

# JAPANESE ECONOMIC HISTORY

**Introduction** Japanese society created a stable, high-functioning and integrated economy in the iron age and early post classical period. As was true of all early societies, its foundation was a thriving and well-managed agricultural sector. Farming sustained stable populations and provided a reliable basis for taxation. It produced excess in most years, which allowed for significant segments of society to specialize in sectors other than farming. Japanese growers were extremely capable and worked in concert with the government to build and manage infrastructure projects that all used to their advantage. For more than a millennium, Japan was largely self-sufficient in agriculture and enjoyed a thriving commercial sector (when the country was at peace). At the beginning of the 19<sup>th</sup> century, however, conditions changed worldwide and Japan entered a short period of economic contraction and humiliation. It had missed the industrial revolution. In the post Meiji Restoration era which began in 1868, Japan began a crash course of economic transformation and industrialization. It was extremely successful in catching up to the west. By the 1930s, Japan's economy produced more and the nation was wealthier than European countries such as Italy and Hungary. After the war, Japan turned its attention to reconstruction and the export economy and was again extremely successful. The economic recovery is a testament to the thrift, hard work and sacrifice of the Japanese labor force. As of this writing, the Japanese economy is a world leader and ranks third in the world in GDP output.

## **PREHISTORY-- The Neolithic age (10,000 BCE-2000 BCE)**

**Innovation and Agriculture.** Neolithic era Japanese did not engage in agriculture early in the period. They gathered berries, roots, nuts, and other readily available foodstuffs based on the season. Nuts, such as walnuts and chestnuts, have been found in archaeological digs. These and other such items could be stored to help them get through a winter that was longer and colder for most of the period than is the case today (the last ice age was coming to a close). There is some evidence that during the warmer periods of 2500 BCE—1500 BCE that large villages might have just begun to cultivate some food stuffs because it would have been extremely difficult to forage enough food in the immediate vicinity to sustain a large village. But this was toward the end of the period and did not become a primary food source for late neolithic/early bronze age Japanese.

**Diet.** In addition to the nuts, berries, roots and other seasonal bounty readily available to the Jōmon people, hunting provided the protein needed to sustain most of the population. Early in the period, large game such as bear, deer, and wild boar were regular food items for inland people groups. For groups near to the coast and to fresh water sources, fishing was the primary source of protein. Virtually anything aquatic could be prepared and consumed to provide sustenance. Later in the period, smaller game such as squirrels, rabbits, and birds of all varieties were trapped and/or hunted

**Trade.** It is not known the extent to which early Japanese engaged in commerce. But it undoubtedly existed. It is possible that shells or other high value items might have acted as a currency. More likely, however, since there was no common currency, commerce would likely have been based mostly on the barter system. Farmers or craftsmen who were able to grow or create certain items in excess, or more cheaply than others, would have traded for goods, services, food or other needed items. Hunters might have traded meat, hides, bones and sinew to, for example, a shaman in exchange for spiritual wisdom or healing. This interaction would have required some level of communication and trust between settlements and played an important role in the cultural and economic integration of small economic and social regions.

## **IRON AGE (1000 BCE-500 CE)**

**Innovation.** Like every other element of society during the iron age, the cultivation of rice transformed the economy. In the Neolithic period, most Japanese were hunter-gatherers and it is difficult to speak of an economy of any size or scale. However, the cultivation of rice in the iron age changed that because it required new forms of technology and innovative ways of thinking. In general terms, Japanese transitioned from stone to bronze to iron during the period of three or four centuries—likely through the importation of technology from Korea. Bronze, as a metal, was stronger and more utilitarian than stone or wood—media still found in period sites. The forging of bronze required special knowledge and intensive quality control. However, the casting of iron did not require intensive specialization and could be carried out by those with little training and access to a rudimentary furnace. It is believed that bronze and iron were produced side-by-side during this period. Among the iron tools discovered in period archaeological sites were farming implements such as shovels, hoes, axes, fish hooks, chisels and knives. The natural resources needed to forge these new tools (and weapons) were in short supply and it is believed that those who controlled iron in its raw form were able to charge a premium for it. Indeed, given its importance in agriculture and warfare, a number of anthropologists have argued that gaining access to iron may well have been the impetus for the creation of regional population centers of the Yamato Plain and northern Kyūshū.

In order to cultivate rice, paddies had to be created. Paddies had to be flooded during the transplantation stage of development for a period of several weeks. This required land to be transformed as well because paddies must be flat and ringed by small dykes, a condition that rarely if ever exists in a state of nature. Shovels, hoes and other earth moving tools were necessary to prepare the land. Canals, ditches and other irrigation infrastructure had to be tied in to rivers and creeks. Finally, sluice gates and a drainage mechanism had to be in place in order to remove water from the paddies at the appropriate time. In short, wet rice agriculture is very labor intensive and was facilitated by technological advances in metallurgy. Labor demands of this magnitude required villages to become larger, well led and more socially sophisticated.

Alongside advancements in agriculture, Japanese continued to forage and hunt. Iron spear tips, arrows and knives made the taking of large game easier. Iron fish hooks made it easier to catch fish and rudimentary iron traps made ensnaring small game possible. Iron therefore became the foundation of the economy. Those who had a ready supply of raw materials and the technical knowledge of how to forge it came to dominate society and likely emerged as some of the first elites in Japan.

**Trade.** Archaeologists link trade to the development and mastery of iron technology. Some of the iron that has been discovered in dig sites in Japan reveals continental origins. That is not to say that early iron age Japanese were not forging it. However, its shape and composition resembles that which was produced on the mainland. It is very likely that immigrants from Korea and China traded items made of iron with the Japanese and also brought artisans with them who knew how to forge it. Over the course of time, that know how was transferred. In addition, scholars argue that the Japanese were slow to mine the natural resources needed for the forging of iron and imported raw iron ore from the continent until quite late. It is no coincidence that iron technology was first introduced at roughly the same time as wet rice agriculture began to flourish. The trade in rice, technology, and iron tools and weapons tied disparate villages together and helped create the conditions which allowed for the rise of organized society and government.

## **POST-CLASSICAL AGE (500-1500)**

**Innovation and Agriculture.** The economy of post classical Japan was based on agriculture, and in particular, the production of rice. Rice was (and is) the single most important food stuff in Japan. This was facilitated because the crown supported the dispersal of knowledge of advances in agriculture such as crop and field rotation, the use of fertilizers and the like. Irrigation and flood control projects were high priorities. The government took seriously the problem of security and sought to end enduring problems with banditry and the like. Rice also acted as the basis of land holding for much of Japanese history. Land holdings were not only determined by geographic measurement, but by the fertility of land under wet rice cultivation. This is because Japan is mostly mountainous and is largely unsuitable for cultivation. Therefore, wealth (and one's tax bill every year) was determined as a percentage of that which was produced. For example, a large and successful landowner might own land that produced 1,000 koku (1 koku equals approximately 5 bushels and is normally enough to feed one man per year) of rice. The

yearly tax rate might be 300-400 (or more) koku. Rice was then traded for silver and made its way into the treasury. It should be noted that the average peasant didn't cultivate more than a few koku of rice per year nor did he regularly eat rice before the modern era. It was simply too dear to be consumed by the producers. Instead, peasants often ate millet and vegetables. Meat was rarely consumed, largely because of its expense and because of Buddhist considerations. If close to the coast or fresh water sources, fish and other aquatic life provided protein, as did tofu. As might be expected, industries grew up in Japan to support tertiary agricultural pursuits such as fishing and sericulture.

**Trade.** During the Nara and Heian periods, trade within the country was facilitated by government control of minting. The first coins were minted during the reign of Empress Gemmei (707-715). This was made possible by the discovery of large copper deposits in western Japan. But the Japanese also minted silver and gold coins. It is no surprise that most of these coins resembled coinage on the mainland. Small denominations were round, had a square hole in their center and were carried on a string. On the front were stamped the reign names of the monarch. Large denominations of copper, silver and gold were rectangular. Some had square holes in them, others did not. When paying tax, rice—which could sometimes be a form of currency—was exchanged for silver (the preferred specie for imperial tax collectors) and deposited into the treasury. In this way, a nationwide economy allowed for the exchange of food stuffs and other trade goods.

As Japan moved through the Heian period, commerce grew dramatically. The imposition of law and order along with a transportation infrastructure and the like made it possible for goods to be transported from the rural areas to the capital, the only urban area of any size and consequence. Indeed, the city of Heian/Kyoto was known for trade in food stuffs, tea and items such as silk, a textile that first arrived in Japan in the Yayoi period (300B CE-300 CE). Merchants in the late post classical age generally made a good living and participated in the culture of the city. However, during periods of instability and war, merchants were some of the first to suffer. In particular, when Kyoto was destroyed in the Ōnin War (1467-1477) commerce largely ceased altogether. Given that there was no central authority, commerce between domains also became problematic and continued that way until reunification had been achieved in the late 16<sup>th</sup> century. For most of the Warring States period (1477-1600), commerce was possible only between two non-warring domains, a condition that sometimes existed but which was unpredictable. Even when commerce was possible, each domain set up its own checkpoints on major roads where tolls could be collected and papers checked. The control of coinage also became a problem as civilian authority devolved in the aftermath of the Gempei War (1180-1185). The debasement of coinage was one way to raise revenue, but it also led to inflation. In the early Ashikaga period, commerce was tricky because specie had to be weighed and carefully calibrated. And of course, after the Ōnin War, each great *daimyō* was free to mint their own coinage as they pleased. Commerce therefore suffered from a lack of central authority, a lack of law and order, a lack of freedom of movement and the lack of a nationwide monetary system. In spite of it all, Japanese merchants persevered and emerged in the Edo period (1600-1868) to become some of the great trading houses/companies of the contemporary era.

## **EARLY MODERN PERIOD (1500-1800 CE)**

**Innovation.** Over the course of the 17<sup>th</sup> and 18<sup>th</sup> centuries, the economy of Japan grew dramatically in virtually every sector. Though the Tokugawa policy of *sakoku* (seclusion) meant that there was international trade largely with Korea and China only, domestic commerce thrived. Advances in agriculture allowed for a dramatic increase in population from approximately 15 million in 1600 to approximately 30 million in 1800. Silkworm production increased dramatically and sericulture became a thriving element of the economy. Indeed, some scholars argue that Japan had already taken the first step in industrialization because rapid advances in agriculture freed increasingly large segments of the population who were no longer needed in the fields and rice paddies. The Japanese economy suffered from the same cyclical problems that all economies endured. But, in general terms, the Japanese economy grew along with the population and reached a level of maturity that matched a number of western European countries.

**Trade.** In the years after the Battle of Sekigahara in 1600, the Tokugawa began to require that all *daimyō* maintain a residence in Edo and live in the city for one year out of every two. In the year that they were

back in their domains, they had to leave in Edo as a hostage their first wife and oldest son (and heir). In this way, the Tokugawa could keep watch on the *daimyō* and if one initiated an uprising back in his domain, the first casualty would be his heir. This led to great processions (called *sankin kōtai*) as *daimyō* traveled back and forth to their provincial lands. Good roads, bridges, ferries, inns, weigh stations and the like became an essential part of life. Porters were engaged to carry goods, restaurants served food and livery stables cared for horses. Great houses were also built in Edo for these lords, which put to work carpenters, servants, farmers on the outskirts of town who provided food and a whole host of other supporting professions. Banks and other financial institutions created rice or silver paper certificates. But government officials and *daimyō* were not the only ones who benefited from this system. Merchants were able to ship goods between the rapidly growing urban centers of the country. It is believed that Edo's population began to approach one million during this period, Osaka and Kyoto 400,000 each. Over the course of time, some merchants came to be quite wealthy, influential and extraordinarily successful, so much so that by the late 18<sup>th</sup> century, they were challenging the concept that merchants should be at the bottom of the social structure. A number of Japanese firms from this period still exist and are household names worldwide: Sumitomo, Mizuho, Dai-ichi Kangyo Bank, Sanwa, Industrial Bank of Japan, Tokai-Mitsubishi Bank, and Sanrei Bank—to name just a few.

## 19TH CENTURY

**Trade and Agriculture.** In the early 19<sup>th</sup> century, more than 80% of all Japanese were still involved in some form of agricultural pursuit as a profession. Most were peasants or silk producers (sericulture) or in some job that supported the peasantry. Because of this, a very large segment of the population was dependent on the vicissitudes of naturally occurring cycles in agriculture. For most of the late Edo period (with a couple major exceptions), these were predictable. After a typhoon or regionalized flood, hardship and hunger was to be expected. When the rains didn't fall as normal or pests afflicted the crops, people went hungry and the economy suffered. In most instances, the authorities were able to alleviate the worst elements of these by providing some aid and transporting food and other items on well-maintained roads to the affected areas. However, there were exceptions. In the Tempō famine (1833-1837), millions of people were affected and hardship appeared to grip most of the country. Thousands died and the government appeared to be unable to respond because of the scale of the disaster. This was followed by several major earthquakes in the 1840s and 1850s which killed thousands. Still, the mature and high-functioning Japanese commercial economy endured until the political instability of the 1840s and 1850s led to its decline and the merchants and city-dwellers began to feel the pinch. After the Meiji Restoration in 1868, Japanese agriculture and commerce slowly began to thrive again—this time using new forms of technology and industrialization.

**Innovation and Industrialization.** After the Meiji Restoration in 1868, and in particular the Iwakura Mission which ended in 1873, the new leadership set Japan on a crash course of rapid industrialization. In the realm of finance, the government provided every known incentive to promote its development. Loans were underwritten by the government that offered virtually 0% interest rates in key industries such as steel production and coal mining. Land was set aside to be procured for new factories. In the transportation sector, the government went on a crash course of building railroads (and later encouraging private companies to do the same). Shipbuilding was also emphasized and a merchant marine became a priority. The Meiji government also passed laws mandating education through the 6<sup>th</sup> grade, providing basic literacy to a new workforce that could move into the burgeoning cities and go to work in the factories. Universities and technical schools were opened to meet the increasing need for new teachers, researchers and technicians. Advances in industry also were applied to agriculture, which freed additional workers for industrial pursuits and allowed for additional increases in population. By the turn of the 20<sup>th</sup> century, Japan was becoming an industrial power. Though still behind most nations in Western Europe in industrial output, it would soon rival Italy and Hungary as Japan moved into the 20<sup>th</sup> century. Indeed, by 1905, Japanese industry had developed sufficiently so that it was able to support its military in defeating a major European power in the Russo-Japanese War.

## EARLY 20th CENTURY (1900-1949)

**Innovation and Industry.** As Japan entered the 20<sup>th</sup> century, its economy was still very much dependent on agriculture. There were continued advances in agriculture, but the easy and quick gains had already

been seen in the late 19<sup>th</sup> century. Japan's agriculture was limited by the amount of land that could be cultivated. In particular, since most of Japan (about 75%) is mountainous, large-scale mechanization (as seen in the flat-lands of the U.S. great plains) was not practical. The vast majority of Japanese farmers still relied extensively on human and animal labor augmented by some mechanization. There was also the persistent problem of absentee landowners who provided little in the way of incentives for those who actually worked the land to increase production. This problem of absentee landownership, a situation that reached nearly 50% of all farm land in Japan, persisted until the end of the war, at which time land was redistributed by occupation officials to those who actually worked it. (This had created a situation in which wealth disparity of that magnitude was understood to be a destabilizing factor for society.)

**Trade.** In industry, however, the potential for growth was unlimited but largely dependent on the demand for exports and a ready supply of raw materials. Economic and industrial growth continued in fits and starts until 1930. Before 1930, Japanese industrial growth was spurred on by the Russo-Japanese War and WWI, periods in which the government prioritized the production of armaments, heavy industry and transportation. These increases were punctuated by dramatic downturns as factories retooled and refitted for consumer markets after the wars ended. Nonetheless, some periods saw tremendous growth. Japanese manufacturers became major exporters of finished silk and other textiles, pharmaceuticals, cement, paper, glass and the like.

Like all other nations, Japan suffered from the effects of the Great Depression. The eminent historian of Japan, Kenneth Pyle, argues that nationwide wealth was reduced by one-third from 1925-1931. He also asserts that exports fell fifty percent between 1929 and 1931. This was felt immediately by factory workers and soon thereafter by all other sectors of the economy. This created an environment in which various states of emergency could be implemented and others extended by the government. It should be noted that the Japanese government intervened extensively in the economy and helped spur recovery from the Depression sooner than most other nations. This just also happened to coincide with Japan's final annexation of Manchuria, which reinforced the false narrative that aggressive military action could spur economic growth.

**The War Ends.** As the war drew to a close, greater and greater percentages of industrial capacity was devoted to the war. At one point in 1944, it is estimated that thirty-five to forty percent of all industrial output in Japan was spent on munitions and other items essential to the war effort. This meant that the civilian sector was neglected and food shortages and shortages of other consumer goods had become a major problem even before the war ended. At the end of the war, Japan was bankrupt and its economy lay in ruins. The bombings had destroyed a large percentage of Japan's industrial capacity. It was estimated by occupation officials that industrial production stood at ten percent of its prewar capacity. Homelessness and starvation were realities for large segments of the population in 1946 and 1947, and many succumbed. Even a year after the war, industrial production remained well below prewar levels. Japan's dream of economic and industrial independence was shattered along with everything else because of the war.

## **LATE 20th CENTURY (1950-1999)**

**Innovation and Recovery.** The Japanese economy was in no way totally recovered from the ravages of the war in the middle years of the occupation. There was still widespread homelessness, occasional outbreaks of epidemics and disease, hunger, and significant unemployment. These economic conditions (and associated social and medical ills) were not totally eradicated for a generation after the war. Early relief came from an unexpected event: the Korean War. Though Japanese soldiers did not officially participate in the war, the conflict had the benefit of jump-starting Japanese manufacturing in textiles, steel production and other industries. It was cheaper and more efficient for UN forces to buy Japanese manufactured goods than it was to manufacture them (mostly in the US) and ship them across the world. Companies that provided items for the war effort such as trucks, spare parts, clothing, and the like recovered very quickly. Some, such as Toyota, Ajinomoto, Fuji (parent company of Subaru), and Hitachi become major, international conglomerates known the world over for innovation and excellence. During the Korean War, food production also returned to pre-war levels and widespread malnutrition was vanquished, although very poor areas of the major cities where shanty towns existed still experienced hunger. By 1954, the Japanese economy had surpassed pre-war levels.

In the 1970s, the Japanese electronics industry began to invest heavily in the newest technology. For example, Sony bought the rights to the transistor and miniaturized the cassette player so that it would fit into a coat pocket. It became a worldwide best seller and was manufactured until 2010, transforming the industry. It has also spawned a number of “clones” by other Japanese manufacturers such as Panasonic, Hitachi and Sharp. In the last forty years, Japanese consumer electronics have become synonymous with quality and now lead the world.

**Trade and Economic Growth** The Japanese government decided that its highest priority in the 1950s, 60s and 70s would be economic growth. In order to facilitate this, the government assigned the Ministry of International Trade and Industry (MITI) the task of determining economic policy. For Japan, this would mean that exports became the priority and that all industries would support this goal. The Japanese government underwrote financing for key industries by guaranteeing loans at extremely low rates, but there were strings attached. Companies selected were expected to invest for the long term and were to prioritize stable employment above profits and the payment of quarterly dividends. This was, however, problematic for entrepreneurship and for companies that wanted to expand or change what they produced. If a company wanted low-interest government-backed loans, CEOs had to ask permission of MITI officials, which was not always forthcoming. The most famous example is the Honda Corporation, maker of some of Japan’s finest motorcycles. In the early 1960s, Honda’s founder and CEO Soichiro Honda wanted to expand into automobiles, but was denied government backing. Undeterred, he went abroad for financing and started building some of the world’s finest cars.

Japanese economic policies were successful beyond all expectations. The growth rate per year between 1955 and 1960 was 9.1%, between 1960 and 1965 was 9.8% and 1965 and 1973 was 10%. These are extremely high numbers and were three times higher than the US growth rate during the same period. By the late 1980s, Japan had become the world’s second largest economy. However, in the drive to grow the economy, social and cultural issues received little attention from Japan’s governing elite. Some of these would become problematic in contemporary Japan.

By 1990, the Japanese economy had reached a plateau. Though individual companies grew, sustained economic growth nationwide had stopped. There has been very, very little economic growth since the late 1980s. Japanese economists, government officials and business leaders have struggled to find ways to prime the economy, but have largely failed. Japan is now dealing with deflationary tendencies in the economy and a decreased population—both of which mean that the growth of the postwar period will likely not be seen again.

## Readings

- 1) Junko Habu, *Ancient Jomon of Japan*, (Cambridge University Press, 2004).
- 2) Karl Friday, ed. *Japan Emerging: Premodern History to 1850*, (Westview Press, 2012).
- 3) Thomas Conlan, *State of War: The Violent Order of Fourteenth Century Japan*, (University of Michigan, Center for Japanese Studies, 2003).
- 4) Mark Teeuwen and Kate Wildman Nakai, trans., *Lust, Commerce and Corruption: An Account of What I Have Seen and Heard by and Edo Samurai*, (Columbia University Press, 2014).
- 5) William M. Tsutsui, *Manufacturing Ideology: Scientific Management in Twentieth-Century Japan*, (Princeton University Press, 1998).
- 6) Richard J. Smethurst, *From Foot Soldier to Finance Minister: Takahashi Korekiyo, Japan’s Keynes*, (Cambridge: Harvard East Asian Monographs, 2007).

## Questions for Discussion

- 1) The lesson has characterized the introduction of wet rice agriculture as being the most important event in the entire history of Japan. Do you agree with this statement or do you think it is an exaggeration? Do you think it understates the importance of rice? If an exaggeration, what other event in the history of

Japan does it compare to? To what extent does the food one grows and consumes shape culture and society? Does it have greater effect than the political system? It is more important than religion?

2) The Heian period in Japan (794-1185) is known as the “golden age” of Japanese history. Why do you think historians would describe the period this way? What was good about it? Was it the economy, the military, the arts, literature, or the government? We know that the aristocratic class lived very well and enjoyed life. But how widely was Heian period prosperity enjoyed? What about the average person? Do we know how the average person lived? Is it relevant or important to ask about the plight of the peasants or lower gentry?

3) The Great Depression was one of the most important events in the world during the early part of the 20<sup>th</sup> century. Japan suffered along with all other industrialized nations. However, the Japanese government responded effectively and minimized the effects of the economic collapse. What policies did the Japanese government implement that seemed to have the greatest effect on the economy? Where did things go wrong as Japan’s government sought to respond to the effects of the Great Depression? Finally, the social consequences were severe for most of the nations affected by the Great Depression. Did the social fabric of Japan show the same level of stress that other nations endured? How did Japanese authorities respond to unrest and incivility in the early 1930s?

4) Japan's decision to prioritize economic development in the years following the occupation was very consequential. Japan is now one of the wealthiest nations in the world and has the third largest economy. What might have been some of the social and cultural costs of the decision? Many in Japan would argue that in the process of becoming rich, the essence of Japanese culture has been diluted. Do you agree or disagree that Japan has somehow been diminished by its single-minded drive for economic growth? Given that Japan has not experienced meaningful economic growth for the last two and a half decades, to what extent has Japan reevaluated its national goals? Should the government emphasize something else? Or is the economy still the most important priority?

## Texts

1) From the *Nihongi*, 720 CE (The Chronicles of Japan), translated by W. G. Aston, 1896, pp. 128-133. The Constitution of Prince Shōtoku. In the public domain.

C.E. 604, Summer, 4<sup>th</sup> Month, 3<sup>rd</sup> day. The Prince Imperial Shōtoku in person prepared laws for the first time. There were seventeen clauses, as follows:

1. Harmony should be valued and quarrels should be avoided. Everyone has his biases, and few men are far-sighted. Therefore some disobey their lords and fathers and keep up feuds with their neighbors. But when the superiors are in harmony with each other and the inferiors are friendly, then affairs are discussed quietly and the right view of matters prevails.

2. The three treasures, which are Buddha, the (Buddhist) Law and the (Buddhist) Priesthood; should be given sincere reverence, for they are the final refuge of all living things. Few men are so bad that they cannot be taught their truth.

3. Do not fail to obey the commands of your Sovereign. He is like Heaven, which is above the Earth, and the vassal is like the Earth, which bears up Heaven. When Heaven and Earth are properly in place, the four seasons follow their course and all is well in Nature. But if the Earth attempts to take the place of Heaven, Heaven would simply fall in ruin. That is why the vassal listens when the lord speaks, and the inferior obeys when the superior acts. Consequently when you receive the commands of your Sovereign, do not fail to carry them out or ruin will be the natural result.

4. The Ministers and officials of the state should make proper behavior their first principle, for if the superiors do not behave properly, the inferiors are disorderly; if inferiors behave improperly, offenses will naturally result. Therefore when lord and vassal behave with propriety, the

distinctions of rank are not confused: when the people behave properly the Government will be in good order.

5. Deal impartially with the legal complaints which are submitted to you. If the man who is to decide suits at law makes gain his motive, and hears cases with a view to receiving bribes, then the suits of the rich man will be like a stone flung into water, meeting no resistance, while the complaints of the poor will be like water thrown upon a stone. In these circumstances the poor man will not know where to go, nor will he behave as he should.

6. Punish the evil and reward the good. This was the excellent rule of antiquity. Therefore do not hide the good qualities of others or fail to correct what is wrong when you see it. Flatterers and deceivers are a sharp weapon for the overthrow of the state, and a sharp sword for the destruction of the people. Men of this kind are never loyal to their lord, or to the people. All this is a source of serious civil disturbances.

7. Every man has his own work. Do not let the spheres of duty be confused. When wise men are entrusted with office, the sound of praise arises. If corrupt men hold office, disasters and tumult multiply. In all things, whether great or small, find the right man and they will be well managed. Therefore the wise sovereigns of antiquity sought the man to fill the office, and not the office to suit the man. If this is done the state will be lasting and the realm will be free from danger.

8. Ministers and officials should attend the Court early in the morning and retire late, for the whole day is hardly enough for the accomplishment of state business. If one is late in attending Court, emergencies cannot be met; if officials retire early, the work cannot be completed.

9. Good faith is the foundation of right. In everything let there be good faith, for if the lord and the vassal keep faith with one another, what cannot be accomplished? If the lord and the vassal do not keep faith with each other, everything will end in failure.

10. Let us control ourselves and not be resentful when others disagree with us, for all men have hearts and each heart has its own leanings. The right of others is our wrong, and our right is their wrong. We are not unquestionably sages, nor are they unquestionably fools. Both of us are simply ordinary men. How can anyone lay down a rule by which to distinguish right from wrong? For we are all wise sometimes and foolish at others. Therefore, though others give way to anger, let us on the contrary dread our own faults, and though we may think we alone are in the right, let us follow the majority and act like them.

11. Know the difference between merit and demerit, and deal out to each its reward and punishment. In these days, reward does not always follow merit, or punishment follow crime. You high officials who have charge of public affairs, make it your business to give clear rewards and punishments.

12. Do not let the local nobility levy taxes on the people. There cannot be two lords in a country; the people cannot have two masters. The sovereign is the sole master of the people of the whole realm, and the officials that he appoints are all his subjects. How can they presume to levy taxes on the people.

13. All people entrusted with office should attend equally to their duties. Their work may sometimes be interrupted due to illness or their being sent on missions. But whenever they are able to attend to business they should do so as if they knew what it was about and not obstruct public affairs on the grounds they are not personally familiar with them.

14. Do not be envious! For if we envy others, then they in turn will envy us. The evils of envy know no limit. If others surpass us in intelligence, we are not pleased; if they are more able, we are envious. But if we do not find wise men and sages, how shall the realm be governed?

15. To subordinate private interests to the public good-that is the path of a vassal. Now if a man is influenced by private motives, he will be resentful, and if he is influenced by resentment he will fail to act harmoniously with others. If he fails to act harmoniously with others, the public interest will suffer. Resentment interferes with order and is subversive of law.

16. Employ the people in forced labor at seasonable times. This is an ancient and excellent rule. Employ them in the winter months when they are at leisure, but not from Spring to Autumn, when they are busy with agriculture or with the mulberry trees (the leaves of which are fed to silkworms). For if they do not attend to agriculture, what will there be to eat? If they do not attend to the mulberry trees, what will there be for clothing?

17. Decisions on important matters should not be made by one person alone. They should be discussed with many people. Small matters are of less consequence and it is unnecessary to consult a number of people. It is only in the case of important affairs, when there is a suspicion that they may miscarry, that one should consult with others, so as to arrive at the right conclusion.

2) "The Edicts of Toyotomi Hideyoshi: Excerpts from Collections of Swords, 1588" Found in *Japan: A Documentary History: The Dawn of History to the Late Tokugawa Period*, edited by David Lu (New York: M.E. Sharp, 1997), pp. 191-192.

(a) The<sup>[P]</sup><sub>[SEP]</sub>Edict:

1. Farmers of all provinces are strictly forbidden to have in their possession any swords, short swords, bows, spears, firearms, or other types of weapons. If unnecessary implements of war are kept, the collection of annual rent (nengu) may become more difficult, and without provocation uprisings can be fomented. Therefore, those who perpetrate improper acts against samurai who receive a grant of land (kyūnin) must be brought to trial and punished. However, in that event, their wet and dry fields will remain unattended, and the samurai will lose their rights (chigyō) to the yields from the fields. Therefore, the heads of the provinces, samurai who receive a grant of land, and deputies must collect all the weapons described above and submit them to Hideyoshi's government.

2. The swords and short swords collected in the above manner will not be wasted. They will be used as nails and bolts in the construction of the Great Image of Buddha. In this way, farmers will benefit not only in this life but also in the lives to come.

3. If farmers possess only agricultural implements and devote themselves exclusively to cultivating the fields, they and their descendants will prosper. This compassionate concern for the well-being of the farms is the reason for the issuance of this edict, and such a concern is the foundation for the peace and security of the country and the joy and happiness of all the people. All the implements cited above shall be collected and submitted forthwith.

Vermillion seal of Hideyoshi Sixteenth year of Tenshō  
[1588], seventh month, 8th day

(b)<sup>[P]</sup><sub>[SEP]</sub>Commentary

All the swords possessed by farmers in this country have been collected for the ostensible purpose of making nails for the erecting of the Great Image of Buddha. ... But truthfully, this is a measure specifically adopted to prevent occurrence of peasant uprisings (ikki). Indeed various motivations are behind this.

3) From Millard Fillmore, President of the United States of America, to His Imperial Majesty, the Emperor of Japan November 13, 1852. In the public domain.

GREAT and Good Friend: I send you this public letter by Commodore Matthew C. Perry, an officer of the highest rank in the navy of the United States, and commander of the squadron now visiting your imperial majesty's dominions.

I have directed Commodore Perry to assure your imperial majesty that I entertain the kindest feelings towards your majesty's person and government, and that I have no other object in sending him to Japan but to propose to your imperial majesty that the United States and Japan should live in friendship and have commercial intercourse with each other.

The Constitution and laws of the United States forbid all interference with the religious or political concerns of other nations. I have particularly charged Commodore Perry to abstain from every act which could possibly disturb the tranquility of your imperial majesty's dominions.

The United States of America reach from ocean to ocean, and our Territory of Oregon and State of California lie directly opposite to the dominions of your imperial majesty. Our steamships can go from California to Japan in eighteen days.

Our great State of California produces about sixty millions of dollars in gold every year, besides silver, quicksilver, precious stones, and many other valuable articles. Japan is also a rich and fertile country, and produces many very valuable articles. Your imperial majesty's subjects are skilled in many of the arts. I am desirous that our two countries should trade with each other, for the benefit both of Japan and the United States.

We know that the ancient laws of your imperial majesty's government do not allow foreign trade, except with the Chinese and the Dutch; but as the state of the world changes and new governments are formed, it seems to be wise, from time to time, to make new laws. There was a time when the ancient laws of your imperial majesty's government were first made.

About the same time America, which is sometimes called the New World, was first discovered and settled by the Europeans. For a long time there were but a few people, and they were poor. They have now become quite numerous; their commerce is very extensive; and they think that if your imperial majesty were so far to change the ancient laws as to allow a free trade between the two countries it would be extremely beneficial to both.

If your imperial majesty is not satisfied that it would be safe altogether to abrogate the ancient laws which forbid foreign trade, they might be suspended for five or ten years, so as to try the experiment. If it does not prove as beneficial as was hoped, the ancient laws can be restored. The United States often limit their treaties with foreign states to a few years, and then renew them or not, as they please.

I have directed Commodore Perry to mention another thing to your imperial majesty. Many of our ships pass every year from California to China; and great numbers of our people pursue the whale fishery near the shores of Japan. It sometimes happens, in stormy weather, that one of our ships is wrecked on your imperial majesty's shores. In all such cases we ask, and expect, that our unfortunate people should be treated with kindness, and that their property should be protected, till we can send a vessel and bring them away. We are very much in earnest in this.

Commodore Perry is also directed by me to represent to your imperial majesty that we understand there is a great abundance of coal and provisions in the Empire of Japan. Our steamships, in crossing the great ocean, burn a great deal of coal, and it is not convenient to bring it all the way from America. We wish that our steamships and other vessels should be allowed to stop in Japan and supply themselves with coal, provisions, and <sup>fresh</sup> water. They will pay for them in money, or anything else your imperial majesty's subjects may prefer; and we request your imperial majesty to appoint a convenient port, in the southern part of the empire, where our vessels may stop for this purpose. We are very desirous of this.

These are the only objects for which I have sent Commodore Perry, with a powerful squadron, to pay a visit to your imperial majesty's renowned city of Edo: friendship, commerce, a supply of coal and provisions, and protection for our shipwrecked people.

We have directed Commodore Perry to beg your imperial majesty's acceptance of a few presents. They are of no great value in themselves; but some of them may serve as specimens of the articles manufactured in the United States, and they are intended as tokens of our sincere and respectful friendship.

May the Almighty have your imperial majesty in His great and holy keeping!

In witness whereof, I have caused the great seal of the United States to be hereunto affixed, and have subscribed the same with my name, at the city of Washington, in America, the seat of my government, on the thirteenth day of the month of November, in the year one thousand eight hundred and fifty-two.

[Seal attached]  
Your good friend,  
Millard Fillmore

By the President:  
Edward Everett, Secretary of State

4) From the *Shiryō Meiji Hyakunen* (A Documentary History for the Meiji Centennial), Asahi Shinbunsha, ed., (Tokyo: Asahi Shinbunsha, 1966), pp. 561-562. Translation found in *Japan: A Documentary History: The Late Tokugawa Period to the Present*. (New York: M.E. Sharpe, 1997), pp. 527-529.

### **Plan to Double Individual Income, December 27, 1960**

#### 1) *Objectives of This Plan*

The plan to double the individual income [hereafter referred to as the plan] must have as its objectives doubling of the gross national product, attainment of full employment through expansion in employment opportunities, and raising the living standard of our people. We must adjust differentials in living standards and income existing between farming and nonfarming sectors, between large enterprises and small and medium-sized enterprises, between different regions of the country, and between different income groups. We must work toward a balanced development in our national economy and life patterns.

#### 2) *Targets to Be Attained*

The plan's goal is to reach 26 trillion yen in GNP (at the fiscal year [FY] 1958 price) within the next ten years. To reach this goal, and in view of the fact that there are several factors highly favorable to economic growth existing during the first part of this plan, including the rapid development of technological changes and an abundant supply of skilled labor forces, we plan to attain an annual rate of growth of GNP at 9 percent for the coming three years. It is hoped that we shall be able to raise our GNP of 13.6 trillion yen (13 trillion yen in FY1958 price) in FY1960 to 17.6 trillion yen (FY 1960 price) in FY 1963 with application of appropriate policies and cooperation from the private sector.

#### 3) *Points to Be Considered in Implementing the Plan and Directions to Be Followed*

The plan contained in the report of the Economic Council will be respected. However, in its implementation we must act flexibly and pay due consideration to the economic growth actually occurring and other related conditions. Any action we undertake must be consistent with

the objectives described above. To do so, we shall pay special attention to the implementation of the following:

a) Promotion of Modernization in Agriculture

To secure a balanced development in our national economy, we shall enact a Fundamental Law of Agriculture as a means of promoting modernization in agriculture. The proposed law shall serve as the basis of our new agricultural policies on issues ranging from agricultural production, income and structure, to various other measures.

Concurrent with this, we shall actively secure investment for infrastructure required for agricultural production, and moneys required for promoting modernization in agriculture.

Enhancement of coastal fishing shall be undertaken in a similar manner.

b) Modernization of Medium and Small Enterprises

To enhance productivity in medium and small enterprises, to relax the ills associated with our economy's dual structure, and to promote vigorously various measures required to attain these objectives, we shall secure an adequate and just supply of funds for modernization of medium and small enterprises.

c) Accelerated Development of Less Developed Regions

To accelerate development of those less developed regions (including southern Kyushu, western Kyushu, Sanin region, and southern Shikoku) and to adjust difference in income levels, we shall establish without delay a plan for comprehensive multi-purpose development of the land. This will enable us to develop these regions' resources. Special consideration will be given to tax incentives, financing and rates of assistance permitted for public sector investment. We shall study legislation necessary to implement these measures. We shall see to it that industries appropriate to these regions will be located there. In this manner the welfare of the inhabitants in these regions may be advanced and the regions' less developed status may be rectified.

d) Promotion of Appropriate Locations for Industries and Reexamination of Regional Distribution of Public Sector Projects

It is certainly important to respect the use of sound economic reasons in selecting industrial locations, if we are to maintain for a long period of time our country's high rate of growth, to strengthen international competitiveness, and to heighten the utility of our social capital investment. This must not be carried out in a manner that will promote greater differentials between regions.

While respecting rationality in mg economic decisions and at the same time preventing spread of differentials between regions, we must adjust flexibly the amount of moneys invested or loaned for public works in different regions according to the special conditions existing in these regions. In this manner we shall be able to enhance the utility of public works projects consistent with economic development which at the same time contribute toward minimizing differentials between regions.

e) Active Cooperation with the Development of World Economy

Raising productivity means strengthening our export competitiveness. Bearing in mind that an important key to the success of this plan is in the expansion of our exports and an increase in revenues in foreign currencies, we must promote a viable export strategy accompanied by other measures increasing non trade revenues such as tourism and maritime transportation. We shall actively seek cooperation with other countries in promoting economic development in less-deed countries and raise their income levels.