.....	.....	.....	.....	3.40	.....	"	.....
1873-4.....	8,000	30,000	3.75	4.54	0.79	"	.....
1874-5.....	4,000	24,000	6.00	6.96	0.96	"	.....
1875-6.....	4,000	22,000	5.50	6.87	1.37	"	.....
1876-7.....	.....	.....	.....	4.88	.....	"	.....
1877-8.....	.....	.....	.....	5.17	.....	"	27,744,000
1878-9.....	.....	.....	.....	6.04	.....	"	26,596,000
1879-80.....	50,000	248,000	4.96	7.88	2.92	"	25,283,000
1880-1.....	79,000	434,000	5.50	9.53	4.03	"	32,419,000
1881-2.....	22,000	135,000	6.17	10.50	4.33	"	31,359,000
1882-3.....	3,000	20,000	6.67	8.86	2.19	"	29,971,000
1883-4.....	.....	.....	.....	6.45	.....	"	30,692,000
1884-5.....	2,000	12,000	6.00	5.29	0.71	"	30,671,000
1885-6.....	118,000	674,000	6.47	6.75	0.28	"	26,350,000
1886-7.....	4,000	19,000	4.75	5.72	0.97	"	34,158,000
1887-8.....	28,000	192,000	4.61	5.06	0.45	"	37,191,000
1888-9.....	5,000	22,000	4.40	4.98	0.58	"	39,999,000
1889-90.....	20,000	137,000	6.85	6.08	0.77	"	38,646,000
1890-1.....	1,838,000	12,303,000	5.06	8.96	3.90	"	33,008,000
1891-2.....	671,000	3,908,000	5.82	7.07	1.25	"	34,038,000
1892-3.....	330,000	2,503,000	7.58	7.34	0.24	"	38,124,000
1893-4.....	500,000	3,255,000	5.81	7.41	1.60	"	41,379,000
1894-5.....	1,322,000	8,413,000	6.36	8.81	2.45	"	37,200,000
1895-6.....	671,000	4,357,000	6.47	8.88	2.41	"	41,866,000
1896-7.....	745,000	5,662,000	7.61	9.53	1.92	"	39,921,000
1897-8.....	2,520,000	21,528,000	8.25	11.87	3.62	"	36,200,000
1898-9.....	4,678,000	48,220,000	10.31	14.72	4.41	"	33,039,000
1899-1900.....	660,000	5,969,000	9.03	10.03	1.00	"	47,388,000
1900-1.....	1,372,000	9,922,000	6.58	11.97	5.39	"	39,698,000
1901-2.....	1,245,000	11,879,000	9.54	12.79	2.75	"	41,466,000
1902-3.....	1,804,000	17,751,000	9.86	12.65	2.79	"	46,914,000
1903-4.....	4,865,000	51,960,000	10.68	14.44	3.76	"	36,932,000
1904-5.....	5,802,000	59,792,000	10.15	13.20	3.05	"	46,473,000
1905-6.....	4,638,000	47,981,000	10.26	12.84	2.58	1.6 per 100 <i>kish</i>	51,430,000
1906-7.....	2,440,000	26,172,000	10.73	14.69	3.96	1.6 "	38,173,000
1907-8.....	2,708,000	30,931,000	11.45	16.43	4.98	1.6 "	46,303,000
1908-9.....	1,941,000	22,689,000	11.70	15.74	4.04	1.6 "	49,052,000
1909-10.....	1,325,000	13,586,000	10.25	13.18	2.93	1.6 "	51,394,000
1910-11.....	918,000	8,644,000	9.42	13.27	3.85	1.6 "	52,438,000
1911-12.....	1,719,000	17,721,000	10.31	17.28	6.97	2.50"	46,633,000
1912-13 ^b	645,000	7,965,000	12.36	19.62	7.26	2.50"	51,638,000

* Prepared by the Toyo-keizai-shimpo-sha.

^b From January to May.

No. V.—STATISTICS CONCERNING THE BOURSES ^aA.—Rates of dividend of the bourses, 1901–1905^b

Name of bourse or exchange	1901	1902	1903	1904	1905
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Tokyo Rice	2.65	2.40	2.33	2.16	1.88
Tokyo Stock	1.35	1.83	1.29	1.35	2.15
Tokyo Merchandise.....	1.25	0.17	0.45	0.65	0.71
Osaka Dojima Rice.....	1.55	1.75	1.55	1.25	1.45
Osaka Stock	1.50	1.50	1.05	1.00	1.58
Osaka Sampin.....	2.67	1.15	1.35	1.35	1.20
Osaka Oil.....	0.85	0.43	0.75	0.70	0.70
Osaka Sugar.....	0.50	Closed	Closed	Closed	Closed
Yokohama Silk and others.....	1.50	0.75	1.00	0.50	0.70
Yokohama Stock and Rice.....	No dividend	No dividend	0.30	0.27	0.80
Kobe Silk and others.....	No dividend	Closed	Closed	Closed	Closed
Kobe Merchandise.....	No dividend	No dividend	No dividend	No dividend	No dividend
Kobe Rice, Stock and others...	0.85	1.25	1.30	1.25	1.30
Nagoya Rice.....	1.35	1.29	1.30	1.10	1.40
Nagoya Stock.....	0.80	0.76	0.54	0.60	0.90
Nagoya Silk and Cotton.....	No dividend	Closed	Closed	Closed	Closed
Otaru Rice, Stock and others...	1.75	3.50	No dividend	No dividend	No dividend
Sendai Rice.....	0.70	0.32	0.50	No dividend	0.20
Niigata Rice and Stock.....	3.50	0.98	1.70	1.10	1.30
Niigata Merchandise.....	0.13	Closed	Closed	Closed	Closed
Tokushima Rice and Stock....	0.80	0.38	Closed	Closed	Closed
Okayama Rice and Stock.....	1.10	0.35	1.00	0.74	0.90
Ōita Rice.....	0.80	0.19	0.80	Closed	Closed
Shimonoseki Rice.....	2.50	1.60	1.35	1.23	1.05
Wakayama Rice.....	1.20	0.27	0.25	No dividend	0.25
Matsuyama Rice and Stock....	....	....	0.72	0.55	0.55
Kumamoto Rice.....	....	....	....	0.30	0.55

^a Prepared by the Commission of Inquiry into the Tax Laws (Zeiho-Shinsakai).^b Average (1900–4): 1900, 1.81; 1901, 1.14; 1902, 0.89; 1903, 0.90; 1904, 0.78.

STATISTICAL TABLES

193

No. V.—STATISTICS CONCERNING THE BOURSES—Continued

B.—Fees and other accounts of the bourses

Items	Merchandise	Negotiable instruments	Total
Amount of fees received	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>
1903.....	1,334,291	506,362	1,840,653
1904.....	1,125,427	593,325	1,718,753
1905.....	1,495,346	1,558,473	3,053,820
Average.....	1,318,355	886,054	2,204,408
Amount of contracts transacted			
1903.....	1,030,809,597	291,823,895	1,322,633,493
1904.....	703,808,269	268,942,278	972,750,547
1905.....	784,395,719	1,137,974,437	1,922,370,207
Average.....	839,671,195	566,246,887	1,405,918,082
Distribution of fees ^a			
Taxes.....	941,275	1,365,569	2,306,844
Reserve fund.....	74,148	61,890	136,038
Net profit.....	257,776	73,946	331,722
Other expenses.....	222,147	57,068	279,215
Sundry receipts exclusive of fees ^a			
Interest on deposits	188,746	29,078	217,824
Interest on instruments.....	107,298	....	107,298
Rent of lands and warehouses.....	21,601	....	21,601
Interest on public loans.....	6,936	....	6,936
Fees on renewal of share certificates and others.....	129,677	13,628	143,305
Interest on loans.....	....	116,865	116,865

^a According to the investigation of 1905.

C.—Amount of tax paid by bourses, 1899-1906

Year	Merchandise		Negotiable instruments		National loans		Local loans	
	Value of contracts	Tax	Value of contracts	Tax	Value of contracts	Tax	Value of contracts	Tax
	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>
1899-1900	1,191,821,516	715,093	760,848,262	461,908	14,361	4	117,360	35
1900-1901	1,463,846,998	878,267	516,768,038	310,102	18,104	9	26,105	8
1901-1902	1,019,616,044	611,769	366,407,375	219,809	41,018	12	164	..
1902-1903	1,098,626,480	659,176	282,207,402	172,924	1,614	..	390	..
1903-1904	1,205,057,781	723,034	324,524,652	194,714	5,565	..	186	..
1904-1905	653,749,539	599,960	297,071,087	280,304	2,767	..	..	..
1905-1906	820,446,660	984,536	1,818,962,665	1,418,355	16,096	8	..	..

No. VI.—COMPARISON OF REVENUE OF INDIVIDUALS AND BURDEN OF TAXATION*

Prefectures	Occupation	Revenue			National taxes				Local taxes			Grand total of taxes	Ratio of revenue to tax ^b	
		Source	Amount	Total	Land	Income	Business	Total	Prefec-tural	Municipal, town or village	Total			
			Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Per cent
Hokkaido..	Agriculture	Land: †27.7 (*643)	780.00	780	25,720	18,460	....	44,180	16,360	37,770	54,130	98,310	12.6
	Trade	Sales: 4,272 yen	405.00	465	....	8,600	24,030	32,630	3,700	9,720	13,420	46,050	9.9
Aomori....	Agriculture	Land: †45.2 (*5,522)	1,519.00	1,669	305,110	43,840	....	348,950	91,090	104,700	195,790	544,740	33.0
	Trade	Loan: 1,250 yen	150.00	150	6,400	36,110	55,000	94,510	12,820	76,990	89,810	187,320	16.1
Akita.....	Agriculture	Sales: 17,300 yen	1,163.00	1,163	1,019.00	171,380	35,170	206,550	52,560	76,570	129,130	335,680	34.5	
	Trade	Land: †22.4 (*2,796)	807.00	807	....	....	....	....	....	....	....	....	....
		Sales: 122.4 (*2,134)	391.00	391	....	....	....	....	....	....	....	....	....
		Loan: 5,400 yen	1,198	120,260	25,030	31,400	176,690	36,790	35,031	71,820	248,510	20.1
Iwate.....	Agriculture	Land: †8.7 (*1,829)	472.00	472	102,600	16,380	....	118,980	37,460	44,080	81,540	200,520	32.2
	Trade	Loan: 628 yen	151.00	623	....	....	....	....	....	....	....	....	....
		Land: †0.7 (*269)	62.00	62	....	....	....	....	....	....	....	....	....
		Sales: 3,565 yen	570.00	679	15,550	17,220	27,200	59,970	12,400	22,280	34,680	94,650	13.9	
		Loan: 250 yen	47.00	47	....	....	....	....	....	....	....	....	....
Yamagata..	Agriculture	Land: †19.6 (*6,837)	1,575.00	1,626	380,620	38,230	....	418,850	112,570	133,130	245,700	664,550	41.0
	Trade	Loan: 500 yen	50.00	50	....	....	....	....	....	....	....	....	....
		Land: †0.5 (*232)	51.00	438	14,290	8,760	22,150	45,200	13,350	14,200	27,550	72,750	16.6	
		Sales: 6,400 yen	163.00	163	....	....	....	....	....	....	....	....	....
		Loan: 1,410 yen	224.00	224	....	....	....	....	....	....	....	....	....
Miyagi....	Agriculture	Land: †12.2 (*1,043)	210.00	399	36,070	14,360	....	50,430	29,320	83,680	113,000	163,430	41.0
	Trade	Loan: 590 yen	70.00	70	....	....	....	....	....	....	....	....	....
		Sericulture: 143 pieces	119.00	119	....	....	....	....	....	....	....	....	....
		Sales: 7,200 yen	400.00	410	300	6,000	27,350	33,650	4,500	11,240	15,740	49,390	12.0	
Fukushima	Agriculture	Land: 12 yen	10.00	10	....	....	....	....	....	....	....	....	....
		Loan: †6 (*1,547)	451.00	461	87,660	9,620	....	97,280	15,840	15,260	31,100	128,380	26.7
		Sericulture: 6 pieces	30.00	30	....	....	....	....	....	....	....	....	....
		Sales: 6,170 yen	525.00	525	....	13,610	21,930	35,540	6,430	12,430	18,860	54,400	14.0
Tochigi....	Agriculture	Land: †10.3 (*3,765)	1,032.00	1,052	208,120	19,660	....	227,780	48,620	43,100	91,720	319,500	30.4
	Trade	Loan: 170 yen	20.00	20	....	....	....	....	....	....	....	....	....
		Land: †1.9 (*676)	152.00	152	38,070	22,160	41,350	101,580	17,490	38,420	55,910	157,490	16.8	
		Loan: 3,295 yen	292.00	292	....	....	....	....	....	....	....	....	....
		Sales: 7,000 yen	491.00	491	....	....	....	....	....	....	....	....	....
Ibaraki....	Agriculture	Land: †17.3 (*2,138)	650.00	695	122,170	13,360	....	135,530	28,230	28,730	56,960	192,490	27.6
	Trade	Loan: 300 yen	45.00	45	7,930	8,020	42,130	58,080	6,950	14,740	21,690	79,770	17.2	
		Land: †4.0 (*134)	22.00	22	....	....	....	....	....	....	....	....	....
		Loan	29.00	29	....	....	....	....	....	....	....	....	....
		Sales: 7,500 yen	412.00	412	....	....	....	....	....	....	....	....	....
Gunma....	Agriculture	Land: †4.9 (*1,196)	455.00	475	66,470	7,000	....	73,470	20,740	22,880	43,620	117,090	24.7
	Trade	Sericulture: 2 pieces	20.00	20	....	....	....	....	....	....	....	....	....
		Land: †4.3 (*168)	94.00	94	10,520	8,100	24,030	42,650	8,100	18,170	26,270	68,920	15.4	
		Sales: 2,500 yen	354.00	354	....	....	....	....	....	....	....	....	....

* Prepared by the Commission of inquiry into the Tax Laws (Zeiho-Shinakai). The figures marked with an asterisk (*) denote the assessed value of the land in yen; those marked with a dagger (†) the area of the land in tan.

¹ Total average ratio of revenue to tax: Peasantry, 28 per cent; traders, 14 per cent.

No. VI.—COMPARISON OF REVENUE OF INDIVIDUALS AND BURDEN OF TAXATION—Continued

			Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Per cent
Ishikawa ..	Agriculture	Land: 13.5 (*1,315)	390.00	390	57,630	6,980	...	64,610	18,940	30,520	49,460	114,070	29.9
	Trade	Sales: 3,647 yen	983.00	983	7,980	22,680	54,980	85,640	12,720	12,590	25,310	110,950	11.3
Toyama ...	Agriculture	Land: 17.1 (*2,879)	750.00	750	185,350	9,880	...	168,230	71,670	28,610	100,280	268,510	35.8
	Trade	Sales: 4,685 yen	360.00	360	15,640	8,400	25,800	49,840	14,950	25,310	40,260	90,100	22.0
Fukui	Agriculture	Land: 13.0 (*1,267)	447.00	447	70,580	7,720	...	78,300	24,710	24,260	48,970	127,270	28.5
	Trade	Land: 11.0 (*425)	144.00										
Nagano ...	Agriculture	Land: 271 yen	440.00	790	36,020	17,810	18,350	72,380	24,290	41,310	65,600	137,980	17.5
	Trade	Land: 121 yen	206.00										
Niigata....	Agriculture	Land: 12.5 (*548)	273.00										
	Trade	Sericulture: 30 kwan	27.00	300	32,180	7,340	...	39,520	10,410	21,520	31,930	71,450	23.8
Tokyo.....	Agriculture	Sales: 6,700 yen	458.00										
	Trade	Rented houses: 1	39.00	488	12,200	8,600	37,750	47,570	3,020	17,640	20,660	68,230	14.0
Chiba.....	Agriculture	Land: 16.6 (*1,407)	600.00										
	Trade	Sericulture: 30 kwan	66.00	666	79,610	12,720	...	92,330	51,370	53,230	104,600	196,930	29.6
Yamanashi	Agriculture	Sales: 12,500 yen	500.00	500	...	10,080	30,700	40,780	9,130	19,560	28,690	69,470	13.9
	Trade	Land: 116.3 (*3,044)	950.00										
Kanagawa.	Agriculture	Rented houses	251.97										
	Trade	Rented land											
Saitama...	Agriculture	Loan	95.38	1,430	184,612	39,150	...	223,762	54,460	106,990	161,450	385,212	27.0
	Trade	Forest											
Shizuoka...	Agriculture	Sales: 40,000 yen	920.00	920	...	20,160	135,680	155,840	16,500	40,360	56,860	212,700	23.1
	Trade	Land: 117.4 (*3,482)	1,302.00										
Aichi.....	Agriculture	Loan: 1,000 yen	100.00	1,402	194,550	36,090	...	230,640	43,980	48,650	92,630	323,270	22.9
	Trade	Sales: 4,000 yen	660.00	660	3,220	13,860	47,500	64,580	6,950	12,190	19,140	83,720	12.7
Gifu.....	Agriculture	Land: 15.4 (*1,943)	596.00	700	106,880	13,650	...	120,530	34,450	36,080	70,530	191,060	27.2
	Trade	Loan: 485 yen	74.00										
Miyagi.....	Agriculture	Sericulture: 6 pieces	30.00										
	Trade	Sales: 6,384 yen	585.00										
Chiba.....	Agriculture	Rented land:											
	Trade	168 <i>tsubo</i>	...	585	9,010	6,560	20,580	36,420	5,410	14,220	19,630	56,050	9.5
Tokyo.....	Agriculture	Land: 14.0 (*1,688)	470.00	470	93,870	7,160	...	101,030	25,830	20,930	46,760	147,790	31.4
	Trade	Sales: 6,600 yen	509.00										
Saitama...	Agriculture	Loan: 155 yen	25.00	534	...	9,520	25,450	34,970	2,040	31,160	33,200	68,170	12.7
	Trade	Land: 112.8 (*2,144)	522.00	522	120,470	14,200	...	134,670	35,160	15,050	50,210	184,880	35.4
Shizuoka...	Agriculture	Land: 11.1 (*644)	11.00										
	Trade	Rented land: 11 (*75)	23.00	487	9,610	8,460	32,680	50,750	5,396	7,268	12,664	63,414	13.0
Aichi.....	Agriculture	Sales: 5,500 yen	453.00										
	Trade	Land: 110.5 (*1,973)	612.00	612	112,790	8,800	...	121,590	27,340	31,290	58,630	180,220	29.4
Gifu.....	Agriculture	Sales: 7,500 yen	526.00	526	1,230	9,040	27,930	38,200	4,970	12,800	17,770	55,970	10.6
	Trade	Land: 149.9 (*2,548)	830.00										
Miyagi.....	Agriculture	Loan: 2,700 yen	252.00	1,082	144,070	18,520	...	162,590	33,520	33,440	66,960	229,550	21.2
	Trade	Sales: 3,500 yen	385.00										
Tokyo.....	Agriculture	Loan: 450 yen	59.00	460	2,620	8,000	20,930	31,550	2,850	18,860	21,710	53,260	11.6
	Trade	Land: 1.1 (*33)	16.00										
Miyagi.....	Agriculture	Land: 19.1 (*4,957)	1,523.00	1,523	278,790	21,420	...	300,210	88,060	51,720	139,780	439,990	28.8
	Trade	Sale: 4,653 yen	472.00	472	...	8,100	20,200	28,300	3,820	5,380	9,200	37,500	7.9
Miyagi.....	Agriculture	Land: 15.9 (*2,408)	775.00										
	Trade	Loan: 650 yen	65.00	840	132,240	14,600	...	146,840	37,380	30,080	67,460	214,300	25.4
Miyagi.....	Agriculture	Sales: 6,339 yen	472.00	472	2,920	8,400	28,830	40,150	5,370	11,620	16,990	57,140	11.9
	Trade												

* Prepared by the Commission of inquiry into the Tax Laws (Zeicho-Shinsakai). The figures marked with an asterisk (*) denote the assessed value of the land in yen; those marked with a dagger (†) the area of the land in *tan*.

^b Total average ratio of revenue to tax: Peasantry, 28 per cent; traders, 14 per cent.

No. VI.—COMPARISON OF REVENUE OF INDIVIDUALS AND BURDEN OF TAXATION^a—Continued

Prefectures	Occupation	Revenue			National taxes				Local taxes			Grand total of taxes	Ratio of Revenue to tax ^b
		Source	Amount	Total	Land	Income	Business	Total	Prefec-tural	Municipal, town or village	Total		
			Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Per cent
Shiga.....	Agriculture	Land: ¥5.5(*3,065)	802.00	....	....	....	....	....	....	....	....	....	....
		Loan: 410 yen	19.00	893	168,590	17,680	....	186,270	35,110	47,270	82,380	268,650	30.1
		Reward: 72 yen	72.00	....	....	....	....	....	....	....	....	....	....
Kyoto.....	Trade	Sales: 4,056	730.00	730	29,970	8,700	42,200	80,872	8,110	13,170	21,280	102,152	14.0
		Land: ¥10.3(*2,987)	720.00	....	....	....	....	....	....	....	....	....	....
		Loan: 180 yen	26.00	900	167,610	8,860	....	176,470	56,010	42,610	98,620	275,090	30.6
Osaka.....	Agriculture	Sericulture: 197 pieces	154.00	....	....	....	....	....	....	....	....	....	....
		Sales: 7,660 yen	532.00	532	....	8,040	37,850	45,890	6,830	14,460	21,290	67,180	12.6
		Land: ¥11.8(*1,238)	275.00	....	....	....	....	....	....	....	....	....	....
Nara.....	Trade	Loan: 800 yen	141.00	416	77,540	6,880	....	84,420	24,650	27,250	51,900	136,320	32.7
		Sales: 7,906 yen	385.00	....	....	....	....	....	....	....	....	....	....
		Loan: 1,040 yen	48.00	433	....	7,640	40,860	48,500	9,190	17,270	26,460	74,960	17.3
Wakayama.	Agriculture	Land: ¥4.1(*2,960)	784.00	....	....	....	....	....	....	....	....	....	....
		Loan: 1,670 yen	188.00	972	166,420	16,420	....	182,840	61,150	36,170	97,320	280,160	28.8
		Land: ¥6(*395)	141.00	....	....	....	....	....	....	....	....	....	....
Hyogo....	Trade	Rent of houses: 3	90.00	843	25,210	17,680	29,883	72,720	21,420	34,440	55,860	128,580	15.3
		Sales: 4,100 yen	612.00	....	....	....	....	....	....	....	....	....	....
		Land: ¥3.8(*1,086)	528.00	....	....	....	....	....	....	....	....	....	....
Hiroshima.	Agriculture	Loan: 105 yen	27.00	555	106,070	7,600	....	113,670	45,580	14,660	60,240	173,610	31.3
		Sales: 20,000 yen	827.00	827	19,910	20,160	35,800	75,870	15,300	18,150	33,510	109,380	13.2
		Land: ¥4.5(*1,796)	828.00	828	98,760	17,600	....	116,360	26,230	61,980	88,210	204,570	24.7
Okayama..	Trade	Sales: 6,000 yen	1,092.00	....	....	....	....	....	....	....	....	....	....
		Rent of houses: 302 yen	111.00	1,277	2,580	41,100	60,200	103,880	510	32,160	32,670	136,550	10.7
		Land: ¥4(*41)	74.00	....	....	....	....	....	....	....	....	....	....
Yamaguchi.	Agriculture	Land: ¥9.2(*2,588)	796.00	796	143,590	15,270	....	158,860	36,590	47,480	84,070	242,930	30.5
		Sales: 3,000 yen	403.00	403	....	7,100	26,250	33,350	4,220	9,592	13,810	47,160	11.7
		Land: ¥2.7(*1,507)	335.00	....	....	....	....	....	....	....	....	....	....
Shimane...	Trade	Loan: 950 yen	125.00	460	82,250	6,920	....	89,170	23,080	23,870	46,950	136,120	29.6
		Sales: 3,350 yen	354.00	....	....	....	....	....	....	....	....	....	....
		Loan: 100 yen	12.00	366	4,490	7,320	22,450	34,270	3,110	8,200	11,300	45,570	12.4
Shimane...	Agriculture	Land: ¥1.6(*805)	426.00	....	....	....	....	....	....	....	....	....	....
		Loan: 120 yen	10.00	436	44,300	8,200	....	52,500	13,380	19,650	33,030	85,530	19.5
		Land: ¥3(*35)	....	....	....	....	....	....	....	....	....	....	....
Shimane...	Trade	Sales: 9,000 yen	779.00	853	2,790	20,520	40,130	63,440	9,240	26,640	35,880	99,320	11.6
		Rent of houses: 3	49.00	....	....	....	....	....	....	....	....	....	....
		Land: ¥10.3(*5,086)	1,542.00	1,542	279,730	37,930	....	317,660	70,300	81,890	151,190	468,850	30.5
Shimane...	Trade	Land: ¥6(*254)	79.00	....	....	....	....	....	....	....	....	....	....
		Sales: 0,300 yen	791.00	....	....	....	....	....	....	....	....	....	....
		Loan: 500 yen	169.00	1,097	21,520	22,950	57,130	101,600	23,200	82,090	105,290	206,890	18.8
		Rent of houses: 220	....	....	....	....	....	....	....	....	....	....
		tsubo	58.00	....	....	....	....	....	....	....	....	....

^a Prepared by the Commission of inquiry into the Tax Laws (Zeicho-Shinsakai). The figures marked with an asterisk (*) denote the assessed value of the land in yen; those marked with a dagger (†) the area of the land in *tan*.
^b Total average ratio of revenue to tax: Peasantry, 28 per cent; traders, 14 per cent.

No. VI.—COMPARISON OF REVENUE OF INDIVIDUALS AND BURDEN OF TAXATION^a—Continued

			Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Per cent
Totтори...	Agriculture	Forest: 12 yen Land: †9.8(*4,178) Cattle: 5 yen	12.00 1,350.00 5.00	.... 1,367 ....	.... 229,790 ....	.... 37,580 ....	.... .... ....	.... 267,370 ....	.... 53,180 ....	.... 50,540 ....	.... 103,720 ....	.... 371,090 ....	.... 27.1
	Trade	Land: †.02(*152) Rent of houses: 108 Loan: 38 yen	.... 79.00 7.00	.... 1,242 ....	.... 30,410 ....	.... 37,650 ....	.... 73,700 ....	.... 141,760 ....	.... 13,270 ....	.... 37,900 ....	.... 51,170 ....	.... 192,930 ....	.... 15.5
Fukuoka...	Agriculture	Sales: 12,000 yen Land: †5.7(*1,960)	1,156.00 668.00	.... 668	.... 109,890	.... 99,540	.... ....	.... 119,430	.... 16,920	.... 33,920	.... 50,840	.... 170,270	.... 25.5
	Trade	Sales: †100 yen Rent of houses: 2 Land: †14.2(*1,628)	668.00 563.00 71.00	.... 634 ....	.... .... ....	.... 15,230 ....	.... 45,080 ....	.... 60,310 ....	.... 8,620 ....	.... 22,480 ....	.... 31,100 ....	.... 91,410 ....	.... 14.4
Nagasaki..	Agriculture	Loan: 100 yen Sales: 8,000 yen Land: †2.9(*1,387)	15.00 856.00 519.00	.... 817 ....	.... 89,540 ....	.... 17,470 ....	.... 20,830 ....	.... 49,500 ....	.... 81,060 ....	.... 12,510 ....	.... 25,730 ....	.... 38,240 ....	.... 26.0
	Trade	Sales: 6,500 yen Land: †1.6(*1,190)	800.00 309.00	.... 800	.... ....	.... 19,680 ....	.... 47,050 ....	.... 66,730 ....	.... 5,180 ....	.... 25,450 ....	.... 30,630 ....	.... 97,360 ....	.... 12.1
Miyazaki..	Agriculture	Loan: 100 yen Sericulture: 6 pieces Sales: 3,600 yen Land: †2.4(*790)	20.00 9.00 360.00 327.00	.... 338 ....	.... 46,570 ....	.... 6,780 ....	.... .... ....	.... 53,350 ....	.... 17,190 ....	.... 30,460 ....	.... 47,650 ....	.... 101,000 ....	.... 29.8
	Trade	Loan: 165 yen Sales: 3,638 yen Land: †6.4(*716)	22.00 489.00 273.00	.... 349 ....	.... 42,820 ....	.... 6,040 ....	.... .... ....	.... 48,860 ....	.... 13,790 ....	.... 13,400 ....	.... 27,190 ....	.... 76,050 ....	.... 21.7
Oita.....	Agriculture	Land: †.4(*46) Sales: 4,500 yen Land: †4.4(*1,063)	18.00 400.00 681.00	.... 418 ....	.... 2,880 ....	.... 8,380 ....	.... 24,700 ....	.... 35,960 ....	.... 6,440 ....	.... 24,050 ....	.... 30,490 ....	.... 66,450 ....	.... 15.9
	Trade	Sales: 1,850 yen Land: †.6(*15) Land: †6.4(*1,788)	407.00 4.00 644.00	.... 411 ....	.... 5,380 ....	.... 7,500 ....	.... 23,230 ....	.... 36,110 ....	.... 4,120 ....	.... 10,270 ....	.... 14,390 ....	.... 50,500 ....	.... 12.3
Tokushima.	Agriculture	Land: †.4(*72) Loan: 919 yen Land: †.4(*72)	43.00 118.00 88.00	.... 762 ....	.... 179,147 ....	.... 13,230 ....	.... 13,900 ....	.... 206,277 ....	.... 27,438 ....	.... 42,022 ....	.... 69,460 ....	.... 275,737 ....	.... 36.2
	Trade	Loan: 721 yen Sales: 6,700 yen Rent of houses: 320 yen	403.00 45.00 689.00	.... 579 ....	.... 13,370 ....	.... 9,960 ....	.... 23,700 ....	.... 47,030 ....	.... 7,060 ....	.... 7,510 ....	.... 14,570 ....	.... 61,600 ....	.... 10.9
Kochi.....	Agriculture	Land: †4.4 (*2,375) Rent of houses: 210 yen	689.00 15.00 704.00	.... 704 ....	.... 131,840 ....	.... 14,970 ....	.... .... ....	.... 146,810 ....	.... 19,710 ....	.... 29,250 ....	.... 48,960 ....	.... 195,770 ....	.... 27.8
	Trade	Sales: 11,030 yen Land: †4.1(*1,155) Loan: 59 yen Sericulture: 17 yen	704.00 513.00 47.00 14.00 704 20,540 22,850 44,080 146,810 6,550 8,830 15,380 92,850....	.... 13.4 ....
Ehima.....	Agriculture	Land: 22 bu (*3) Sales: 5,067 yen Land: †3.7(*1,923)	14.00 1.00 557.00	.... 558 ....	.... 150 ....	.... 9,920 ....	.... 30,880 ....	.... 40,950 ....	.... 9,839 ....	.... 18,394 ....	.... 28,233 ....	.... 69,183 ....	.... 12.4
	Trade	Rent of houses: 18 isubo Land: †.05(*38) Sales: 7,000 yen Loan: 150 yen	562.00 12.00 26.00 575.00 18.00	.... 574 ....	.... 108,390 ....	.... 8,560 ....	.... .... ....	.... 116,950 ....	.... 25,540 ....	.... 42,100 ....	.... 67,640 ....	.... 184,590 ....	.... 32.1
Kagawa...	Agriculture	Sales: 7,000 yen Loan: 150 yen	575.00 18.00	.... 619	.... 3,040	.... 12,810	.... 66,530	.... 82,320	.... 9,630	.... 23,740	.... 33,370	.... 115,750	.... 18.7

^a Prepared by the Commission of inquiry into the Tax Laws (Zeiho-Shinsakai). The figures marked with an asterisk (*) denote the assessed value of the land in yen; those marked with a dagger (†) the area of the land in tan.

^b Total average ratio of revenue to tax: Peasantry, 28 per cent; traders, 14 per cent.

NO. VII.—RETURNS ON ANTICIPATORY IMPORTATION OF PRINCIPAL
COMMODITIES 1903-1906*

Commodities	1905-6	1904-5	1903-4
Implements and tools of farmers, mechanics, and cutlery makers ...	<i>Yen</i> 708,288	<i>Yen</i> 355,022	<i>Yen</i> 319,811
Musical and physical instruments....	384,717	247,185	272,322
Electric light apparatus and fire engines.....	1,215,472	614,202	694,087
Photographic instruments and fittings	688,566	424,121	498,754
Wheat and wheat flour.....	13,963,459	11,162,170	15,492,258
Carbolic acid and antipyrin.....	705,331	344,913	303,178
Rice.....	47,981,265	59,791,910	51,960,272
Cotton seeds and sesame.....	1,841,859	1,254,660	1,202,130
Hides or skins of bulls, oxen, cows, and buffaloes.....	2,077,996	2,319,226	825,814
Brass tubes and pipes.....	416,734	169,858	157,334
Copper tubes and pipes.....	571,818	284,774	245,957
Petroleum.....	12,061,261	18,201,489	11,455,696
Linseed oil and machine oil.....	970,703	572,755	683,542
Sugar.....	13,046,772	18,031,922	14,817,125
Cotton thread.....	628,703	476,674	325,356
Coke.....	728,283	192,539	79,136
Bicycles and parts thereof.....	1,364,383	953,199	972,972
Glue.....	340,179	217,080	154,083
Laundry soap.....	134,270	69,796	85,051

* Prepared by the Toyo-keizai-shimpo-sha.

No. VIII.—STATISTICS CONCERNING WAGES OF LABORERS*

A.—Increases of wages of general laborers, 1900-1910

Kind of employment	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910
House-building, etc.....	100	108.1	110.0	111.5	108.0	111.8	121.3	142.9	155.7	153.5	154.4
Tool-making, etc.....	100	107.5	111.7	111.3	109.5	114.9	122.1	134.1	141.7	144.5	147.5
Agriculture.....	100	102.4	100.7	105.0	104.2	109.7	111.9	126.0	135.0	132.6	141.5
Clothing, etc.....	100	103.4	107.8	108.6	106.8	112.5	121.5	131.5	136.6	139.3	146.6
Food and drink manufacture.....	100	100.9	106.6	111.2	108.6	111.2	113.4	125.8	132.0	136.8	141.9
Miscellaneous.....	100	102.8	108.4	109.5	108.1	112.4	116.7	138.0	148.6	152.2	154.9
Total average.....	100	104.7	107.7	109.5	107.5	112.1	118.4	134.1	143.0	144.1	148.5

* Quoted from the statistics prepared by the Department of Agriculture and Commerce. The figures for Table A represent the index numbers obtained by averaging the real figures of wages in respective years, while those for Table B represent the index number of wages in corresponding years. Hence, both numbers do not claim any approach to accuracy, although the general aspects of fluctuations in wages may be observed therein.

No. VIII.—STATISTICS CONCERNING WAGES OF LABORERS*—Continued

B.—Average daily wages of factory laborers and increases, 1900—1910

Year	Filature		Cotton-spinning		Cotton-tissue weaving		Carriage manufacture		Machine driving		Printing		Average		Table B Index No.
	Wages	Index No.	Wages	Index No.	Wages	Index No.	Wages	Index No.	Wages	Index No.	Wages	Index No.	Table A Wages	Table A Index No.	
1900.....	<i>Yen</i> .260	100	<i>Yen</i> .310	100	<i>Yen</i> .250	100	<i>Yen</i> .450	100	<i>Yen</i> .570	100	<i>Yen</i> .350	100	<i>Yen</i> .365	100	100
1901.....	.270	104	.310	100	.270	108	.460	102	.510	89	.400	114	.367	101	103
1902.....	.290	112	.290	94	.300	120	.520	116	.510	89	.420	120	.388	106	103
1903.....	.290	112	.300	97	.270	108	.510	113	.530	93	.410	117	.385	106	107
1904.....	.290	112	.390	126	.270	108	.520	116	.570	100	.410	117	.408	112	113
1905.....	.290	112	.330	106	.250	100	.550	122	.550	96	.420	120	.398	109	109
1906.....	.300	115	.360	116	.310	124	.530	118	.410	72	.490	140	.400	110	114
1907.....	.320	123	.400	129	.340	136	.600	133	.640	112	.490	140	.465	127	129
1908.....	.570	220	.390	126	.400	160	.660	147	.600	105	.510	146	.522	142	151
1909.....	.370	142	.390	126	.360	156	.610	136	.640	112	.510	146	.483	132	136
1910.....	.370	142	.430	140	.360	144	.570	127	.620	109	.510	146	.480	131	135

* Quoted from the statistics prepared by the Department of Agriculture and Commerce. The figures for Table A represent the index numbers obtained by averaging the real figures of wages in respective years, while those for Table B represent the index number of wages in corresponding years. Hence, both numbers do not claim any approach to accuracy, although the general aspects of fluctuations in wages may be observed therein.

No. IX.—JUDICIAL DISPOSITION PASSED FOR RECOVERY OF TAXES IN ARREARS^a

A.—Taxes in arrears pressed for payment

Items	1903-4		1904-5		Increase or decrease ^b over previous year		1905-6		Increase or decrease ^b over previous year	
	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters
	<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>	
Land tax.....	347,888	331,052	506,965	356,122	159,077	25,070	1,045,982	352,024	539,016	3,198
Income tax.....	325,868	58,904	452,307	67,413	126,438	8,509	1,001,739	118,012	549,432	50,599
Business tax.....	523,045	97,043	955,421	101,469	432,366	4,426	1,366,230	93,894	410,809	17,575
<i>Sake</i> tax.....	1,202,070	4,039	1,072,455	3,964	129,614	-75	564,564	3,195	507,890	-769
Soy tax.....	32,617	1,151	37,753	21,178	5,135	20,027	27,629	22,535	-10,123	1,374
Business tax on patent medicines.....	19,400	5,086	15,434	5,609	5,025	613	18,320	5,244	2,856	-455
Mining tax.....	82,800	1,615	144,645	3,185	61,844	1,570	360,635	5,594	215,089	2,469
Bourse tax.....	3,580	13	843	4	-2,736	-9	.....	.....	-843	-4
Stamp receipts.....	109	469	649	349	539	-120	20,880	3,450	20,231	3,101
Total.....	2,528,386	499,372	3,186,472	559,383	658,074	60,011	4,405,979	604,868	1,219,507	45,482

B.—Seizure of property carried out for the recovery of taxes

Items	1903-4		1904-5		Increase or decrease ^b over previous year		1905-6		Increase or decrease ^b over previous year	
	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters	Amount of taxes	No. of de- faulters
	<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>	
Land tax.....	26,836	29,237	43,743	37,874	16,907	8,637	79,407	43,954	35,663	6,080
Income tax.....	9,544	2,331	14,744	2,989	5,200	658	31,574	5,149	16,829	2,160
Business tax.....	29,522	7,201	62,381	8,902	32,859	1,701	99,443	9,083	37,061	181
<i>Sake</i> tax.....	1,018,653	1,264	978,737	1,149	-39,916	-115	545,848	811	-432,880	-338
Soy tax.....	4,204	78	5,113	1,122	810	1,044	2,034	1,333	-3,079	211
Business tax on patent medicines.....	1,165	471	1,538	462	373	9	1,557	495	18	33
Mining tax.....	6,632	109	7,564	158	932	49	39,470	533	31,905	375
Bourse tax.....	148	1	71	1	-77	0	.....	.....	-77	-1
Stamp receipts.....	50	204	27	22	-22	-182	652	84	625	62
Total.....	1,097,244	40,896	1,113,911	52,679	17,076	11,783	799,988	61,442	-313,935	8,763

^a Tables A, B, C, D indicate the actual conditions for each fiscal year of the judicial dispositions for the recovery of taxes in arrears, leaving out of account the amount brought over from the preceding fiscal year. The amount increases slightly with the years; but if allowance is made for the amount brought over, mainly consisting of the *sake* tax in arrears, the total arrearages since 1902-3 result in gradual decrease.

^b Indicated by minus sign.

No. IX.—JUDICIAL DISPOSITION PASSED FOR RECOVERY OF TAXES IN ARREARS^a—Continued

C.—Arrears recovered by the dispositions

Items	1903-4		1904-5		Increase or decrease ^b over previous year		1905-6		Increase or decrease ^b over previous year	
	Amount of	No. of de-	Amount of	No. of de-	Amount of	No. of de-	Amount of	No. of de-	Amount of	No. of de-
	taxes	faulters	taxes	faulters	taxes	faulters	taxes	faulters	taxes	faulters
	<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>	
Land tax.....	3,536	5,753	4,540	5,737	1,003	16	9,200	8,566	4,659	2,829
Income tax.....	2,210	399	2,099	507	—111	108	6,499	876	4,400	371
Business tax.....	3,106	634	6,072	908	2,965	274	13,531	1,121	7,458	213
Sake tax.....	480,855	659	565,742	666	84,886	7	272,063	370	—293,678	—296
Soy tax.....	2,539	14	3,143	139	603	125	543	194	—2,599	55
Business tax on patent medicines.....	81	45	81	54	.....	9	236	63	154	9
Mining tax.....	1,172	15	807	24	—365	9	2,188	65	1,381	41
Bourse tax.....	.....	.....	71	1	71	1	.....	.....	—71	—1
Stamp receipts.....	53	204	0	1	—52	—303	74	4	73	3
Total.....	493,552	7,823	582,555	8,037	89,002	214	304,337	11,261	278,220	3,224

D.—Arrears that resulted in loss to Treasury

Items	1903-4		1904-5		Increase or decrease ^b over previous year		1905-6		Increase or decrease ^b over previous year	
	Amount of	No. of de-	Amount of	No. of de-	Amount of	No. of de-	Amount of	No. of de-	Amount of	No. of de-
	taxes	faulters	taxes	faulters	taxes	faulters	taxes	faulters	taxes	faulters
	<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>		<i>Yen</i>	
Land tax.....	2,290	1,327	2,345	1,090	55	—237	3,037	753	691	—337
Income tax.....	10,119	2,813	13,010	2,931	2,890	118	14,927	4,475	1,917	1,544
Business tax.....	15,537	3,583	22,357	4,376	6,819	793	42,594	3,832	20,237	—544
Sake tax.....	368,906	451	381,007	393	12,101	—58	82,740	348	—298,266	—45
Soy tax.....	20	22	87	165	866	143	583	1,167	—304	1,002
Business tax on patent medicines.....	685	370	919	433	233	54	843	392	—75	—41
Mining tax.....	7,315	81	3,380	54	—3,935	—27	10,434	149	7,053	95
Bourse tax.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Stamp receipts.....	.....	.....	.....	.....	.....	.....	47	9	47	9
Total.....	404,872	8,656	423,906	9,442	19,032	786	155,208	11,125	268,699	1,683

^a Tables A, B, C, D indicate the actual conditions for each fiscal year of the judicial dispositions for the recovery of taxes in arrears, leaving out of account the amount brought over from the preceding fiscal year. The amount increases slightly with the years; but if allowance is made for the amount brought over, mainly consisting of the sake tax in arrears, the total arrearages since 1902-3 result in a gradual decrease.

^b Indicated by minus sign.

APPENDIX B
RECENT PROBLEMS RELATING TO
INDIRECT TAXES, ESPECIALLY
EXCISES

RECENT PROBLEMS RELATING TO INDIRECT TAXES, ESPECIALLY EXCISES

GENERAL REMARKS

As the foregoing investigation shows, the war imposts in Japan consist chiefly of indirect taxes, especially excises. In the present condition, the excises form an integral part of the Japanese tax system. Closer examination of their genesis and development, however, brings to light the fact that most of them were established and have been retained down to the present time for the purpose of war and armament. Such being the case, it is not an exaggeration to assert that the problem whether or not to abolish excises, is not less important than the problem whether or not to abolish war taxes. In the investigation proper, my endeavor was mainly to elucidate the facts concerning the historical and statistical development of war imposts and their effects upon national economy and finance. In this appendix, we shall turn our attention to the contemporary currents of thought and examine the opinions of contemporary statesmen and theorists respecting the aforesaid facts; but because of the limited space allowed for this theme, all I can do is to outline general features, leaving the detailed points out of consideration. As I stated in the investigation proper, the total of the war taxes in this country at the present time amounts to 180,034,154 *yen*, of which 34 per cent is the proceeds of direct taxes and the remaining 66 per cent the proceeds of indirect taxes. As to the effect of war taxation upon the national economy and finance, it is the latter group of levies that played the more important rôle. I also noted the fact, in the preceding research, that while the financial effects of war taxation resulted in the expansion of the national and the restriction of the local finances, its economic effects were the oppression of small-

income-earning classes, such as small peasants and laborers, and the unfair distribution of the national income. It will not be a difficult thing to see that this is a description of actualities which lie in the objective region of facts, without any subjective coloring of prejudice or bias. Now, what I want to depict in the following pages are the attitudes and opinions of the statesmen and scholars in Japan toward these facts; namely, in spite of their recognition of this deplorable state of things, do they intend to leave it alone as a necessary evil, in consideration of the unfavorable economic, financial, and other situation of the country, or do they take the opposite view and assert the necessity of the reform and readjustment of the taxes in question, and, if so, what are their leading principles and what measures do they recommend? To describe these currents of thought more fully will be my task in the ensuing pages.

EXCISE PROBLEM IN THE IMPERIAL DIET

During the half century from the dawn of the Meiji Era down to the present day of Taisho, as I noted in the main part of the investigation, the introduction of new and the increase of old taxes have been repeated six times for the defraying of the expenditures of war and expenses of armament, and all such measures were always attended with the establishment and extension of excises. Of the six cases, however, those we experienced prior to promulgation of the constitutional law of the Empire, in the twenty-third year of Meiji, are too insignificant with respect to their amount to supply the reader with a topic of general interest. Although those cases occurring after the Sino-Japanese War, especially the one at the time of the Boxer Uprising, provoked a hot discussion in the Parliament, still they failed to attract the attention of the public sufficiently to constitute a popular question.¹ It is only in relation to the twice-

¹ In an article entitled "Japanese System of Finance, especially of Taxation," which appeared in the January, 1908, number of the *Japanese Economic News*, Professor Kambe published his opinion concerning the tax-system adjustment, in which he proposed the abolition of the textile excise, contrary to the views here stated. (Kambe, *Financial Essay*, pp. 389-410.)

repeated measure of emergency special taxation that they became the focus of controversies among the intellectuals and grew to be a general theme of public discussion. Numerous were the opinions published by official and unofficial persons at this juncture, containing various projects and criticisms (comparable to those that have been uttered on like occasions in occidental countries) concerning methods of raising means sufficient to defray the war expenditures; namely, which is the more reliable source to be depended upon—the proceeds from public loans or receipts from taxation; and if the latter be preferable, which of the two is to play the more important rôle—direct taxes or indirect ones? Yet, generally speaking, the original proposals of the authorities were enforced under the spellbinding words *kyokoku icchi* (national solidarity) and were accepted by the general public as an inevitable sacrifice in the unprecedented emergency.

In view of the general scheme of this treatise, it seems to me quite natural to begin with the examination of these opinions respecting the excise problem at that time. Unfortunately, however, we have scant sources of reliable information in this connection, partly because of the high-handed suppression of freedom of speech by the authorities in the strained circumstances of war time, partly because of the absence of saner reflection and cooler judgment on the part of the nation, fanatic under the chauvinistic slogan of "national solidarity." Under such conditions, therefore, the sources which I can use for this purpose are limited to the record of the Imperial Diet concerning the progress of the excise problem on the one hand and the opinions expressed in the most influential of non-official papers and journals on the other. From these documents, we know that most of the supporters of the increased tax bill approved it only as supplementary to the revenue from the public loans raised to defray the war cost, and that even some of them went so far as to profess absolute opposition to measures for the increase of taxes (insisting upon adhesion to the public

loan policy). But as to the excises in particular, we have no knowledge of any opinions expressed worthy of our notice, except some articles in the *Oriental Economic Journal*, which declared against the levies in question.¹ It was after the restoration of peace, when the continuation of the Emergency Special Tax Law and the subsequent attempt to increase excises became the subject of severe contention, that the excise problem awakened the interest of the nation at large and became the center of public controversy. So, in the present chapter the development of the excise problem after the Russo-Japanese War will be described in its general features, leaving out of account those prior to the emergency. The twenty-second session of the Imperial Diet, the first session since the restoration of peace, was convoked on December 2, 1905. The nation, anticipating an enormous expansion of the national finance, owing to the post-bellum arrangement, attentively watched the actions of both the government and the Diet, as seriously affecting the fortunes of the Empire. The cabinet at that time, with Marquis Kimimochi Saionji as its premier, was under the influence of the Seiyūkai Party. The government, having decided to adhere to the schemes of the preceding cabinet *en bloc* with respect to the framing of the budget, submitted to the Legislature a project rendering war taxes permanent under the name of the Bill Relating to the Continuation of Emergency Special Taxes, together with proposals for establishing a sinking fund and issuing new loans. Despite the fact that the emergency taxes had been introduced in order to meet the war expenses at the time of the Russo-Japanese hostilities, and should have been abolished on the last day of the year following the restoration of peace, the authorities, who were compelled to seek resources of a permanent nature for

¹ Dr. Horie, in the chapters on taxation in his work *Science of Finance* (4th ed.), and Dr. Utsunomiya, in the first volume of his work *Science of Finance*, have noted their views upon the problem. Dr. Tajiri proposed the abolition of the salt monopoly in his *Economic Essays* (pp. 54-5), while Dr. Kudo explained the levying procedure of the existing excises in his instructive report at the tenth convention of the Society for Social Policy (November, 1915), under the title "Method of Assessment of Various Excises," (Ninth volume of the publications of the Society).

defraying the increased "compulsory" expenses, such as the redemption and payment of interest on public loans, pensions, and annuities, endeavored to render the imposts in question permanent and to cover the expanded expenditures by the thereby increased revenue, amounting to 160,000,000 *yen*.

First, in order to get a glimpse of the general trend of public opinion, let us examine the attitude taken by the influential newspapers toward the question. The *Tokyo Asahi* advised postponing the presentation of the bill until the next session in order to permit an adequate investigation, for the reason that "such a hasty decision is unkind to the nation, even if the continuation of the war taxes be unavoidable," while the *Nihon* argued that "the thoughtless demand for the entire abolition of the war taxes is improvident at this juncture, when the exigency of the National Treasury calls for remedy from this direction." The *Mainichi* declared its attitude toward the proposal as follows: "It was in anticipation of being able to command some other resources, in consequence of the victorious conclusion of the hostilities, that the government fixed the term of validity to the Emergency Special Tax Law. However, when the authorities failed to attain the desired object, they threw the burden of the war expenses on the shoulders of the nation. The government should apologize to the nation for this course of things. So, we recommend to the authorities to negotiate with the people concerning the measure to be adopted in the spirit of sincerity and thus endeavor to realize their demand of increased taxation." Hence, we see that the opinions of the journalistic world were quite varied.

In the committee of the House of Representatives we find distinct groups of opinions in respect to the project in question; the first disapproved the bill as a whole, the second demanded the repeal of the law on March 31, 1907, viz., the extension of the term of validity of the Emergency Special Tax Law for one additional year, while the third supported the government's proposal without any alteration. In

connection with the presentation of the bill, the government announced at a meeting of the committee that it intended to appoint a commission on tax-law inquiry and to carry out in two years the adjustment extending the entire scope of the tax law; and when a division was taken, the original bill passed the commission by a majority. At the regular sitting of February 8, a vote on the Sinking Fund Bill was followed by debate on the project under notice. The opposition declared against the bill for the following three reasons: (1) to force the government to act upon its promise, (2) to induce the government to announce its sincerity to the nation, and (3) because of the absence of consistency in the Premier's administrative policy; whereas the government party supported the proposal, contending that, as the authorities proposed to reform the tax law in two years, appointing a commission on tax law inquiry, for this short period the public had strength enough to bear the burden resulting from the continuation of the war taxes. After the termination of heated controversies the original bill was passed.

On February 13 the same bill was sent to the House of Peers. In the committee an amendment was moved that the law should be repealed on March 31, 1908, but this was defeated and the original bill was passed by a majority. At the regular sitting of March 23, some members opposed the bill on the ground that the continuation of the emergency special taxation was a violation of the promise on the part of the government. Others moved an amendment to continue the law until March 31, 1908, and still another member supported the bill by alluding to the fact that "the continuation is inevitable under the present situation of the national finance." Upon division, the government's scheme was finally approved by a great majority.

In the manner above noted, emergency special taxes were made permanent; yet no small number of members of the House of Representatives, desiring the abolition of the salt monopoly, presented a bill at the twenty-third session of the Diet, summoned on December 25, 1906, abolishing the salt

monopoly. The bill, however, was rejected, and the only thing accomplished was the approval of a representation to the same end by a great majority.

Discontented with the continuation of the emergency special taxes, the government submitted to the Diet, at its twenty-fourth session, commencing on December 27, a bill for increased taxation, together with a project of tax-law adjustment. The same bill aimed at the extension of excises, with an expected increase of revenue, coming up to 15,000,000 *yen* after the fiscal year 1909-10, from the extension of the tax on *sake* and the sugar excise, the introduction of the petroleum excise, and the advancement of tobacco prices. The opinions of the members of the committee regarding the bill were at variance. Mr. Matsuda, the Minister of Finance, explained the bill as follows:

"Despite the fact that of the expenses necessary to carry out at this time what had been planned in the fiscal year 1907-8 the greater part could be covered only by raising public loans, the issue of loans was next to impossible under the present unfavorable economic conditions, foreign and domestic. Again, the government's endeavor to meet the exigency by postponing some part of its undertakings and by retrenching expenditures was in vain. Thus, there was no way open but to have recourse to the scheme of increased taxes. Further, granting the inevitableness of increasing taxes, what reason was there for raising that additional revenue exclusively from taxes on consumption? The government committee explained that the reason the government attempted to get the increased revenue exclusively by extending excises was that the share of the public burden apportioned to direct taxes was disproportionately heavy, owing to the increased assessment during war time, amounting to 160,000,000 *yen*. While in the fiscal year 1903-4 the percentages of direct and indirect taxes had been 35.8 and 64.2, respectively, after the levying of the war taxes they changed to 40.4 and 59.6, thus necessitating the extension of excises in order to restore the equilibrium. After the closure, all

the bills were passed with a slight amendment in regard to the tax on *sake*. At the regular sitting of the lower House, though not without a considerable number of opponents, the bill as amended by the committee was approved. In the House of Peers also, both in the committee and in the regular sitting, the bill was passed by a great majority. In the sitting, 148 voted for and 45 voted against the bill. Now, let us review the main points of the discussions at the session of the House of Peers. The principal reasons for the opposition there were the following: (1) The government had not taken into consideration the surplus of 1908-9, amounting to 33,000,000 *yen*, and, moreover, the consideration of the bill had better be postponed until the Peers were informed of the outcome of the deliberations still going on in the Lower House concerning the tax-law adjustment, which might bring about more or less surplus in the revenue; (2) if the government could manage to postpone or curtail some part of expenditures for armament, which had expanded stupendously since the Sino-Japanese and Russo-Japanese wars, it would be able to dispense with the extension of excises and relieve the lower classes from the oppression thereof; (3) at this moment the burden borne by the nation had reached its extreme point and there was no possibility of adding to it. On the other hand, the supporters justified the project for a twofold reason. (1) To make solid the foundation of our finance, it was necessary to frame a sound scheme extending over several years, and to frame a sound financial scheme we could not rely upon an accidental surplus but must look for some other permanent resources; (2) however desirable the recuperation of the economic powers of the nation, it was inadmissible, in view of the international relations of the Empire, to cut down or greatly postpone the expenses of armament."

In this way the bill for increased taxes was approved; but what was the fate of the Bill for Tax-Law Adjustment, which was submitted to the Diet with the above-mentioned bill? The bill was a project of law which provided for adjustment

of the land tax and of twenty-seven other taxes. But here I will introduce the bill so far only as it concerns indirect taxes: (a) As to the textile excise, hitherto woolen fabrics and other fabrics had been treated differently with regard to the method of assessment and the tax rate, but the bill was intended to abolish this discrimination and adopt the method of taxing transactions at the rate of 10 per cent *ad valorem*; (b) as to the travelers' tax, the bill maintained the existing law as it stood, with one exception, that is, exemption of fares less than 1 *sen*; (c) as to the salt monopoly, the bill aimed at gradual cheapening and equalization of retail prices throughout the whole country, and for this purpose the government was directed to resort to divers measures, such as appointment of wholesale and retail dealers, sending the commodity to the wholesale dealers at the government's expense, thus enabling them to supply salt at fixed prices, adjustment of the salt fields which required higher cost of production, and importation of salt from Formosa or other places where the article was produced at smaller cost; and, further, in order to realize an abundant and cheap supply of salt, the government was to establish its own shops, bear the cost of sale and transportation, reduce the minimum selling unit, facilitate joint purchases by purchasing societies, and endeavor to reduce the money to be paid as compensation to manufacturers. Thus, the authorities attempted, generally speaking, to maintain the existing system of indirect taxes as in case of direct taxes. Compared with the estimates of the fiscal year 1907-8, the shrinkage of revenue incidental to the reform was estimated at 2,137,945 *yen*. But in regard to indirect taxes, reduction of the textile excise by only 1,189,578 *yen* was to be effected, while increases of the traveling taxes and of the tax on *sake* by 39,539 and 227,786 *yen*, respectively, were expected. The bill under consideration was rejected *en bloc* at the final meeting of the committee after several deliberations. The reasons for the rejection were different as between the government and opposition parties; whereas the former con-

tended that, as the bill required a closer investigation, a year's delay should be granted to the government for composing a more perfect and accurate project, the latter argued to the effect that the bill embodied materially the proposals of increased taxes and did not touch fundamental reforms of the tax law in the least. The same bill, which had been presented to the regular sitting on March 9, unfortunately fell through, owing partly to the withdrawal by the government and partly to the disapproval of the Assembly.

Although the emergency special taxes had been continued and the bill for increased taxes had been carried, not a few members of the opposition cherished animosity toward it, which feeling became embodied, during the twenty-fourth session of the Diet, in the bill repealing the salt monopoly, the textile excise, and the traveling tax, popularly known as the "Bill for the Repeal of the Three Bad Taxes," by Mr. Saburo Shimada, and seconded by other members. The bill was justified on the grounds that the salt monopoly not only did not yield much profit but entailed a heavy burden on the nation and oppressed the livelihood of the lower classes in particular, that the textile excise hampered the development of industries and impeded the growth of foreign trade, to say nothing of its embarrassing mode of collection, and that the traveling tax, levying upon the use of civilized means of communication, hindered the development of traffic, and especially caused no small discomfort to the lower population.

The project of repealing the salt monopoly, among others, about which a representation had been passed by a great majority in the last session, was defeated, though not a few members of the government party voted for it, together with the proposals concerning the textile excise and the traveling tax, both in the committee and in the regular sitting. In the committee there were none who opposed the bill by denying the notorious nature of the three taxes. Diverse as were the opinions against the project, they agreed on the one point that it was imprudent to insist on the abolition at the

present, when the bill for increased taxes had been passed and the government had no resources at its disposal to replenish the deficiency; whereas the main purport of the supporters' opinions was that the fiscal deficit due to the repeal of the three taxes might be met by retrenchment in the budget. On a division the number of ayes and noes were even, and the project of abolishing the traveling tax suffered a similar fate, the vote on the bill being 11 for and 15 against. In the regular sitting, Mr. Saburo Shimada, presenter of the bill, and others energetically argued for it, referring to the fact that the three taxes were unfair in distributing public burdens and injured the growth of national production. After the conclusion of debates a vote was taken, and the bill was defeated by 200 noes out of 322 votes.

Not being disheartened in the least, Mr. Saburo Shimada again presented the same bill, at the commencement of the twenty-fifth session of the Diet, viz., a bill repealing three taxes, that is, the salt monopoly, the traveling tax, and the textile excise. The project proposed to repeal the three taxes at the end of 1910. Mr. Shimada stated the reasons for the presentation, and said:

The obnoxious nature of the three taxes was universally admitted, with the sole exception, perhaps, of the authorities; nay, even the authorities did not deny that they were bad imposts, yet they opposed the proposal on the ground of the shortage of resources; thus, the problem was essentially a problem of resources; but going a step further, the problem was a problem of confidence in the present government rather than the problem of resources, for if the government had listened to the unanimous cry of the nation against the notorious taxes, and endeavored to search for the proper resources, the problem of resources would never have taken place.

In response to this, Prime Minister Taro Katsura opposed the bill by stating that under the existing circumstances of national finance the government could not, with all its efforts, find any source of taxation large enough to offset the reduced revenue of 35,000,000 *yen*, which would result from the repeal of the three taxes. After a criticism which Mr. Shimada made, to the effect that according to the anticipation of the

Minister of Finance of the preceding cabinet the increased revenue from the tax on *sake* and the petroleum excise would amount to 11,400,000 *yen* in 1910 and 20,000,000 *yen* in 1913, and the profits of the tobacco monopoly to 7,760,000 *yen* in 1910 and 9,800,000 *yen* in 1913, which figures, added together, would be more than enough to supplement the deficiency due to the abolition of the three taxes, the discussion was continued between him and the Premier; but, upon a division, the bill was again rejected.

Together with the bill relating to the repeal of the three taxes, the question of customs duty on grains became a center of discussion during this session of the Diet. The Seiyūkai and Daidō Club presented a reform bill relating to the customs tariff law and import tariffs, proposing to double or more than double the existing rates of customs duty on grains, by means of which they intended to protect the interests of land owners through the artificial advance in prices of rice and other cereals. They also presented a separate bill imposing different tax rates on cleaned and uncleaned rice. Though accepted by the committee, of which the Seiyūkai and Daidō Club formed a majority, at the regular sitting the debates on the bills led to the utter confusion of the Assembly, and a division did not take place.

The Tax-Law Adjustment Bill, which had been submitted to and rejected by the twenty-third session of the Diet, was again presented, after reinvestigation to the Legislature during its twenty-sixth session. The outlines of the adjustment bill, as far as it is concerned with excise problems, are as follows: (1) as to the traveling tax, passengers who traveled within cities, or places deemed as such, were to be exempted; (2) as to the tax on refined *sake*, three months' delay was to be allowed for the payment if adequate securities were given, and the tax should be remitted if the *sake* was used for industrial purposes during the period; (3) as to the sugar excise, the existing graduation of four classes should be changed into one of six, and tax rates were to be reduced; (4) as to the textile excise, the rate of 15 per cent

imposed on woolen fabrics was to be reduced to 10 per cent, as in the case of other textile fabrics; (5) as to the salt monopoly, (a) the profit rate was to be lowered in regard to the salt with specially reduced prices, (b) the payment for the transport expenses of purchased salt to be reduced, and, finally, (c) adjustment of salt fields to be carried out, the deficiency occasioned thereby to be supplemented by importing the salt with lower cost of production from Formosa and Kwantung Province, and increased profits due to this process and reduced expenses due to the adjustment of salt fields to be disposed for the purpose of lowering the selling prices of salt. The reduction of revenue (putting both direct and indirect taxes together, but setting aside the salt monopoly) was estimated at 10,111,000 *yen*, of which the reductions of the indirect taxes were 1,007,000 *yen* in the case of the traveling tax, 2,034,000 *yen* in that of the sugar excise, and 1,041,000 *yen* in that of the textile excise. Furthermore, the profits of the salt monopoly were to be reduced (1) by 10,000 *yen* in consequence of the lowered prices of the salt with specially reduced prices (fiscal year 1910-11); (2) by 174,000 *yen* in consequence of the diminished revenue resulting from the reduced assessment for transport expenses of purchased salt (fiscal year 1910-11); (3) by 312,000 *yen* (fiscal year 1911-12) and by 634,000 *yen* (fiscal year 1912-13) in consequence of the reduced price due to the adjustment of salt fields. Summing up all the items above mentioned, the remissions of indirect taxes came to 6,668,000 *yen*. After the closure, the project of repealing the transit duty on city traffic, having the Seiyūkai as its opponents, was disapproved on the ground that, although the law provided for determining by ordinance what should be regarded as the vicinity of a city, it would be impossible to determine this precisely, and that the revision would exert no small influence upon the resources of the national coffers. The Revised Sugar Excise Bill was passed with no objection. As to the rate of the textile excise, the revised bill was accepted, but the clause, stipulating that textile dealers who made false

answer to the questions put by revenue officials should be fined was blotted out from the original bill as sounding too drastic. The Salt Monopoly Adjustment Bill was accepted with slight amendment by the House of Representatives and the amendment passed the House of Peers. This is the first session of the Diet in which the remission of excises obtained approval, the total sum of which amounted to 3,661,000 *yen*, the diminution of receipts from the sugar excise and the textile excise being 3,075,000 *yen* and that of profits from the salt monopoly 585,000 *yen*.

However, this adjustment can by no means be called fundamental, and the opposition party did not cease to claim radical remissions of taxes. In the debate on the budget in the twenty-seventh session of the Diet, Mr. Tokitoshi Take-tomi brought forward a motion to send back the budget to the government, and explained the reasons for it, in the course of which he touched the tax-law problem, and said;

We can not help being surprised at the arrogant pretension of the government that the emergency taxes have been for the most part adjusted. When and how has the government adjusted the emergency special taxation? What has been done in regard to the income tax or the business tax, the unfair distribution of the burden of which taxes the government expressly recognized and declared that the remission of them was an urgent necessity? How about the textile excise and the salt monopoly? The adjustment, which the government is so proud of, is nothing but the reduction of the tax rates of the land tax by 8 per cent and the continuation of emergency special taxes as permanent ones. I can not see the reason why the same government which recognized the necessity of tax-law reform last year should now remain indifferent toward it. The traveling tax is still obnoxious, and as to the textile excise and the salt monopoly, groanings are heard from all directions, of which the government must have full knowledge.

After the conclusion of the discussions, the motion was lost upon a vote, and the problem has made no further progress, except for the government's promise in the twenty-eighth session concerning the salt monopoly, among other indirect taxes, that it would endeavor to make adequate investigation with the object of mitigating it.

Being an extraordinary session, convened for the vote of expenses of the Imperial funeral incidental to the demise of Emperor Meiji, the twenty-ninth session of the Diet expired without touching the problem in the least. In the thirtieth session of the Diet, under the regime of Yamamoto's Cabinet, in spite of the promise that the government would endeavor to carry out a reduction of taxes upon the basis of the investigation prepared by the preceding Saionji Cabinet, what the government achieved in this connection was but an announcement that from and after the year 1913 the profits of the salt monopoly should be reduced by 2,150,000 *yen*.

In the thirty-first session, upon explaining the financial scheme for the fiscal year 1914-15, Yamamoto's Cabinet announced nothing positive in regard to the tax-system adjustment, but only that such measures as were deemed necessary in consequence of the results of the investigation should be submitted to the Diet. The realization of this announcement, however, seems to have been restricted to the reduction of direct taxes, such as the business tax, the succession duty, the tax on bourses, and others, and never extended to indirect taxes. Thereupon, the Kokuminto party brought forth a bill demanding the abolition of the business tax, the textile excise, the traveling tax, the petroleum excise, as well as the salt monopoly, but was unfortunately unsuccessful. The Seiyūkai party also presented a bill reducing the business tax and the land tax, together with bills reducing the traveling tax and textile excises. According to these proposals, the traveling tax was to be reduced in proportion to the reduction in fares for students, soldiers, and laborers, leaving taxes under 1 *sen* uncollected, and consequently students, soldiers, and laborers journeying less than fifty miles for the reduced fares would be exempted from the tax (410,000 *yen*); 1 per cent of the traveling tax collected was to be handed to the operators of railways, steamers, and tramways as commission fees for collecting the tax (40,000 *yen*); as to the textile excise, 1 per cent of the tax collected was to be given to the guilds of textile dealers

as commission fees (190,000 *yen*), and the standard of taxation was to be rearranged and taxable values reduced (2,300,000 *yen*). But in the House of Peers both bills were rejected.

Corresponding to the presentation, by the political parties, of bills reducing or abolishing taxes, a movement for the same end was started among the people to reinforce them. As the government, notwithstanding the unprecedented surplus of this year, amounting to 132,000,000 *yen*, laid undue store by the completion of naval armament, and dealt quite indifferently with the mitigation of the national burden, the whole country was filled with overwhelming complaint, which burst out in reduced-tax demonstrations of various descriptions. The movement culminated in a lecture meeting at the Theatre Meiji on January 25. This movement, being started by the Tokyo Chamber of Commerce with the support of a business men's union and a journalists' association, attracted public attention for a time by challenging the authorities with the resolution that they would boycott all the banks and companies connected with the members of the Seiyūkai party; nevertheless, the movement was substantially directed to the repeal of the business tax and had little connection with the excise problem.

The thirty-second, thirty-third, and thirty-fourth sessions of the Diet were all extraordinary ones. The thirty-second session, summoned for the vote of the funeral expenses incidental to the demise of the Imperial Dowager, did not touch the question under consideration. In the thirty-third session of the Diet, convoked for the deliberation of an urgent measure for constructing three battleships, which had been approved by the thirtieth session, but had not yet been put into practice owing to the failure of the budget in the thirty-first session, the only project laid before the Legislature was a supplementary budget for the purpose above noted. During the session, a certain member moved a question of general character concerning the tax system: (1) which taxes did the government intend to repeal if the circumstances allowed it? (2) did the government intend to reduce the land

tax, and if so to what extent? to which the government replied with a note that as the matter was under consideration it could not give a definite answer. So, this session accomplished nothing in connection with the excise problem. Lastly, the thirty-fourth session was extraordinarily summoned for the vote of war expenses incidental to the outbreak of Germano-Japanese hostilities, and the business performed was nothing but the approval of the war budget.

Although Okuma's Ministry paid so much attention to the solution of the question of national defense and to the realization of means of remitting taxes that it counted them among the important items of its political program, the urgent need of war expenses due to the outbreak of the European War, and subsequent participation of the Empire in it, compelled the government to abandon these measures for the moment. Upon the commencement of the thirty-fifth session as an ordinary session, the subjects of political controversies between the opposition and the Ministry were national defense, diplomatic problems in relation to the Germano-Japanese War, as well as the financial schemes connected with the above affairs; and no event worthy of our notice occurred with regard to the problem in hand, excepting a few questions moved by some members concerning the repeal of the business tax in the Committee on the Budget. As affecting the problem immediately, a bill revising part of the *Sake* Tax Law, a bill revising part of the Textile Excise Law, and a bill revising part of the Sugar Excise Law were presented but were rejected.

In the thirty-sixth session of the Imperial Legislature, an extraordinary session, the establishment of two military divisions in Chōsen, the reduction of the amount to be devoted to the redemption of national debt, and the transfer therefrom to the special account of Imperial Railways, which supplied the motives for the dissolution of the last session and were the principal objects for the summoning of this extraordinary session, absorbed all the attention of the government and the people, and naturally the problem

of the taxation system was almost set aside. Upon the debate on the budget, questions and answers were exchanged once or twice between the opposition and the government concerning the reduction of the land tax and the total abolition of the business tax; but with regard to indirect taxation the only event was the presentation of the revised salt monopoly bill, which, however, fell through prior to the vote. Besides this bill, a representation was brought in stating the need of establishing an institution for inquiry into tax-system adjustment, and several questions were forwarded concerning the remissions of public burden and realization of the reduced tax policy. Further, Dr. Kobayashi moved a question concerning the prospect of the raising-no-loan measure of the government, during which he stated: "The reverse side of the financial scheme founded on the raising-no-loan principle is, generally speaking, recognition of an increased tax policy, for the resources of financial schemes of the state are substantially either public loan or taxation. However, in this country the tax system is so confused and unreasonable that we could hardly expect any benefit from a makeshift measure of partial reduction of tax rates, if a radical adjustment were not carried out"; and he emphasized the pressing necessity of tax-system adjustment and the impossibility of extension of taxes. But these opinions have no immediate relation with the problem under consideration.

In the latest session (thirty-seventh) of the Diet, a project of law revising part of the *Sake Tax Law*, which designed to enlarge the scope of some part of the category of alcoholic liquors and which had been laid before the thirty-fifth session, was again presented; but it is of small significance. The representation about the establishment of an institution for investigating the tax system was again brought in. Discussions about remissions of taxation took place between the Minister of Finance and Messrs. Kobayashi and Nagashima; but they never touched the excise problem directly.¹

¹ Cf. *History of National Accounts; Extract from the Proceedings of the House of Representatives; History of Imperial Diet*, supplement of "the New Law."

According to what I have described hitherto, the problem whether to retain or repeal, to reduce or extend, indirect taxes, especially excises, as war imposts, became a focus of parliamentary controversies during a decade, viz., from the twenty-second session (1905-6) to the thirtieth session (1912-13) of the Imperial Diet. In all controversies, however, the government party always defeated the opposition; namely, in the twenty-third session the special taxes were continued as the government proposed, and in the twenty-fourth session the tax on *sake* and the sugar excise were extended, and the prices of monopoly tobacco raised. Though we met with the reduction of the sugar and textile excises, as well as the revision of the salt monopoly, not only were they all government projects, but the sum reduced was ridiculously small, amounting to only 15 per cent of the sum previously increased.

Turning to the direct taxes, we have experienced the reduction, if not enormous, of the land tax, the business tax, the succession duty, and others, but no cases of their increase. From the thirty-first session (1913) down to the present time, the problem of the taxation system has never attained to a significant place among parliamentary affairs, and even when the tax system was considered at all, the taxes dealt with have always been limited to direct taxes, indirect taxes having been left out of account.¹

EXCISE PROBLEM AS SEEN IN THE REPORT OF THE COMMISSION ON TAX-LAW INQUIRY

The impression we can get from the survey of the history of the excise problem in the House of Representatives during the twelve years since the Russo-Japanese War is that, whereas the government has always insisted on the inevitableness of the introduction and extension of excises on the ground of the shortage of revenue, the opposition parties have all the time demanded their repeal and reduction,

¹ See notes, *ante*, pp. 206, 208. Cf. *National Finance and Economy of the Sino-Japanese War*, and Kobayashi, *The Past and Present of the National Finance*, and the articles of Messrs. Amano and Uetake, "Comment on the Increased Tax Bill," published in the *Tokyo Economic Journal* in 1904-5.

chiefly on the ground of the unfair distribution of the burden; and that, in spite of tumultuous discussions, very little has been added either to the development of theories or to the investigation of facts. Be that as it may, we can apprehend the fundamental notions concerning this subject on the part of the government through two official documents, the one being the "Report of the Commission on Tax-Law Inquiry," which Commission, consisting of high officials of the Department of Finance, was appointed as part of the post-bellum measures of financial adjustment, and the other being "Extract from Proceedings of the Committee on the Inquiry into the Bill of Tax-Law Adjustment," which committee was appointed for the contemplation of projects of tax-law adjustment presented by the aforesaid commission, having as its members higher officials of several departments, members of the two houses of the Imperial Diet, scholars both in and out of office, and eminent business men. Apart from these, we have no knowledge of any investigation concerning the tax system subsequent to the memorable struggle, and notwithstanding the alteration of ministries from time to time the attitude of the successive Cabinets has been for the most part to adhere to the point of view founded on the results of the investigation in question, overlooking insignificant diversions.

In the instruction of the Minister of Finance, issued on the occasion, the following five items are pointed out as the objects of the investigation: (1) equalization of the burden of taxation in case of unfair apportionment; (2) abolition of taxes or reduction of their rates where their imposition or high rates stand in the way of industrial development; (3) reduction of the rates of such taxes as have suffered decrease of proceeds on account of enhanced tax rates; (4) simplification in the method of assessment and collection where it is complicated; (5) selection of new sources of taxation in order to fill the deficit of the revenue which might be caused if the foregoing reform were carried into effect. In obedience to the ministerial instruction with regard to the scope

and order of investigation and other matters, the committee started the investigation, which extended to both financial and economic fields concerning different imposts, taking foreign institutions and actual situations at home into consideration. As to the selection of the sources of taxation, and other adjustment and reform of the tax system in general, revenue officers were consulted, while with regard to the effects of the emergency special taxation, vicissitudes of industries in general before and after the war, changes in the livelihood of the nation, and strength of tax-paying ability, the returns from local governors, revenue superintendents, and chambers of commerce were chiefly depended upon, and, finally, in respect to the propriety and reasonableness of each item of the proposed adjustment, chambers of commerce, clearing houses, trade associations of the textile manufacturers, and other associations of business men were consulted, whose answers were taken into account.

The investigation resulted in three projects of adjustment. The first project proposed reform only in such taxes as require revision on account of the unfair distribution of their burden, their complexity, and the inconvenience of their collection, and other reasons, leaving the existing tax law, in the main, as it is; the second one proposed to repeal such taxes as were the subject of popular discussion, so far as the consequent deficit may be supplemented by the introduction of new taxes which are deemed comparatively good; the last one planned a fundamental reform of the existing system of taxation, with simultaneous abolition of all the unfavorable taxes. Of these three plans, the commission preferred the first, as most befitting the present situation, and decided to compose the original tax-law bill on the basis of it; in other words, the commission attempted to effect the improvement in only those levies the burden of which is not apportioned fairly or of which the collecting process is too complicated. This is the leading principle under which the Commission on the Inquiry into the Tax Law worked out its own plan of tax-law readjustment. Keeping these things in mind,

therefore, it will not be so difficult to imagine the general features of the positive proposals of the commission toward war imposts, especially excises, the purport of which is to recognize the retention of excises of all the emergency special taxes that have been continued since the war time, as an unavoidable necessity, and to carry out the adjustment only in those with unduly heavy incidence and much complicated method of collection.

Let us, now, examine the detailed points of the report as far as they concern our present examination. According to the report as to the tax on *sake*, to begin with, there is no hope of raising its rate in the face of the fact that further advancement of the rate might cause shrinkage in the volume of consumption; secondly, as to the tax on soy and the sugar excise, it is advisable to maintain them in status quo; and, lastly, as to the textile excise and the salt monopoly, the most disputed of all the excises, their retention as they stand is maintained in consideration of the fiscal necessity, the only reform being the adoption of an ad valorem system in the textile excise. So, even though we find in the reform project a reduction of estimated revenue of nearly 2,000,000 *yen* compared with the estimated amount of the same for the fiscal year 1907-8, yet this sum of 2,000,000 *yen* is to be ascribed not so much to the revision of indirect taxes, excises among others, as to the adjustment of the direct ones. If we may assume that the point of view of this commission has been sustained by the successive Cabinets, it will not be amiss to conclude that the authorities have recognized the necessity of neither repeal nor revision nor readjustment in the existing excises, holding the present situation of economic and financial affairs in mind.¹

As there were a few among the authorities who insisted upon the abolition or revision of excises, so also were heard incessantly arguments to the same end, though stronger, from the mouths of theorists, statesmen, and practitioners.

¹ Cf. *Report of the Commission of Inquiry into the Tax Laws, and Extract from Proceedings of the Committee on the Inquiry into the Bill of Tax-Law Adjustment.*

But I hesitate to quote assertions of the business men concerned and political parties as representing unbiased opinion, for they are likely to be tinted by egoistic motives. In the following pages, therefore, attention will be directed to the survey of the excise problem in academic circles.

EXCISE PROBLEM IN ACADEMIC CIRCLES

In the present stage of the progress of social sciences in Japan, where neither consistent assertion of scientific conviction nor distinct systematization of economic truths is discernible, and where consequently no scientific school in this line has yet developed, it is very difficult, even next to impossible, to make precise discrimination and exact classification of the different opinions on the current questions.

In the following description, therefore, all that I can do is to arrange, for only the purpose in hand, the opinions of theorists, as far as they affect the excise problem, in accordance with my own private judgment.

I will begin with the argument of a general nature concerning the increase of excises. Mr. Noritake, editor-in-chief of the *Tokyo Economic Journal*, published his opinion in that journal under the title of "Danger of Undue Increase of Excises," in which he argued, as follows:

A tax on commodities would be a good source of revenue if the taxable objects were carefully selected and assessment were moderate, and there is no civilized country in modern times which has not recourse to it. So, I am not an absolute opponent of the imposts under discussion, and yet I am convinced of the fact that there is a certain limit assignable to excises beyond which no more increase of revenue can be expected from the imposition. Nevertheless, the government, overlooking this obvious truth, has been ready all the time to extend excises whenever the situation called for the increase of revenue. And at this juncture, when the fiscal exigency has given rise to an attempt on the part of the authorities to increase taxes, the government has paid special attention to excises, among others, and intends, it seems, to increase the profit of the tobacco monopoly and extend the sugar excise and the tax on *sake*. Even in the present condition, it is a rare exception when the necessities of life and luxuries are not subjected to heavy taxation. Nor is it deniable that the distribution of burden is not equitable, which

presses the poor unduly and charges the rich much too lightly. The incessant extension of the excises at this moment, therefore, will necessarily lead to the shifting of unbearable pain upon the middle and lower strata of society, upon laboring classes in particular. The vexatious pressure felt on the part of the contributors will not be the only result of such excises, but they are doomed to enervate the activity of the economic society. When the economic vitality of the country tends to decline, the proceeds from the excises will not only not increase but will necessarily shrink, even if the government should raise the price or lower the quality of the monopoly goods or make the rate of excises heavier. And the government, which is blind to this indisputable truth and resorts to the lopsided policy of increased excises, is open all the time to the charge of abusing the financial sources, and if the government is obstinate enough to cling to such a measure, surely some day will dawn when it will be surprised at the unexpected result of its former decision.

It may be supposed that the government endeavors to follow the line of least resistance by depending chiefly upon the increased receipts from the excises. Again it is true that the excises which producers or sellers pay as they dispose of their goods are much more convenient for the contributors to pay than the direct taxes, which are directly collected by tax officers. But very few of the bearers of this public charge will long remain ignorant of the obnoxious effect of such imposition, i.e. the rise in the prices of commodities. High prices of commodities can not help but accelerate the tendency of the rich to grow richer and of the poor to grow poorer, and consequently widen the gulf between the wealthy and the destitute. Thus, the quarter whence the government expected the least resistance may one day turn out to be the place of the most violent resistance, and if this course of things happened to bring about the prevalence of dangerous social theories none but the government itself would be responsible for supplying them with adequate impetus.¹

Likewise, the *Oriental Economic Journal*, in the article entitled "Pressure of Taxation and Abnormal Change in Prices," declared against the extension of the excise. The purport of the argument is as follows: "In the present situation of our taxation system, the total sum of the ordinary revenue from taxes amounts to 470,000,000 *yen*, of which only 140,000,000 *yen* is the yield of direct taxes, while the remaining 330,000,000 *yen* is from indirect ones, and the charges of the latter group of taxes are levies for the most part upon rice, meat, salt, *sake* fabrics, and sugar. The necessary result is, needless to say, the abrupt rise in the prices of taxed

¹ Shukudō's (Noritake's pen name) posthumous work on *Public Finance*, pp. 763-64.

commodities, and thus an abnormal elevation of price level in recent years has been brought about." Further, contrasting the index numbers of prices of fifty-three staple goods, before and after the war, prepared by the same journal, the writer points out the vexatious influence of the imposts, and reasons thus:

Recent high prices may be attributed partly to the lower value of gold throughout the world, partly to the inflation of currency after the war, and hence they are universal phenomena, regardless of the kinds of goods; yet the difference in the rising tendency among individual wares can not be ascribed solely to the effect of taxation. If we watch the movement of prices more carefully, we will find that primarily the price of the articles levied upon has been raised directly on account of the shifting of the imposts and indirectly because of the increased cost of production, showing multifarious variations of individual prices, according to the greater or lesser competition from imported articles. Such an abnormal change in prices will exert upon the national industries nothing but an injurious effect.

In the case of industries the products of which have become extraordinarily dear, the exorbitant price, being the result of heavy taxation, by no means benefits the producers, but only impairs the interest of the consumers; and in the case of industries the products of which have not shown such greatly increased prices or rather which have shown a diminished price, the profits will be cut on account of the higher prices of other articles, sometimes the loss being so fatal as to threaten the enterprises with utter destruction. In this way, the development of domestic industry will be hampered, a grievous load of taxation will be piled upon the shoulders of inland consumers, especially of the poor, and the lucrative market will be prepared for the triumphant intrusion of foreign goods. These propositions are not the product of mere surmise but can be convincingly evidenced in the numerical study of the price movement in this country. Man can not help shuddering at the vexatious result of this abnormal progress in prices, which, appearing with regard to foodstuffs, oppresses the life of the poor, most pitiful of all social classes; and, further, occurring with regard to raw materials, impairs the interest of inland agriculture, and, lastly, taking place with regard to manufactured products, strikes at the root of our commercial and industrial enterprises, the backbone of the economic life of the nation.¹

These are the attitudes taken by two of the most influential of the weekly economic journals toward the excises problem. Such arguments have been advanced, generally speak-

¹ *Oriental Economic Journal*, No. 73, p. 68.

ing, by the followers of economic liberalism, and the representatives of this tendency are especially numerous among the theorists of unofficial type.

Now, going a step further, of all indirect taxes which have been retained since the war and extended, of which of them, by what means, and in what degree should the adjustment be carried out? As to this problem, the theories and contentions are by no means unanimous. At the beginning, I will introduce the proposal of Dr. Kobayashi on this subject. He published a book in 1912 under the title of *Financial Adjustment*, in which he explained his views respecting the fiscal reform of the country.

The principle of taxation [he commences his argument concerning the problem under notice], is to be determined in relation to the economic ability of individuals to contribute, independent of the demand of public expenditure. According to this principle, that is a good tax which is in harmony with this tax-paying ability of individuals and a bad one which is out of harmony with it. This is the one infallible axiom of tax-system adjustment in its true sense.

After explaining his standpoint in this way, he emphasizes, in the chapter on "Extent of Readjustment in the System of Taxation," the imperious need of the mitigation of indirect taxes above all, by comparing the growth of the economic power of the nation and the increase of taxes since the year 1883, which, being one year prior to the outbreak of the Sino-Japanese War, he made the basic year for comparison, and by studying carefully the coordination of different kinds of taxes and the minute details of each tax. Later on, when he considers, in the chapter entitled "Indirect Taxes to be Reduced," which of the existent indirect taxes should be repealed and which of them reduced, he elucidates his standpoint once more, and says:

Extremely simple is the financial principle of indirect taxation, which means nothing but to adapt the taxation to the tax-paying ability by levying on the necessaries of life as lightly as possible. The unintentional coincidence of this assertion with the requirements of social politics has induced the followers of the latter doctrine to acknowledge the above financial principle. For my part, indeed, I never intend to support my theory on socio-political

grounds, yet, observing the indisputable fact that the enormous increase of indirect taxes, especially of excises upon necessaries such as rice, salt, petroleum, and sugar, exerts disastrous pressure upon the lower stratum of society with feeble tax-paying ability, I can not help crying, from the standpoint of purely fiscal principles of equitable burden, for the abolition and reduction of the imposts in question.

Though his project of taxation adjustment, as shown in the foregoing description, is founded on the basis of the so-called financial taxation policy, and not imbued with the so-called socio-political taxation policy, he seems to be convinced of the natural coincidence of the financial taxation policy with the requirements of the social policy. Standing on this basic principle, what sort of concrete plan does he propose? Let this be explained by his own words.

I.—Abolition of the import duty on grains. This duty was introduced by the Emergency Special Tax Law with the purpose that it might facilitate the process of shifting a part of the burden of the land tax, increased by the same law, to the consumer of grains. So, the duty was established in order to keep a necessary balance with internal taxation. The rate of the duty was 64 *sen* per 100 *kin*. Though the land tax has not only never since been increased, but has even recently been reduced, regardless of the reasons for its introduction, the rate of the import duty on grains was raised to 1 *yen* per 100 *kin*, and since that time the rate has remained at the same point, with the single exception of a slight mitigation in the autumn of 1911, when the price of rice attained to an unprecedented height. It is matter of course that the import duty in question is of no use in years of favorable crops nor in years of average harvest. Moreover, in years of poor crops, its operation is quite injurious, for in a country where the average yield of agricultural products does not keep pace with the growth of population, and hence with its consuming power, a corresponding advance in the price is unavoidable, and the artificial barrier of customs duties will infallibly facilitate the monopoly of a small number of speculators, drive up the market price, diminish the demand for labor, and consequently, in the present system of tenancy, with rent in kind, and fill the pockets of landowners at the expense of wage earners and small peasants. Further, the abolition of the import duty on Chosen rice in particular is an urgent necessity, in view of the fact that the development of Chosen is one of the most serious problems for the greater Empire, and a cardinal measure of Chosen's economic development is the enlargement of the market for rice from the territory. So, it is beyond doubt that the scheme of reduced taxes must begin with

the repeal of this duty, and public opinion had long recognized the necessity of the measure and was impatient with the hesitating attitude on the part the government. The decrease of revenue due to the foregoing adjustment amounts to 1,500,000 *yen*.

II.—Reduction of the tax on salt and the tax on soy by one half. By the tax on salt I here mean the profits of the salt monopoly. I am by no means an opponent of the monopoly system. On the contrary, I am ready to acknowledge the merits of the system in preventing the articles of daily necessity for which no substitute can be found from being an object of speculative transactions, and in providing that the salt intended for use in industry, fishery, and agriculture shall be sold at a specially reduced price. Nevertheless, I do not hesitate to protest against the extortionate rate of monopoly profit of 2.50 *yen* per *koku* against the original cost of production of 1.40 *yen* per *koku*. The injurious effect is manifested in the successive advances of salt prices. The price stood at 1.13 *yen* per *koku* in 1886, and showing 2.26 *yen* and 5.01 *yen* in 1896 and 1909, respectively, it has tended recently to go upward even beyond 5.50 *yen* per *koku*. The reader is asked to note that these are all wholesale prices. As to the retail price, the rising trend has been much stronger, due to the expenses incurred for the payment of the interest of the capital employed and as the recompense for inevitable loss of quantity during the transactions. Besides, to the tax on salt the soy tax has been extended. The effect of the charge is discernible in the movement of the price, which shows a conspicuous upheaval; namely, the price which stood at 9.51 *yen* per *koku* in 1886, rising to 18.29 *yen* in 1896, advanced to 23.29 *yen* per *koku* in 1909, and since that date has ranged at about the same level. In addition to this, the high price of salt exerted no small influence upon the prices of pickles and salted fish. It is sometimes contended that such earnest discussions on this subject are out of place, as the per capita burden of these levies is negligible. But I can hardly consent to the statement in consideration of the fact that of the profits of the salt monopoly, amounting to 10,000,000 *yen*, and the receipts from the soy tax, amounting to 4,610,000 *yen*, the colossal burden falls with undue weight, compared with tax-paying ability, upon the slender shoulders of the lower classes, of which the majority of the nation consists, to say nothing of the enhanced prices of pickles, fresh meat, and vegetables as their mediate and immediate effects. For these reasons, I demand the mitigation of the price of monopoly salt and the rate of soy tax by one half, and propose the expansion and reform of the sale system of the former, in order that it may be extensively provided at a moderate price. By this revision the revenue would be curtailed by 7,300,000 *yen*.

III.—The abolition of the petroleum excise. The petroleum excise was prematurely established in this country. In 1904, when urgent need of emergency finance led to the 20 per cent increase of duties upon imported petroleum, the Exchequer introduced the

internal consumption tax on the same article, both foreign and domestic, with the rate of 1 *yen* per *koku* (10 per cent ad valorem), for the duration of six months, in order to prevent speculative importation. The tax was soon abolished on account of its meager productiveness; as the annual yield of home production of the article at that time was estimated at 350,000 *koku*, which constituted only one eighth of the whole quantity consumed. Later on, the enhancement of the customs tariff to 50 per cent ad valorem, incidental to the revision carried out to meet the increased requirements of the emergency finance in 1905, encouraged the domestic production of petroleum, the output of which increased successively from 500,000 *koku* in 1907 to 750,000 *koku* in 1909, representing one third of the inland consumption of the commodity. Under these circumstances the Treasury intended to establish the petroleum excise, after the system prevalent in France, Austria, and Italy, and in 1908 reintroduced the internal taxation on consumption of petroleum with the rate of 1 *yen* per *koku*. The influence of the imposition is easily seen in the continual rise of the price from year to year; and the market price, which stood at 2.91 *yen* per box in 1893 jumped to 3.91 *yen* per box in 1909. After that time, however, the demand for petroleum, and consequently the output thereof, began to diminish, owing to the development of the supply of gas and electricity. Such a tendency toward decline of the domestic petroleum production, which forms but one third of the total volume consumed even at the present moment, is disadvantageous not only to the manufacturers but also to the consumers, whose interest lies in abundant supply with cheap price. Moreover, the consumers of petroleum belong to lower classes than the users of gas and electricity and petroleum is indubitably one of the necessities of life for the former. So it is a violation of the principle of equity that petroleum, which is consumed essentially by the majority of poorer people, should be taxed, while gas and electricity are exempted from any charge. If the petroleum excise be repealed, and the sacrifice of consumers mitigated, the interest of the commodity enlarged, and the manufacture of it encouraged, the reduction of the price to that extent would be realized. This is the reason why I am convinced of the urgent necessity of the abolition of the petroleum excise. The reduction of revenue due to this change is estimated at 2,000,000 *yen*.

IV.—Abolition of tax on cotton fabrics. This tax, which was introduced by the revised Emergency Special Tax Law in 1905, constitutes our textile excise, together with the tax on silk fabrics, established by the same law, and the tax on woolen fabrics, established by the first Emergency Special Tax Law of 1904. The excise is to be assessed on the textile wares, at the rate of 10 per cent ad valorem, as they are delivered from the factories of the manufacturers or the customs compounds. In consideration of the fact that to load the cotton and silk fabrics with a similar burden is unjust, and of the fact that the appraisement of the wares is always

accompanied by the danger of difference of opinion, the government consulted with the Commission on Tax-law Inquiry, intending to change the existing ad valorem duty into a specific duty. But the attempted revision was not carried into effect by reason of the annoyance which would have been caused by the multifarious varieties of textile fabrics and the inconvenience, which may be increased by specific treatment, in local transactions; and cotton fabrics have remained, together with the silk fabrics, under the same burden of 10 per cent ad valorem. The ad valorem system may be unavoidable in regard to commodities of such extensive use as textile fabrics, with great varieties in quality and tremendous dissimilarity in price, for which the specific duty is undoubtedly unsuitable; yet the tax on cotton fabrics is not only unfair, as it is charged upon a commodity of daily necessity, but also it necessitates no small outlay for supervising the manufacturers, scattered all over the country, and hampers the development of this branch of industry in a great measure. Thus, I can urge with reason the abolition of all the taxes on cotton fabrics, as well as of other fabrics intended for home use, and the restriction of the textile excise to taxes on silk, silk and cotton mixed fabrics, and woolen fabrics, which are consumed principally by the middle and upper classes of the nation. The abolition of the tax on cotton fabrics will be beneficent not only because it rectifies the unfairly distributed burden of the poor, but because it diminishes the cost of collection of the excise to no small extent. These are the reasons why I demand the abolition of the tax on cotton fabrics as a constituent part of textile excise. The decrease in revenue incidental to this adjustment would be some 8,300,000 *yen*.

V.—Reduction of the sugar excise. This excise has achieved an unexpected development, for at the outset such a productiveness was not in the least apprehended. In its origin, the sugar excise was introduced in order to increase the charge upon foreign sugar as supplementary to the conventional tariff, which was very low, notwithstanding the circumstances that domestic sugar production was deplorably undeveloped and the main portion of the annual consumption was furnished by imported sugar. Thus, the excise was established rather with the economic object of stimulating inland production than with the fiscal aim of raising the revenue by means of taxation. At the present time, the revision of customs tariff laws and commercial treaties having been accomplished, we are placed in a position to control the import of foreign sugar, both refined and raw, with a statutory tariff. The tariffs vary according to the quality of the goods. The rate is roughly estimated at 60 per cent ad valorem. The internal tax on consumption of sugar is also assessed virtually at the rate 60 per cent ad valorem. Thus, we see that foreign sugar is loaded with a burden of 120 per cent, adding both customs duty and excise together, while domestic sugar is under a charge of 60 per cent. Though the protective tariff occasioned a

shrinkage in the importation of foreign sugar and a corresponding prosperity of domestic production, it caused a rapid rise in the price of the commodity; namely, the price of white sugar, which stood at 10.35 *yen* per 100 *kin* in 1893, and at 10.76 *yen* in 1903, leaped to 17.49 *yen* in 1909, and ever since has maintained about the same position. The enhanced price has checked the enlargement of the demand for the commodity, and in the present situation the annual output of 500,000,000 *kin* is always accompanied by more or less overproduction. Although sugar can not always be counted among the necessaries of life, and the sugar excise may prospectively be one of the important revenue-yielding sources, the exorbitant advance in price exerts no small pressure on the livelihood of the nation—a fact which is made visible by the standing still of the quantity consumed. So, I propose the reduction of this excise by one third. The resultant decrease in the revenue need not be so embarrassing for the central Treasury as for the Special Account for Formosa, but even in the latter case the diminution would be transitory, and the yield of the excise would gradually recover with the extension of the market if the manufacturers and dealers reduced the selling price of the commodity to the extent of the curtailed excise. By this reform the revenue would be reduced by 5,000,000 *yen*.

VI.—Abolition of the traveling tax. This tax, which was introduced by the second Emergency Special Tax Law, is a kind of poll tax somewhat modified with a certain form of graduation, according, both to the difference of accommodation (I, II and III classes) and to the number of miles traveled. The total abolition of the tax has frequently been demanded, but I believe in the reasonableness of its retention as a tax on the benefit enjoyed by the use of the means of communication. As the benefit derived from the use of the means of communication is essentially represented by the amount of fares, the proper method of imposition seems to be to tax passengers in proportion to the price of tickets instead of by the crude criterion of the traveled mileage. Besides, it is advisable to secure for the poorer classes in cities and towns privileged treatment by exempting tickets costing less than 5 *sen* per fare. By this revision the revenue would be reduced by 1,000,000 *yen*.

Summing up all the items, Dr. Kobayashi proposes the following curtailment of state revenue by way of remissions of indirect taxes:¹

	<i>Yen</i>
Abolition of customs duty on grains.....	1,500,000
Reduction of tax on salt and on soy.....	7,300,000
Abolition of petroleum excise.....	2,000,000
Abolition of tax on cotton fabrics.....	8,300,000
Reduction of sugar excise by one third.....	5,000,000
Revision of traveling tax.....	1,000,000
Total.....	25,100,000

¹ Kobayashi, *On Financial Readjustment*. pp. 1-126.

Next to Dr. Kobayashi, Dr. Tanaka may be cited as representing a similar theoretical tendency. His proposals concerning this subject are summarized in his work entitled *Tax System Adjustment*, the first edition of which was published in 1909 as the third volume of the *Economic Problem Series* (Keizai Mondai Sōsho). Before introducing the outline of his own reform plan according to the book above mentioned, it may not be out of place to note his fundamental conceptions regarding the problem. He commenced the report, which he read at the convention of the Society for Social Policy (Shakai Seisaku Gakkai), with a criticism of Wagner's socio-political conception of taxation, and contended that a tax system adjusted in accordance with this conception is not merely incongruous with the financial principle of equity, but also the object desired is not attainable by its enforcement, and that the result of the application of the purely financial principle of equity will coincide with the requirements of social policy. So, in this respect he may well be treated as representing the same tendency of thought as Dr. Kobayashi.¹ From this standpoint he commented upon the existing tax system in this country and explained his view on the question we are considering, saying:

As to the proportions of the taxes on acquisition and the taxes on consumption, a hasty review of the development of our tax system since the dawn of the present century will bring some definite facts to light. Already in the Settled Account of the fiscal year 1898, in which the proceeds from consumption taxes constituted 56 per cent of all tax revenue, in contradistinction to 44 per cent for taxes on acquisition, we find such an undue expansion of the tax on consumption that it is no more admissible to regard it as a supplementary tax. Then, after the Sino-Japanese War, the so-called second bill for increased taxes obtained the approval of the Imperial Diet in its thirteenth session. With this bill, the scheme measure of increased taxes amounting to 42,000,000 *yen* was carried into effect, of which sum the taxes on consumption amounted to 68 per cent as against 32 per cent for taxes on acquisition. After this, at the time of the Russo-Japanese War, taxes were twice increased, with the object of yielding a revenue of 144,000,000 *yen*, of which the receipts from taxes on acquisition formed 57 per cent, and those of taxes on

¹ Kobayashi, *Taxation System as Seen from the Standpoint of Social Policy*, pp. 13 ff.

consumption the remaining 43 per cent. So, we do not fail to appreciate the necessity of increased taxes incidental to the Russo-Japanese War; nevertheless we can not help protesting against the post-bellum policy of retaining all the special taxes of the war time as permanent taxes, which will necessarily result in the grievous oppression of the poorer classes through the impositions on grains, petroleum, salt and cotton fabrics, and in so doing will come into conflict with the object set up by the social policy.

Much more unreasonable, it seems to me, is the recent movement for reduced taxes. Since the year 1909, when a little surplus began to appear in the State Treasury, we have experienced three cases of remissions of taxes, and the total sum reduced by the attempts was estimated at 38,000,000 *yen*, of which the yield from the tax on acquisition amounted to 32,000,000 *yen*, that from the tax on consumption to only 6,000,000 *yen*. Regardless of the actual fact that the lower classes are groaning under the crushing weight of extortionate taxes on consumption, which include all the necessities of life as taxable objects, the first attempt of the government, when the circumstances allowed it, was directed to effect reduction chiefly on the side of taxes on acquisition, and thus to mitigate the burden of the rich, which is as yet unduly light. Such a preposterous policy deserves the name of a movement "which gropes in the darkness," as the Chinese phrase expresses it. For this course of things, we must not blame the authorities alone. It is, indeed, beyond doubt that there is some fault on the part of the government, yet the members of the Parliament, having little information concerning financial matters and a poor understanding of social policy, can not avoid the responsibility of exploiting the poorer population in conspiracy with the authorities. According to the aphorism which Colbert coined at the end of the seventeenth century, the key to efficient finance is to pull out as much feather as possible from the geese without letting them quack. The "choked geese" in Colbert's sense, are the lower classes of this country, who lie prostrate under the crushing weight of heavy taxation, and, knowing no way of giving vent to their complaint, resign themselves to their predestined doom. Such a state of things is more than the supporters of social policy can endure.¹

Now, let us examine his concrete plan with regard to this problem according to his work above cited, *Tax System Adjustment*.

There are many points to be discussed concerning the tax on *sake*, the tax on soy, the sugar excise, the tax on bourses, the tax on the issue of bank notes, the tonnage dues, the customs duties, the succession duty, the petroleum excise, the stamp receipts, and others; and the defect common to them all is the improper choice of the standard of taxation. Such reforms, therefore, as the change of the

¹ Kobayashi, *Tax System as Seen from the Standpoint of Social Policy*, pp. 35-8.

standard from the color to the purity, in the case of the sugar excise, and from the quantity of issue to the profits derived therefrom, in the case of the tax on the issue of bank notes, must be carried out in connection with all the aforesaid taxes. However, as revision of the standard of taxation is a problem of smaller significance, I will not dwell upon it for the present. First, we must pay special attention to the import duty on rice, which was introduced at the time of the Russo-Japanese War, with the twofold aim of protecting the peasants against the increased land tax and of increasing the revenue of the state. But the duty is the most conspicuous of all the bad taxes, for it not only lacks the ability to secure the necessary protection to the peasants, but it also oppresses the lower people. The reason is this: As foreign rice, for the most part, is inferior to domestic rice in quality, the treatment of foreign rice as free goods will never result in driving the domestic rice out of the market, and consequently causing the decline of inland agriculture; but the quantity to be imported of the former will not surpass the deficit in the supply of the latter. Though it is not unlikely that the incessant growth of population may cause a rapid increase of the importation of foreign rice and hamper the development of inland agriculture, the universal elevation of the standard of life, with which our economic development is always attended, will undoubtedly induce people to prefer domestic rice, high-priced but of superior quality, to foreign rice, cheap but of inferior quality, and the former will by no means be replaced by the latter. Thus, obviously the import duty on foreign rice has no efficacy in protecting inland agriculture on the one hand, and on the other hand to lay an imposition on that portion of rice which is necessary to fill the deficit of domestic production is to burden the lower people still more heavily. For these reasons, the tax under discussion should be abolished, and the consequent decrease in the revenue, amounting to 4,000,000-5,000,000 *yen*, must be faced.

Further, the textile excise, the traveling tax, and the salt monopoly must be abolished, for reasons which will be explained presently. As to the textile excise, the inclusion of such daily necessities as cotton fabrics as taxable objects is closely connected with the unfair distribution of the burden. In textile fabrics, moreover, we find multifarious varieties of quality and extreme discrepancies in prices, owing to the difference in materials and method of weaving and dyeing; and not only is the movement of prices influenced by the higher or lower prices of materials, greater or lesser cost of labor, and brisk or dull markets, but sudden fluctuations in an unlimited degree may be caused sometimes by changes in tastes and fashion. Upon a commodity with such characteristics, fair and exact imposition is next to impossible, and when the appraisalment of the commodities, so difficult for even the specialist dealer, in the case of the woven goods he is not accustomed to handle, is entrusted to the inexperienced revenue officials, it may lead to the recurrence of a thousand

evils, even to the open practice of bribery and the outburst of riots. If we grant the supposition that unfair taxation is bearable, yet to incur no small loss from the hindrance of the smooth progress of business transactions and the quick utilization of favorable conjunctures, and to suffer serious disadvantages from the divulging of business secrets, which frequently occur in consequence of the examination of business documents and inspection of the factories, is more than the business men concerned can endure. The tax of which distribution of the burden is so unfair and the damage done to the weaving trade is so conspicuous, while the revenue is so meager as 20,000,000 *yen*, must be the foremost of all the notorious taxes.

The traveling tax also is a bad tax. The intensive and extensive development of communication is the indispensable prerequisite of the industrial evolution and cultural progress of the country, and the reason the government resorted to so decisive a measure as to nationalize at a stroke all the trunk lines in the Empire at the very time of fiscal exigencies subsequent to the Russo-Japanese War, was evidently that the authorities recognized it as one of the most urgent post-bellum economic rearrangements. Under such circumstances, it is an obvious contradiction to impede the industrial development and cultural progress with the continuation of the traveling tax, especially established for the emergency.

It will be superfluous to dwell upon the inferiority of the salt monopoly as a fiscal resource. As salt is a prime necessary of life, the tax on it is indubitably unfair in disregarding the tax-paying ability, and the unfairness is still more aggravated by the fact that physiological need forces the lower classes to consume more salt than the middle and upper classes. Moreover, in our monopoly system, which refuses to take the differences in quality into account and assesses a uniform rate of 2.50 *yen* per *koku* or 1.48 *yen* per 100 *kin*, the poor, who consume inferior salt, must bear an unjust burden as compared with the rich, who consume superior salt. The impost is attended not only with unfair distribution of the charge, but also it stands in the way of industrial development, because salt is an indispensable material in stock farming, agriculture, manufacturing, and fishing. To retain the salt monopoly on the presumption of protecting domestic production is a great mistake, and the evidence shows that the enforcement of the Salt Monopoly Law has hindered inland production instead of encouraging it, and only resulted in the oppression of the lower classes.

The taxes to be abolished and the loss to be incurred due to the aforesaid reform are as follows:

	<i>Yen</i>
Abolition of textile excise.....	19,460,000
Abolition of traveling tax.....	2,480,000
Abolition of salt monopoly.....	10,650,000
Abolition of import duty on grains.....	<u>4,000,000</u>
Total.....	36,600,000

The plan therefore demands the reduction of revenue by 36,600,000 *yen*; but if we subtract from the sum the cost of collection, which the Treasury could save by the repeal, amounting to something like 5,000,000 *yen*—viz., 800,000 *yen* in the textile excise, 50,000 *yen* in the traveling tax, and 4,120,000 *yen* in the salt monopoly—the effective curtailment of the revenue may be estimated at 31,600,000 *yen*.¹

There is another group of theorists whose position is distinct from that of Dr. Kobayashi and Dr. Tanaka. We may well describe them by the name of the "historical" school, as they are accustomed to lay store by the historical facts. In the following pages Dr. Matsuzaki will be quoted as a representative of the school. He was a member of the Commission of Inquiry into the Bill of Tax-Law Adjustment, and we can get a glimpse of his reform plan in the articles which he published in the *Japanese Economic News* (*Nihon Keizai Shinshi*), in 1907 and 1908, and afterward in book form, entitled *Tax-Law Adjustment*. In this book, before noting his own opinions, he points out five characteristics of our tax system as follows:

1. Formerly in our tax system the constituents were essentially direct taxes, especially real taxes (land tax).
2. Although subsequently the taxes on revenue other than from land and excises were newly introduced, yet at least to the time of the Russo-Japanese War direct taxes were the backbone of the system.
3. For this reason the burden of taxation fell most heavily upon the shoulders of the middle class as compared with the lower or higher classes.
4. The introduction of excises led to the shifting of the burden to lower grades of society, and the imposts charged were principally upon necessaries of life and commodities which are objects of business transactions, closely connected with industrial progress, while the luxuries, which are objects of mere consumption, were overlooked.
5. Recently, under the pretext of equity, an absurd reform of tax rates was attempted, which resulted only in manifold contradictions.

Considering the above characteristics of our tax system and the growth of the nation's power of consumption, the

¹ Tanaka, *Tax System Adjustment*, pp. 94-104.

author demands the extension of indirect taxes, and excises in particular, but he wishes to limit the taxable objects to such articles as tobacco, *sake*, and drinks of various kinds, which are not necessities of life.¹ According to his project of excise reform, he proposes to repeal the textile excise and the salt monopoly and to supplement the deficit by the extension of the tobacco monopoly and the tax on *sake*. He argues as follows:

The deficit of public revenue incidental to the abolition of the salt monopoly may be estimated at 42,981,820 *yen*, which amount is by no means contemptible. As the expenses of the monopoly amount to 13,927,481 *yen*, the real loss to the state Treasury is the balance of the two sums, viz. 29,045,339 *yen*. As we observe at the present moment that the output of *sake* and beer shows a tendency of continual growth, and the increase of tobacco consumption is still more startling, the gap due to the aforesaid reform may be filled without much difficulty by increasing the charges upon these commodities. Even though such extension of excises be not sufficient to meet the deficit, there is evident possibility of attaining the purpose by the increase of customs duties. Thus, if we take it for granted that our financial conditions will maintain the status quo, the right measure to be pursued is to increase the tobacco monopoly and the tax on *sake* and to repeal the textile excise and the salt monopoly.²

In his recent work, *Social Morality and Economy*, Dr. Matsuzaki inserts a chapter under the title of "Quintessence of Tax-Law Reform," in which he asserts:

The tax on *sake*, among other excises, seems to have attained its climax, and increase of revenue from it can hardly be expected. As to customs duties upon imported alcoholic liquors, in contradistinction to the case of the tax on *sake*, we find an obvious possibility of extension. Further, the profits of the tobacco monopoly, as far as I am informed, have the prospect of increasing. As to the textile excise, I propose at least the revision of the tax on cotton fabrics in future. The customs duty which was imposed upon imported cotton has been entirely abolished for the purpose of developing our spinning industry; however, while the abolition changed cotton goods into one of the most important exported commodities, the domestic production of cotton suffered no trifling loss, and in some places the production was totally abandoned. In view of these conditions, I propose the restoration of the customs duty on im-

¹ Tanaka, *Tax System Adjustment*, pp. 1-7, 61-3.

² *Ibid.*, pp. 67-8.

ported cotton, with the provision for refunding drawbacks on exported cotton yarn, and the simultaneous abolition of the tax on cotton fabrics. Though the manufacturers may lose something in interest upon capital employed, the increase of which is necessitated by the imposition on imported cotton, the loss will be offset by granting them the privilege of delaying payment of tax. The pursuance of such measures will certainly stimulate domestic production of cotton on the one hand and reduce the cost of collection of the textile excise on the other. Of all the customs duties, the duty which is most common in European countries and still absent in this country is the tax on daily drinks, such as tea, coffee, and others. It is a strange fact that tea, which is the favorite daily drink of the Japanese, is exempted from any taxation. The authorities preferred daily necessities like salt and soy to tea and coffee as taxable objects; but I am rather inclined theoretically to believe in the reasonableness of the reverse policy.

Further, the professor elucidates his fundamental views concerning the assessment of excises, and says:

About a half century ago, European writers rejected taxes on necessities of life and taxes on materials of industry, as a whole, for the reason that the former by raising wages and the latter by increasing the cost of production would impede the commercial and industrial progress of the country. Most of the contemporary opponents of excises are earnest followers of this doctrine. Excises are, however, not to be rejected altogether. If combined with proper procedure of assessment, the tax under discussion constitutes an indispensable part of the tax system in order to effect a fair distribution of the national burden. There is another group of theorists who decidedly oppose the imposition on necessities of life for the reason that it oppresses the livelihood of the lower population, especially of laborers. The evidence of the facts shows that the imposition on these articles will not immediately burden the livelihood of the wage earners, as some theorists imagine, for the taxed commodities are not the only articles that laborers consume, and even of the taxed goods the quantity consumed does not always remain under the limit of necessity. As to the betterment of the livelihood of the wage earners, we ought to expect much from moral elevation and remodeling of character, and compared to these the imposition of excises is a problem of much less significance.¹

Thus, we see the professor maintains his former opinions in demanding taxation upon consumption, especially upon luxuries, and in justifying the extension of excises in general, excepting the tax on *sake*, of which he finds no possibility of increase, contrary to his former assertion.

¹ Matsuzaki, *Social Morality and Economy*, pp. 269-70.

I propose now to cite Dr. Kambe as another representative of this tendency to emphasize the taxation of luxuries. He writes as follows:

Although the burden of excises is by no means light in this country, yet if taxable objects are properly chosen and the rates of taxes are moderate, they are certainly a good resource. In selecting the taxable objects, special care must be exercised not to impose upon materials of production nor necessities of life, but luxuries of more or less extensive use, and not to hinder the national production but to protect and encourage it. It is true that there is scarcely any commodity which fulfils all these requirements; but we may find examples of the sort, though incomplete, in *sake*, tobacco and sugar, with respect to which there is a possibility of extending taxes when necessary. It is contended sometimes that *sake* and sugar must be put under a monopoly system, as in the case of salt. Though the contention is not without reason, in view of the present financial situation, it is not the proper time to carry it out, for at this time, when the argument for the repeal of the nationalization of railways is often heard, and especially since the issue of public loans to defray the necessary expenditures is not desirable, the execution of such a plan is almost impossible. Moreover, in regard to sugar, the number of manufacturing factories is so small that supervision is quite simple, thus making invalid one reason for monopolization. The customs duties yield an enormous revenue, even at the present time, and the coming enforcement of the revised customs tariffs will provide still more receipts. According to the new customs duties, higher rates than the existing conventional tariffs are to be imposed on many articles, and the chief motive for the revision in this line lies not only in the financial reasons but also in considerations of commercial policy and protection of domestic production. But I am against the extension of the import duty on grains. Even if the object aimed at is the protection of agriculture, the result would be to stimulate the concentration of land ownership and lead to the tyrannical domination of larger landowners, benefiting larger peasants and landowners exclusively, or at least conferring upon them greater advantages than upon the smaller ones. So, even from the standpoint of agriculture, I hesitate to approve this proposed reform. From the standpoint of consumers in general and low-wage earners in particular, as well as of commerce and manufacture, I am decidedly against it. Lastly, if we regard the financial maxim that the tax must be levied in accordance with tax-paying ability, the import duty upon grains must be numbered among the most unjust taxes, for it pays little regard to the personal concerns of contributors in charging larger families more heavily than the smaller, and denies discriminative treatment between incomes from labor and those from capital in charging with the self-same rate both laborers and capitalists. Again, the salt monopoly, like the customs duty upon

grains, should be opposed as contradicting the cardinal maxim of taxation. The government seems busy in rearranging salt fields and in reforming the sales system, but I am rather sceptical regarding its efficacy and recommend abolishing the salt monopoly and leaving it to private enterprise. Neither can I approve the petroleum excise, because it charges the lower classes much too heavily, but rather I believe in the propriety of levying on electricity for lighting purposes. Though counted among the three bad taxes, together with the salt monopoly and the traveling tax, the textile excise should not be absolutely condemned. As the tax is imposed on such a necessary of life as clothing, it is undoubtedly a worse impost than taxes which charge luxurious articles, such as *sake*, tobacco and sugar. But compared with the imposts which levy upon daily necessities, with little elasticity in their demand, such as salt and rice, the tax under discussion can be named a better tax, for this or that tax can never be called a bad or a good tax in an absolute sense but only in a relative sense. The textile excise, as far as it is concerned with the taxable objects only, is in no way a bad tax. Since the textile excise is called a notorious tax, because of the incompleteness in its collecting procedure, if reform in this line is practicable it should not be rejected as a bad tax. Especially, the sudden abolition of it will disturb the natural course of business life, causing unexpected profit on the one hand and unexpected loss on the other. Though the embarrassment, being a temporary phenomenon, may be endured, the state Treasury will not be able to cover the deficit of 10,000,000 *yen*, due to the repeal, without suffering a great inconvenience. So, the abolition of the tax is inadvisable; but the reform in the method of its collection is desirable.

As seen above, Dr. Kambe proposes the abolition of the customs duty on grains, the petroleum excise, and the salt monopoly, and the reform of the textile excise; but we can not ascertain the amount of revenue to be reduced.¹

Besides the four professors above cited, viz., Dr. Kobayashi, Dr. Tanaka, Dr. Matsuzaki, and Dr. Kambe, theorists such as Dr. Horié, Dr. Utsunomiya, Dr. Tajiri, and Dr. Kudo² have frequently published their views on the problem under consideration, but so far as I know there is not one who has published his concrete project covering the entire problem.

Lastly, there is still another group of theorists who criticize the existing tax system from standpoints other than those above mentioned, of whom Dr. Ogawa stands foremost.

¹ Kambe, *Financial Essay*.

² See note, *ante*, p. 208.

At the ninth convention of the Society for Social Policy, held in December, 1915, he read his report on the "Tax System in Japan," and commented as follows upon the existing system of excises:

When viewed from the standpoint of the tax system of the country, excises are also indispensable. Setting aside the impracticable assertion of socialists that excises should be entirely abolished, even from the standpoint of social policy, the total repeal of excises is by no means necessary. If we set our eyes upon excises only, certainly they may be unjust; but if we combine them with taxes on acquisition, that is, direct taxes, and if the combination is not improper, the tax system as a whole can be fair and just, differing not so much from the requirements of social policy. So, we see, one can not be free from the blame of a too-hasty conclusion in condemning a given tax system on account of the mere existence of excises among its components; the socio-political valuation of excises must differ according to the difference in the structure of the tax system.

Excises are imposts resting on consumption, such as drinking of *sake*, smoking of tobacco, use of soy, and others, based on the presumption that consumption signifies the existence of tax-paying ability. In the present state of things excises are levied on commodities which are objects of general consumption; the poor and rich are charged with the same burden irrespective of their tax-paying ability. Such equal treatment of the poor and the rich is obviously unfair; and there lies the drawback of this impost. Take the tax on *sake* as an example. The uniform rate means a heavier burden for the poor, because the sacrifice should not be measured by the amount of money contributed but by the subjective feeling connected with the contribution, and thus we can condemn the tax, from the standpoint of social policy, as oppressing the poor unjustly. Generally speaking, excise is always attended with the danger of falling into this defect owing to its peculiar nature and collecting procedure. I do not deny, however, the existence of such an excise as charges the rich heavier than the poor. The tax system of this country is not wanting in instances of excises of this description. The sugar excise is one, different rates being assessed according to the differences in quality. Black sugar, which is principally consumed by the poor, is charged at the rate of 2 *yen* per *kin*, while, the rates being gradually enhanced, sugar candy and lump sugar are imposed at the rate of 10 *yen* per *kin*. According to the Sugar Excise Law, sugar is graded into six classes, upon the basis of Dutch standard color, and taxed at the graduated rates, the first class being sugar under No. 11 of standard color, this again being subdivided into black sugar in cask, *shirojita* (masse cuite) in cask, and others, the second class being under No. 15, the third class under

No. 18, the fourth class under No. 21, the fifth class above No. 21, and the sixth class being sugar candy, lump sugar, loaf sugar, and the like. These classes and subclasses are imposed with rates of 2 *yen*, 2.5 *yen*, 3 *yen*, 5 *yen*, 7 *yen*, 8 *yen*, 9 *yen*, and 10 *yen* per 100 *kin*, respectively. The operation of such a tax, graduated according to quality, will be to levy lightly on the poor and heavily on the rich, because the number of poor who eat lump sugar is insignificant. Therefore, if an excise be framed in this way, it can answer the requirements of social policy, viz. to burden lightly the weaker and heavily the stronger. We find another example in the tax on tobacco. In Japan, tobacco is subject to the monopoly system; nevertheless, the fact does not affect in the least its nature as an excise. There are several kinds of tobacco and cigarettes, with different prices and different tax rates. Students with little means are accustomed to smoke tobacco and cigarettes of inferior quality, while the rich prefer those of superior quality, or sometimes, not satisfied with the domestic goods, smoke imported ones. Thus we see, with regard to tobacco also, the principle of taxing the rich more heavily is realized to a certain extent by means of a graduated tax rate.

These two, however, are rare exceptions in our tax system; most of our excises are levied with a uniform rate, and consequently the incidence falls more heavily upon the poor. Let us begin with daily necessities. First, imported rice is levied with a customs duty the rate of which is necessarily uniform, irrespective of consumers. With regard to salt, a government monopoly has been carried out, and the price being fixed at 2.50 *yen* per *koku*, the rich and the poor bear the same load of public charge. The tax on soy is another instance. The consumption of soy is taxed at the rate of 1.70 *yen* in the case of ordinary soy or 1.60 *yen* in the case of *tamari* (soy of inferior kind), and as the amount consumed may not vary, whether the consumer is rich or poor, the tax charges both equally. Further, as to the tax on *sake*, which forms an essential part of our excise system, though the tax rates are more or less graduated according to the degree of alcohol contained, the uniform rate of 20 *yen* per *koku* is levied on ordinary *sake*, viz. refined *sake*, unrefined *sake*, white *sake*, containing twenty degrees or less of alcohol; and, *mirin* and *shōchū*, containing thirty degrees or less of alcohol; and, remembering the fact that any kind of *sake* which contains more than twenty degrees of alcohol is a rare exception, it may be asserted without exaggeration that the rate of the *sake* tax is practically uniform. Thus, *sake* is taxed with the same burden of 20 *yen* per *koku* whether it is consumed on the laborer's table or is consumed at the luxurious banquet of the wealthy. As the price of *sake* is not reduced because the consumer is poor, the tax, by levying similar charges, oppresses the poor more heavily than the rich.

There is a still more unjust kind of excise which taxes commodities at the same tax rate regardless of their quality, ignoring the obvi-

ous truth that the poor, who consume the inferior goods, should be taxed lightly. An example of this kind of impost is the textile excise, which charges silk, woolen, and cotton fabrics with equal burden, in spite of the fact that those who wear silk or woolen clothes are wealthier than those who wear cotton ones. Though it is possible to graduate tax rates according to differences in quality of the woven goods, the existing law provides the uniform rate of 10 per cent ad valorem. The result is that the poor, who put on cotton clothing only, bear the same burden as the rich, who wear silk or woolen garments, and consequently the former suffer unfairly.

The worst type of this kind is the tax which falls exclusively on the poor and exempts the rich. The petroleum excise is an example. Petroleum is levied at the rate of 1 *yen* per *koku*. Even though one *koku* of petroleum will serve for a long time when used with a petroleum lamp, yet the consumption of one *koku* is invariably attended with the tax of 1 *yen*. Poor pupils, who study hard under the flickering light of a tiny petroleum lamp, and peasants, who are busy at their night work under the dim light of a hanging lamp, pay the petroleum tax, while the electric light, which lights the faces of the economically stronger, is totally exempted from any taxation. It is exceedingly absurd to tax petroleum and exempt electricity and gas, grievously annoying the poor at their night work, while the wealthy are left unembarrassed in their extravagant evening parties.

Analyzed in this way, we can conclude that the Japanese excises fall lightly on the rich and heavily on the poor. So, Japanese excises may be called regressive. A regressive rate is the opposite of a progressive rate; and while in the latter case the heavier burden is laid on the rich, in the former a higher per cent is assessed on the poor. It is preposterous to tax sparingly the wealthy, with sufficient ability to contribute, as in the case of fares, where the charges for the longer journey are proportionately less. Thus, we perceive that the urgent need of adjustment lies not so much in the abolition and reduction of the excises as in the correction of their absurdities.¹

Though Dr. Ogawa criticizes the existing excise system from the socio-political viewpoint, in contradistinction to the purely financial standpoint of Dr. Kobayashi and Dr. Tanaka, the conclusion of the former, it seems to me, is not so different from that of the latter.

As seen from the preceding description, among the able scholars in this branch of science there are none who propose the total abolition of excises, but they are unanimous in demanding their partial abolition or reform, and the excises of which partial abolition or revision is required are the im-

¹ *The Tax System as Seen from Standpoint of Social Policy*, pp. 46-52.

posts upon daily necessities, such as customs duty on grains, the petroleum excise, the salt monopoly, the textile excise, the traveling tax, etc. As to the extent of abolition and of revision, these scholars are at variance with one another, according to their views of the present situation of our national economy and finance, but, roughly speaking, they propose reductions amounting to from 25,000,000 *yen* to 30,000,000 *yen*.

The leading principles which underlie these reform plans are diverse; some have recourse to a purely financial taxation policy, others lay much importance on historical facts, and still others adhere to the socio-political principle. Though followers of the purely financial principle are most numerous, disciples of Wagner's socio-political taxation policy are not wanting. Mr. Ueda, professor of the Tokyo Higher Commercial School, may be cited as a representative of the latter. He delivered a lecture at the tenth convention of the Society for Social Policy, held in December, 1916, on the subject of "Taxation and Social Policy," the purport of which is as follows:

The opponents contend that socio-political taxation is inconsistent with the requirements of justice and sacrifices the end for the means; but I can not agree to the contention. The problem of justice and equality in relation to the assessment of taxes was first dealt with by the orthodox economists, and has an intimate connection with their fundamental conception of economic policy. As they were convinced of the truth that the best policy is the policy of *laissez-faire*, they opposed all the human interferences that disturb the natural course of things, and accordingly they disowned the social policy which attempted to interfere with the mode of distribution and to bridge the gap between the wealthy and the destitute. Touching the taxation problem, they recognized only the purely financial taxation policy, which levies upon every income proportionately and which does not result in any disturbance of the natural course of things, as fulfilling the requirement of justice, while they rejected the socio-political taxation policy as opposed to it, which attempts to reform the mode of distribution by exempting or imposing lightly on the poor and by charging the rich heavily. Of course, we can not but recognize the consistency of their theory of justice. In this country, however, not a few supporters of the social policy are wont to reject socio-political measures in regard to their taxation theory, and thus they fall into logical inconsistency. The social

policy demands the rationalization of the existing irrational mode of distribution, and every measure it recommends takes something from the rich and spends it for the benefit of the poor. So, for those who pronounce *laissez-faire* as the leading principle of economic policy, none but the purely financial taxation policy fulfils the demand of justice; but those who have abandoned the *laissez-faire* principle can not reasonably condemn socio-political taxation as unjust. If the existing unfair mode of distribution may be remedied, even a little, by means of any kind of taxation, such a taxation policy must be called just.

Further, is socio-political taxation a proper means for realizing the aim of the social policy? The antagonists argue that if the socio-political taxation policy be carried out, the rich would be oppressed, the poor become lazy, the growth of national wealth retarded, and the social policy deprived of resources. But the distribution policy by no means sets at naught the production policy and to rectify the mode of distribution without trenching upon production is not an unattainable matter. We find a good example in factory legislation. All such measures as the adoption of a progressive rate, abolition of excises on daily necessities, exemption of the minimum of existence, the tax on increased land values, succession duty, and heavy tax on other unearned incomes, not only contribute to the realization of the aims of the social policy, but also do not necessarily impair the accumulation of wealth in the hands of the rich, sometimes even stimulating and promoting it, so that national wealth may increase with greater rapidity. Thus, we see that the social policy is not opposed to the requirements of justice and that it never sacrifices the end for the means.¹

CONCLUSION

In conclusion, I want to say that although the war-tax problem has never been discussed under that name, either in the Imperial Diet or in academic circles, yet practically it has existed as the excise problem, which forms the essential part of the war taxes, as I have explained in the foregoing research.

¹ For more minute details, the article entitled "Taxation and Social Policy" by the same writer, appearing in the *Journal of National Economy* (Kokumin Keizai Zasshi), December, 1916, no. 6, vol. 21, should be referred to.

INDEX

- Alcohol, revised customs tariff, 26.
- Army: organization and expenditures, 9 *et seq.*; size and expenditures during Satsuma Rebellion, 14-5; expenditures following Sino-Japanese war, 23; expansion of armament following Russo-Japanese war, 34-5.
- Bank of Japan: cited, 48; extension of limit on excess note issue, 103.
- Banks: establishment of national, following Satsuma Rebellion, 13; stamp duty on checks, 80 *et seq.*; law of 1896 relating to national, 103; rate of business tax on, 107-8; advancement of monetary and credit facilities, 118 *et seq.*
- Barm, business tax, 24, 102, 142.
- Beans, rise in price, 49 *et seq.*
- Beer-brewery taxes, 25, 56.
- Bills: for continuation of emergency special taxes, 208 *et seq.*; sinking fund, 210; increased taxation (1901-2), 25, 27-8; (1906), 211-2; tax-law adjustment (1906), 211 *et seq.*, 216 *et seq.*, 224 *et seq.*; repeal of the three bad taxes, 214 *et seq.*; salt monopoly, 214-5, 218; revised sugar excise, 217.
- Bonds, act relating to hereditary pension (1876), 11.
- Boxer Uprising: 3, 149; expenditures, 6; increased taxation following, 25 *et seq.*, 60-1, 134.
- Bourses: 30; tax for redemption of paper money, 14; exchange tax, 82-3; statistics concerning, 192-3.
- Business taxes: 16-7; new system introduced, 24; increase after Russo-Japanese war, 30 *et seq.*; history and development, 100, 102 *et seq.*, 142 *et seq.*; burden on peasantry, 115-6; revenue from (1903-7), 135; demonstration against, 220.
- Camphor monopoly, profit from, 141.
- Census returns (1726-1912), 128 *et seq.*
- Chamber of Commerce, Tokyo, 220.
- Charcoal, 98.
- Chinese Indemnity: 102-3; fund used for expenses of Sino-Japanese war, 23; expenses of Boxer Uprising, 26-7.
- Chosen, import duty on rice, 231.
- Chōshu clan, soldiers furnished for government army, 9.
- Cities, increased population, 128 *et seq.*
- Clearing houses, returns (1903-5), 81.
- Commission of inquiry into tax-laws, 80, 98-9, 224 *et seq.*
- Commons, House of, law of elections for members, 102.
- Confectionery tax: 15, 102, 142; regulations for manufacture, 16-7; annual revenue 17 *et seq.*; abolished, 24, 42.
- Conscription system provided, 10.
- Coolies in army service, 13.
- Corporations, rate of business tax, 107-8, 111; income tax, 109 *et seq.*
- Cotton, 241-2. *See also* Textile fabrics.
- Currency: law (1897), 103; increased circulation (1876-93), 119 *et seq.*
- Customs tariffs: revised under increased taxation bill (1901-2), 26; increase following Russo-Japanese war, 30 *et seq.*; effect on prices: foodstuffs, 50-1; rice, 65 *et seq.*, 191; textiles, 71 *et seq.*; petroleum, 74 *et seq.*; increase in import and export trade (1876-93), 119 *et seq.*; importation of commodities (1903-6), 198; import duty on grains, 216; proposal to abolish, 231-2, 243; import duty on cotton, 241-2; new customs duties attacked, 243.
- Dajōkan (Privy Council), 85.
- Duties, system of registration, 24, 30, 79-80; stamp, on patent medicines, 14 *et seq.*; on checks, 80 *et seq.* *See also* Customs Tariffs.
- Emergency tax laws (Russo-Japanese war), 30, 32 *et seq.*, 143; revenue from first and second increase program (1904-7), 37 *et seq.*; import duty of grains, 65-6; woolen fabrics, 71; petroleum excise passed, 74-5; special taxes created by, 79 *et seq.*; exchange and traveling tax, 82-3; land tax, 88 *et seq.*; expenditures for enactment, 137 *et seq.*; statistical tables of tariffs, 162 *et seq.*; bill for continuation of, 208 *et seq.*
- Exchange. *See* Bourses.
- Excises, abolishment, 205 *et seq.* *See also* Individual taxes.
- Export Duties. *See* Customs Tariffs.
- Farmers: effect of excises on, 97-8, 126-7; migration to cities, 131; political

- strength, 148 *et seq.*; comparison of revenue of individuals and burden of taxation, 194 *et seq.*
- Feudal system, dissolution of, 19.
- Flour, wheat, price and import duty, 49 *et seq.*
- Foodstuffs: 65; effect of taxes on prices, 51 *et seq.*, 76 *et seq.* *See also* individual commodities.
- Forests, land tax, 90, 98 *et seq.*
- Formosa, as source of revenue for Sino-Japanese war expenses, 23.
- Formosan expedition: 3; expenditures, 6, 9.
- Gold standard, 103.
- Grains: 65; bill to increase import duty on, 216; proposal to abolish, 231-2, 243. *See also* rice.
- Hagi Rebellion, 3, 6, 9.
- Hakodate, fall of, 8.
- Hokkaido, reduced tax on products, 15.
- Horses, license tax on dealings in, 24, 102, 142.
- Import duties. *See* Customs Tariffs.
- Income Tax: levied on hereditary incomes (1868), 10 *et seq.*; system introduced (1888), 15-6; annual revenue, 17 *et seq.*; increased after Sino-Japanese war, 24; after Russo-Japanese war, 30 *et seq.*; history and development, 108 *et seq.*; revenue (1903-7), 135; restrictions on local taxation, 143 *et seq.*
- Increased taxation bills, 25, 27-8, 211-2.
- Industrial class, rise in political power, 148 *et seq.*
- Inheritance tax. *See* Succession tax.
- Insurance, life, 120-1.
- Iwakura, Tomomi, national bank established by, 13.
- Jimpūren trouble (Hagi and Kumamoto), 3, 6, 9.
- Kambe, cited, 243.
- Katsura, Taro, Prime Minister, 215.
- Kobayashi, cited, 27, 35, 222, 230 *et seq.*
- Korea, expense of expedition, 9.
- Korean affairs, expenditures, 6.
- Kumamoto rebellion, 3, 9.
- Kwansai, increase in population, 130-1.
- Labor: wages and living costs in various trades, 122 *et seq.*; political status, 150; statistics concerning wages, 199-200.
- Land taxes: increase following Sino-Japanese war, 24, 27; Russo-Japanese war, 30 *et seq.*; history and economic effect, 84 *et seq.*; revisions (1839-1910), 90; effect upon rice market, 92 *et seq.*; burden on peasantry, 115-6, 147-8; revenue (1903-7), 135; increased (1899), 142 *et seq.*
- Law of elections for members of the House of Commons, 102.
- Liaotung peninsula, 102.
- License tax on horses and oxen, 24, 102, 142.
- Liquors: regulations for manufacture tax, 16; increased taxation bill, 25-6. *See also* Sake.
- Loans: public, for war costs during Meiji Era, 6-7; government, for expenses of Satsuma Rebellion, 13-4; navy loan of 1886, 15; public, following Sino-Japanese war, 23; Boxer Uprising, 27; domestic and foreign, following Russo-Japanese war, 29-30; interest on national, subject to income tax, 109-10; proposals to issue new (1905), 208.
- Manufactures: tax on commodities, 16-7; effect of war taxes on prices, 70-1, 76 *et seq.* *See also* individual commodities.
- Matsuda, cited, 211.
- Matsuzaki, cited, 240 *et seq.*
- Medicines, patent: stamp duty for redemption of paper money, 14; tax following Russo-Japanese war, 30-1.
- Meiji Government: wars and civil strife, 3 *et seq.*; war expenses of, 6-7; expansion of population during, 129 *et seq.*; difficulties of new government, 147 *et seq.*
- Merchants, relative burden of taxation, 97-8.
- Mining taxes, increase following Russo-Japanese war, 30.
- Miso, rise in price, 50.
- Monopolies: tobacco, 24, 26, 30-1, 102, 140 *et seq.*, 241, 246; salt, 30-1, 49-50, 140-1, 210-1, 213 *et seq.*, 217-8, 226, 232, 239, 241, 243-4, 246; camphor, 141.
- Monopoly Bureau, 141.
- Mutsuhito, Emperor, 3.
- National banks: establishment through government loans, 13; law of 1896 relating to, 103. *See also* Banks.
- Naval Act, for construction of warships, 10.
- Navy: expenditures during Boxer Uprising, 6; early organization and

- expenditures, 9-10; size and expenditures during Satsuma Rebellion, 13 *et seq.*; warship program (1882-91), 14-5; expenditures following Sino-Japanese war, 23; navy expansion bill, 27-8; expansion following Russo-Japanese war, 34-5; income tax as means of expansion, 108-9.
- Northeastern district, increase in population, 130-1.
- Notes: government (*Eajokwansatsu*) issued to defray war costs, 9; revision of taxes on convertible issue, 24.
- Ogawa, cited, 244 *et seq.*
- Okinawa Prefecture, tax on ship money abolished, 24.
- Ou revolt, 6, 8.
- Oxen, license tax on dealings in, 24, 102, 142.
- Paper money, issued to meet cost of Satsuma Rebellion, 14.
- Patent medicines: stamp duty, for redemption of paper money, 14; tax following Russo-Japanese war, 30-1.
- Peasantry: 97-8; burden of income tax on, 115-6; declining political strength, 148 *et seq.*
- Peers, House of, regulations on mutual election of members, 102.
- Pensions, act relating to hereditary (1876), 11.
- Perry, Commodore, 8.
- Pescadores, source of revenue for Sino-Japanese war expenses, 23.
- Petroleum: revised customs tariff, 26; price increase following Russo-Japanese war, 71; excise and its effect on prices, 74 *et seq.*; proposal to abolish tax, 232-3, 244, 247.
- Pine fagots, prices, 98.
- Population: 59, 90 *et seq.*; increase (1726-1912), 127 *et seq.*; migration to cities, 130 *et seq.*
- Portsmouth, treaty of, 29.
- Postal service: advancement in revenues, 24; increase in lines and mail matter (1876-93), 119 *et seq.*
- Prices: fluctuation in excised commodities (1900-11), 48 *et seq.*; increase in *sake*, 52 *et seq.*; soy, 57 *et seq.*; sugar, 60 *et seq.*; effect of import duty on rice, 65 *et seq.*; 191; increase in wages and rice, 124; effect of taxation on raw material, 69-70; on textile, 71 *et seq.*; on petroleum, 74 *et seq.*; rise in, on taxed products (1903-8), 77 *et seq.*; effect of land tax on, 91-2; forest products, 98-9; proposal to lower salt, 213.
- Production, development (1876-1893), 118.
- Provincial assessments for military taxes (1868), 10 *et seq.*; annual revenue, 17 *et seq.*
- Railways: improvement in government, 102, 106; increase in mileage (1876-93), 119.
- Raw materials, effect of taxation on prices, 69 *et seq.*, 76 *et seq.*
- Real estate, conversion into money (1899-1910), 128.
- Redemption of paper money, 14.
- Registration duties, 24, 30, 79-80.
- Regulations on mutual elections of members of the House of Peers, 102.
- Rentals of urban dwelling land, 91 *et seq.*
- Restoration, war of: 3; expenditures for, 8 *et seq.*
- Rice: tax on exchange brokers for redemption of paper money, 14; price affected by import duty, 65 *et seq.*, 191; effect of taxation on price, 76; effect of land tax on fields, 86 *et seq.*; price fluctuations, 92 *et seq.*; burden of income tax on growers, 114-5; price and wages, 124; bill to increase import duty on grains, 216; proposal to abolish, 231-2, 238, 243.
- Rural districts: increased tax on dwelling land, 89-90; system of local taxation introduced, 100, 102 *et seq.*, 141; migration of inhabitants to cities, 130 *et seq.*
- Russo-Japanese war: 3; expenditures, 6; resources for expenditures, 29 *et seq.*; war tax programs (1904-7), 35 *et seq.*; land tax as revenue, 95. *See also* Emergency tax laws.
- Saga rebellion: 3; expenses of, 6, 9.
- Saionji, Marquis Kimimochi, 208.
- Sakai Prefecture, contribution to Satsuma Rebellion, 14.
- Sake*: tax for redemption of paper money, 14; manufacture tax, 15 *et seq.*; abolition of license tax and increased taxation bill, 24 *et seq.*; tax increase following Russo-Japanese war, 30; increase in price, 52 *et seq.*; revenue from tax (1903-7), 135; provisions for, in tax law adjustment bill, 216, 226; proposal for adjustment, 241-2, 245-6.
- Salaries, tax on. *See* Income tax.
- Salt: monopoly law, 30-1; increase in price, 49-50; revenue, 140-1; at-

- tempt to abolish, 210-1, 243-4; to lower price, 213; bill for repeal, 214-5; provisions of tax-law adjustment bill, 217-8, 226; proposals for reduction of tax, 232, 239, 241, 246.
- Satsuma clan, soldiers furnished for government army, 9.
- Satsuma Rebellion: 3, 120; expenditures, 6; national bank loan, 13; paper money issued to cover, 14.
- Seinan expedition. *See* Satsuma Rebellion.
- Seiyūkai, 208, 219-20.
- Seiyūkai and Daidō club, customs tariff bill, 216.
- Shimada, 214-5.
- Shimonoseki, treaty of, 23.
- Ship-money, tax on, 24, 102, 142.
- Shipping: tonnage dues introduced, 24; increase on railways, 102-3; increase in tonnage (1876-93), 119.
- Ships: naval act for construction, 10; number participating in Satsuma Rebellion, 13; construction (1882-91), 14-5, 220.
- Sinking fund bill, 210.
- Sino-Japanese war: 3; expenditures, 6; source of revenue for expenditures, 23 *et seq.*; economic development following, 120.
- Soy: manufacture tax (1885), 15 *et seq.*, 24; effect on output and price (1893-1905), 57 *et seq.*; revenue (1903-7), 135; report on tax-law adjustment, 226; proposal to reduce, 232, 246.
- Spirits, business tax abolished, 24.
- Stamp duty, on patent medicines, 14; on bank checks, 80 *et seq.*
- Stipend system, hereditary, 11-2, 148.
- Stock companies, established, 102-3.
- Stock exchange, tax on brokers for redemption of paper money, 14. *See also* Bourses.
- Succession tax law, 30 *et seq.* *See also* Income tax.
- Sugar: excises levied following Boxer Uprising, 26; increase following Russo-Japanese war, 30; rise in price, 49; relation between taxation and price, 60 *et seq.*; bills for revision of, 216 *et seq.*; report on tax-law adjustment, 226; proposals for reduction, 234-5, 245-6.
- Taketomi, cited, 218.
- Tanaka, cited, 236 *et seq.*
- Tariffs, enacted by Emergency tax law (statistical tables), 162 *et seq.* *See also* Customs tariffs.
- Tax-law adjustment bill (1906), 211 *et seq.*, 216 *et seq.*; commission of inquiry, 80, 99, 224, *et seq.*
- Tax-laws. *See* Emergency tax-laws.
- Taxes, local: business, assessed as, 100, 102 *et seq.*; history and development, 141 *et seq.*; collected (1901-11), 145; revenue (1904-6), 146; comparison of revenue of individuals and burden of taxation, 194 *et seq.*—war: provincial assessments, 10 *et seq.*, 17 *et seq.*; for redemption of paper money, 14; stamp, 14, 80 *et seq.*; business, 16-7, 24, 30 *et seq.*, 100, 102 *et seq.*, 135, 142 *et seq.*; manufacture, 16-7, 70-1, 76 *et seq.*; revenue, 7, 17 *et seq.*, 28, 37 *et seq.*, 155 *et seq.*; rearrangement of system, 24; emergency laws for expenditures of Russo-Japanese war, 30 *et seq.*, 38 *et seq.*, 79 *et seq.*, 137, 143, 162, 208; direct and indirect (1868-1912), 42 *et seq.*; registration duty, 24, 30, 79-80; exchange, 82-3, 192-3; effect on wages, 122 *et seq.*; on farmers, 126 *et seq.*; on national finance, 133 *et seq.*; on local finance, 141 *et seq.*; comparative revenue (1903-6), 146; increase in indirect (1891-1913), 190; in arrears, 135 *et seq.*, 201-2; proposals for reforms, 205 *et seq.* *See also* individual commodities.
- Telegraph lines, increase in system (1876-93), 119.
- Textile fabric tax: 31, 102-3; effect on prices, 71 *et seq.*; attempt to revise, 213; bill for repeal, 214-5; provisions of tax-law adjustment bill, 216-7, 219-20, 226; proposals for adjustment, 233-4, 238-9, 241-2, 244, 246-7.
- Timber, effect of land tax on prices, 98 *et seq.*
- Tobacco: monopoly law, 24, 30-1; revised customs tariff, 26; tax transferred to local governments, 102, 142; revenue from, 140-1; proposal to adjust, 241, 246.
- Tokugawa Shogunate, 8, 147.
- Tokyo: increased population, 130-1; Chamber of Commerce, 220.
- Tonnage: introduction of dues, 24; increases in (1876-93), 119.
- Torpedo boats, included in construction program (1888-91), 15.
- Tosa clan, soldiers furnished for government army, 9.
- Towns and villages, system of local taxation introduced, 100, 102 *et seq.*,

- 141 *et seq.*; migration of rural population to cities, 130.
- Trade: decrease in wholesale and retail, following war with China, 105-6; rise in political strength of trading class, 148 *et seq.*; comparison of revenue of individuals and burden of taxation, 194 *et seq.*
- Traveling tax: 31, 83-4, 117; attempt to revise, 213; bill for repeal, 214 *et seq.*; provisions of tax-law adjustment bill, 216-7, 219; proposal for revision, 235, 239.
- Treaties: Shimonoseki, 23; Portsmouth, 29.
- Ueda, cited, 248.
- Urban districts. *See* Rural districts.
- Vehicles, tax on, 24, 102, 142.
- Villages and towns: system of local taxation introduced, 100, 102 *et seq.*, 141 *et seq.*; migration of rural population to cities, 130.
- Wages: relative increase in taxes and workmen's, 122 *et seq.*; statistics concerning, 199-200.
- Warships: naval act for construction, 10; number participating in Satsuma Rebellion, 13; construction (1882-91), 14-5, 220.
- Wheat flour, price and import duty, 49 *et seq.*
- Wholesale trade, decrease following war with China, 105-6. *See also* Trade.
- Woolen fabrics. *See* Textile fabrics.
- Workmen's wages, increase of taxes and, 122 *et seq.*; statistics concerning, 199-200.
- World War, budget, 221.
- Yoritomo, 8.

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