# JAPAN, OUR NEW ALLY

HIS IMPERIAL MAJESTY MUTSU HITO, EMPEROR OF JAPAN.

[*To face Title page.*

# Japan, Our New Ally

BY

ALFRED STEAD

*With Preface by Marquis Ito, G.C.B., Etc., Etc.*

ILLUSTRATED

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TO

MY WIFE

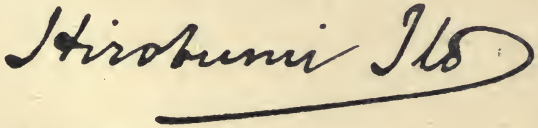
# PREFACE

BY

HIS EXCELLENCY THE MARQUIS HIROBUMI ITO

IT is with great pleasure that I hear of the publication in the near future of this work upon Japan by Mr Alfred Stead. Having known him to be a man of strong convictions, keen and impartial in his judgments, and a man who has made, with remarkable intelligence, an extremely assiduous study on the spot of the subject he is going to treat, I cannot help believing that his work will reveal many truths about our country hitherto unknown except to the initiated few. It has always been my opinion, not only that our country can proudly bear the light of the truth, but also that the full comprehension of our national history and its characteristics and resources cannot but enhance the respect due to her as *one* of the most civilised nations of the twentieth century. Moreover, the work is going to appear at the moment when the

problems of the Extreme Orient are the order of the day, and when, in consequence, misconceptions on that score are apt to entail consequences more serious than usual. When nations and peoples understand each other's characteristics and peculiarities, they are usually also able to sympathise mutually with their virtues and even their weaknesses. Therefore any work which makes our country accessible in its true light to the reading public of Europe, is not only welcome to me, but is, I believe, also conducive in its own way to the general concord of the different races and nations coming into closer and closer contact in the East. Hoping as I do that the results will more than justify the expectations, I do not hesitate to write a short preface to Mr Stead's work, and to give expression therein to my warmest wishes for the unparalleled success of the undertaking.



Hotel Royal, Naples,
*22nd January* 1902.

# CONTENTS

## JAPANESE WEIGHTS, MEASURES AND MONEYS

### WITH ENGLISH EQUIVALENTS

| | |
|---|---|
| 1 Ri . . . . . | 2·4402 miles |
| 1 Koku (capacity of vessel) . . . | $\frac{1}{10}$ of a ton |
| „ (dry) . . . . . | 4·9629 bushel |
| 1 Kwan . . . . . | 8·2817 lbs. avoirdupois |
| 1 Kin . . . . . | 1·3251 „ |
| 1 Yen = 100 Sen . . . . . | 2s. 0d.·582 |

# LIST OF ILLUSTRATIONS

# JAPAN, OUR NEW ALLY

## CHAPTER I

### THE OPENING OF JAPAN

FOREIGNERS are too apt to fall into the error of thinking that the civilisation of Japan began with the opening of that country to the influences of Western civilisation. On the contrary, the real Japanese civilisation began some 1500 years ago. Even at that time, when the elements of the civilisations of India and China deluged the country, the Japanese were strong enough to accept and adopt them to their own ways of mind—not merely to mimic them.

Everything that entered Japan became essentially Japanese. Buddhism came from India to Japan, and was influenced by Shintoism, their own religion, forming a creed totally different in detail to the Indian religion. The Chinese literature, on being introduced into Japan, became tinged with their thought

in a manner such as made it typically Japanese, and no longer Chinese. It was the same with the Fine Arts, introduced from China and Korea. The era of Art in Japan was, during the fourteenth century, when Europe was indulging in the Dark Ages, productive of some of the great art of the world. Thus the Japanese mind was civilised and trained, as it were, to take advantage of all that the Western civilisation brought. Thirty-four years ago occurred the Restoration in Japan, when the Mikado, or Emperor, as he is universally called, assumed the actual government of the Empire, in place of the Tokugawa Shogun, called also the Tycoon. This latter, though nominally only the Regent, had gradually usurped all power and was the actual ruler of Japan. The Emperor and his Court were confined to Kyoto, and allowed only very insufficient funds by the Shogun, in order that there might be no danger of his raising a rebellion against the Shogunate. The opening of Japan, which began with the action of Perry in 1853, was made possible by the consent of the Shogun. This so enraged the people that they demanded the abolition of the Shogunate. Thus the Emperor was enabled to assert himself, and the last Shogun, rather than plunge his country into

a bloody civil war, voluntarily resigned his position to the present Emperor, who wisely showed his appreciation of this action by the appointment of the followers of the Shogun to many high offices of state. At the same time he saw the futility of trying to keep his country shut up from foreign influences, and, wisely disregarding the desires of the people, adopted more progressive measures. The time seems so short since the beginning of this new era in Japan, when compared with the progress made by the nation in that time, that many people imagine that the growth cannot be permanent or stable. It must be remembered, however, that the foundations of a modern progressive civilisation were already there. What it lacked was systematising. There is a great difference between systematising an already existing civilisation and having to adopt an entirely new one. Although this is only the thirty-fifth year of the Meiji in Japan, in those thirty-five years of the new era she has grown to be a first class Power as regards her military, naval, commercial and diplomatic relations. The same intense patriotism which led all Japan to cry out against the invasion of their sacred country by foreigners, led them, when the foreigner was inevitable, to

be desirous and able to learn all that was best that the new adjustment of things had to offer —that they might not suffer in comparison, but be prepared and ready to hold supremacy in any position she should achieve. Thus their intense patriotism, and not a feeling of deficiency, caused them to seek eagerly after foreign systems and to adopt them to their own needs.

That the Japanese are fully aware that the beginning of their present development is to be traced to the visit of Commodore Perry forty-eight years ago was strikingly shown on Sunday, July 14, 1901, the anniversary of the American seaman's arrival, by the unveiling of a monument in his honour on the spot where he landed. The monument stands in the village of Kurihama, near Uraga, on Yedo Bay. It is a shaft of stone, bearing inscriptions in Japanese and English written by Marquis Ito, and was erected by the influential Beiyukyokwai, which means, literally, "The American Friends' Association," but which may be translated, "The American Association of Japan." The programme of the unveiling included speeches by the Prime Minister, Viscount Katsura, Colonel Buck, the United States Minister; Baron Kaneko, Pre-

sident of the Society; Rear-Admiral Beardslee of the American navy, and the Japanese Minister of Foreign Affairs.

That July 14 is the anniversary both of the bloody storming of the Bastile and the bloodless storming of Japan is a very singular coincidence. While it is true that Perry's treaty of friendship and amity was not negotiated until the following year, this does not detract from the importance of the date July 14, 1853, in the history of the new Japan, because it was then that Japanese officials, "in opposition to the Japanese law," received a communication from a foreign nation at a forbidden place. That marked the beginning of the end of the old *régime* in Japan.

How capable the Japanese are now to carry on their large affairs successfully is evident when one considers how few Europeans or Americans there are now in Japan as compared to those employed twenty years ago. As soon as the Japanese subordinates had learned all their foreign masters could teach them, the foreign masters were dispensed with. The general idea abroad that the Japanese still need foreign help to run their various undertakings is erroneous. Everywhere may be seen large businesses conducted solely by Japanese business

men. As an example may be mentioned the Ashio Copper Mine, with an output of over 7000 tons of copper annually, and a profit of 3,500,000 yen (about £350,000) yearly. This mine belongs to a Japanese gentleman, employs 10,000 Japanese labourers and miners, and is managed by Japanese engineers. Though they have availed themselves of the most improved foreign machinery, they have dispensed with the necessity for any foreign supervision, and handle it and all other modern inventions as if they were their own. It would be difficult to find anywhere else in the world so large an undertaking conducted solely by one race. As it is with Ashio so it is everywhere throughout all branches of national and individual life.

There are only 11,684 foreigners residing in Japan in a population of 43,760,815 (census of 1898). Of these foreigners 6359 are Chinese, leaving only 5325 other foreigners — 1994 English, 518 Germans, 452 French, and 1282 American residents—in Japan. In calculating the support which these residents are likely to give to Japan it must be noted that there are large foreign settlements for export trade at Yokohama, Kobe and Nagasaki. It is also interesting that of the 5325 foreigners of

GENERAL VIEW OF THE WORKS AT PART OF THE GREAT ASHIO COPPER MINE.

American or European origin, 1794 are women, thus reducing the actual working male population of foreigners to 3531—a very small percentage. Thus Japan has tried to adopt all that the foreigners had to offer for her betterment, but not to absorb the foreigner himself.

The earliest department to be influenced by the systematising upon foreign lines was the army. This was perhaps natural, because of the numbers of warlike men who were thrown out of employment by the abolishment of the feudal system in 1871 at the time of the Restoration.

After the army had received attention, it was found necessary to rearrange financial matters, which were in a state of chaos, owing to the fact that during the feudal period each feudal chief had coined his own money and issued his own notes. To bring this state of things into financial order was a task of no small difficulty, and yet the men competent to deal with it were found without trouble. Now Japan has her finances in very excellent order. Banks were founded and railroads constructed. Nor was there any cessation in the improvements of the army and navy. Everything needed at first was imported. Japan adopted systems from all countries of the world. It was

quite immaterial from whence any idea came if the results attained from it were the best to be had. She has not hesitated to change these systems after having adopted them when proof has been forthcoming of the superiority of other systems. An example may be quoted in the change in the training of the Japanese army from the French to the German model after the Franco-German War. Under the feudal system those engaged in trade were much looked down upon. Now the case is very different, and nobles and prominent men are interested in trade in this country as in all others. The upward growth of Japanese commercial life began when Baron Shibusawa resigned his position as Vice-Minister of Finance to give his attention to its development, realising that the true strength of a nation lay in her commercial and financial stability.

There is one point in Japan's development which is not generally understood or appreciated abroad. In the rapid growth of the country much expenditure was necessitated in the building of railroads, telegraphs, bridges, etc., but practically the whole of her enterprises and undertakings have been paid for by Japanese money. With the exception of a comparatively small loan, floated in London,

there has been practically no outside capital introduced. This is in marked contrast to other countries, and has rendered the growth of the nation more difficult, though more secure. It has necessarily made the cost of the development fall rather heavily upon the Japanese people, and so, though Japan does not need foreign assistance in labour now, she does need an influx of foreign capital to balance the outflow of Japanese money into foreign countries. This will be readily seen from the fact that nearly 70 per cent. of the cost of these improvements was paid abroad. The indemnity after the Chinese War caused many luxurious habits to spring up, and the whole effort of the Government recently has been to discourage this and to restore the former economy, and effect a cutting down of the imports. The desire of the Government has been expressed in a form meant to frighten the lower classes with tales of financial perils that might happen if economy were not resorted to, and this policy has been misinterpreted and has caused much doubt in foreign countries as to the stability of Japanese finance.

That Japan has succeeded in her object of reducing the imports may be seen from the accompanying figures. In 1868, at the

beginning of the new era, the exports were 15,553,472 yen, and the imports 10,693,071 yen. In 1878 the imports had risen to 32,874,834 yen, while the exports had only reached 25,988,140 yen. In 1888 the exports were about equal to the imports, the figures being 65,705,510 yen, and 65,455,234 yen respectively. The imports were only 165,753,752 yen, as compared to 277,502,156 yen of exports in 1898. The year 1899 reveals the effect of the Government policy of teaching economy, the imports showing a decrease from the previous year. The figures are 214,929,894 yen of exports and 220,401,926 yen of imports. In 1900 the Chinese troubles caused the exports to drop to 204,429,994 yen, while the imports increased to 287,261,846 yen. From 1882 to 1889 inclusive there was a yearly surplus of exports over imports, and again from 1891 to 1893. Otherwise the exports have always been lower than the imports. Japan has now a large and modern mercantile marine, including one of the largest steamship companies in the world, and about half the import and export trade is carried in Japanese vessels. Japan's navy is new and very completely furnished, containing some of the most powerful vessels in the world.

In commercial matters Japan has discovered her strength, and realises that her position gives her every advantage with regard to the trade of the Pacific, every effort being made for the extension of the internal manufactures already entered upon. The exportation of cotton manufactures to China and Korea is very considerable, underselling even the product of the Chinese mills, and there is a prospect of a larger development in this direction. Japan is becoming very similar to England, in that there is a decided tendency to abandon agriculture and develop manufactures. If this is carried further, Japan will easily reach the position in the East that England holds in the West. She may also acquire the ability to compete with other nations in Western markets.

The Japanese population increases very rapidly, and averages an annual excess of births over deaths of between 400,000 and 500,000, an increase of 1.23 per cent. being registered in 1898. The area of the Japanese Empire, consisting of 411 islands, exclusive of Formosa and Pescadores, a group of seventy-six islands, is 147,654 square miles, carrying an average population to the square mile of 880 inhabitants. Thus Japan, with her 43,761,723 in-

habitants (figures of 1900), is one of the most densely-populated countries in the world, almost reaching the average of Belgium, which, however, is more purely an industrial nation. Japan at present is almost purely an agricultural one, there being only eight cities containing more than 100,000 inhabitants, and thirteen more than 50,000. Thus Japan has an adequate population to support her new position, and a population also which is as yet very lightly taxed.

## CHAPTER II

### THE INFLUENCE OF THE ROYAL FAMILY OF JAPAN

THE supreme factor in all Japanese affairs is His Imperial Majesty, the Emperor. Even when it is not apparent this influence is still there. The national religion teaches loyalty in the highest degree, and in every school the children do obeisance at stated intervals before the portraits of the Emperor and Empress. Among the older generation absolute loyalty to the Emperor and almost religious reverence are to be found. His word has more effect than hundreds of laws, and he is far above the Constitution. The power which he wields is wonderful; all the more so because he and his Court live quite apart from the rest of the Japanese world. An example of his power may be cited here. The year before last, when the scheme of extra taxation was before the House of Peers, there was a majority of about four-fifths of the members against it. Then came a

message from the Emperor saying that he wished to have the Bill passed, and the Opposition voted for its adoption as one man. Thus the wish of the Emperor is much more weighty even than the Constitution which he gave to the people in 1889. That such should be the case is open to objections, but is good when the monarch is a good and wise one. Ever since the time of the Restoration, when he realised the necessity of meeting the foreigners on their own ground and lifting Japan to the first rank of nations, the Emperor has exercised a beneficent influence upon the development of the country.

Never does one hear a word spoken against His Majesty. Everybody reveres him and trembles before him. It is a strange fact, perhaps, but it is reported on very good authority that only three or four Japanese people can meet the Emperor without a tremor in their voice when they speak to him. On November 3 of each year, when the Emperor gives a garden party, many of the members of the old *régime* gather up the soil where his chair has rested and take it away, believing in its efficacy as a cure for all ailments. Many of the guests, again, take away portions of the refreshments provided by the Emperor, as

things too sacred to eat and worthy of preservation in the holiest place in the house.

The Emperor rarely goes out, and when he does he is attended in his carriage by one of two old gentlemen, who alone enjoy this privilege. The attendant sits opposite, and does not venture to lift his eyes to look at the Emperor. He lives in a large palace, and is known by all as "the man who drives with the Emperor."

The same reverence that is enjoyed by the Emperor is shared by the Empress, who, as the official mother of the next Emperor, is a most sacred person. She, however, leaves the palace more frequently, and is a great patron of art and music, often visiting art exhibitions and the College of Music.

The Crown Prince has not enjoyed the best of health for some years past, but recently he has become much more robust. This year he became the father of a son and heir, an event celebrated by the greatest festivities and thanksgivings. The young prince, when he had reached the age of one month, was taken to visit the Emperor, his grandfather, at the Imperial palace. The official who presents the royal babe to His Majesty has his mouth covered so that he shall not breathe upon the future ruler of Japan.

In the Court, European dress is worn upon all occasions of state and in all ceremonies. The Emperor presents a stately and gallant figure in his uniform as Commander-in-Chief of the army. The Emperor is head of the army and of the navy, but it is in the former that he exerts most actual influence and works the hardest. The Emperor holds the balance between the various heads of the military departments, and exercises his right as head of the army very beneficially. He appoints the chief of the general staff, and generally takes a great interest in the development of the army.

The Constitution, promulgated in 1889, contains seventeen articles relative to the Emperor's position in the Empire, and it is of interest to examine these articles more closely.

Article I. The Empire of Japan shall be reigned over and governed by a line of Emperors unbroken for ages eternal.

This article shows very clearly the influence of Ancestor Reverence, and it is of interest to note in this connection that before the promulgation of the Constitution the Emperor took an oath at the sanctuary in the Imperial palace. The following is the first paragraph :—

" We, the successor to the prosperous throne of our predecessors, do humbly and solemnly

swear to the Imperial Founder of our House and to our other Imperial Ancestors that, in pursuance of a great policy, co-extensive with the heavens and with the earth, we shall maintain and secure from decline the ancient form of government."

Article III. The Emperor is sacred and inviolable.

Article IV. The Emperor is the head of the Empire, combining in himself the rights of sovereignty, and exercises them according to the provisions of the present Constitution.

Article V. The Emperor exercises the legislative power with the consent of the Imperial Diet.

This article would seem to limit the power of the Emperor, but its influence is lessened by the following articles :—

Article VI. The Emperor gives sanction to laws, and orders them to be promulgated and executed.

Article VII. The Emperor convokes the Imperial Diet, opens, closes and prorogues it, and dissolves the House of Representatives.

Article VIII. The Emperor, in consequence of an urgent necessity to maintain public safety or to avert public calamities, issues, when the Imperial Diet is not sitting, Imperial ordinances

in the place of law. Such Imperial ordinances are to be laid before the Imperial Diet at its next session, and when the Diet does not approve of the said ordinances, the Government shall declare them to be invalid for the future.

Article X. The Emperor determines the organisation of the different branches of the administration, and the salaries of all civil and military officers, and appoints and dismisses the same.

Article XI. The Emperor has supreme command of the army and navy.

Article XII. The Emperor determines the organisation and peace standing of the army and navy.

Articles XIII. and XIV. The Emperor declares war, makes peace, and concludes treaties. He proclaims the law of siege.

Article XV. The Emperor confers titles of nobility, rank, orders and other marks of honour.

Article XVI. The Emperor orders amnesty, pardon, commutation of punishments and rehabilitation.

These are the constitutional rights of the Emperor, and they are comprehensive enough. But the unwritten rights and powers are far

more vital and more important. His mere word outweighs the whole Constitution, and can change the course of events more easily than years of effort by however eminent a statesman. This being the case, the younger generation of statesmen have small hope of accomplishing anything unless they have the sanction of the Emperor. He likes the elder statesmen, and they have his confidence, and while this is so, nobody can take their places. Personally, I think that this is one of the best effects produced by the power of the Emperor, because the younger Japanese men cannot hope to have equal influence until they have proved their worth.

To the general mass of the people the Emperor takes the place of the supreme deity, and is reverenced accordingly. Only last year a Tokyo newspaper advocated the assassination of Marquis Ito, because it is said he had defiled the Emperor by appearing before him in the same clothes in which he had just attended Mr Hoshi's funeral.

This feeling as to the sacredness of the Emperor is inculcated in the schools of Japan. His Majesty's speech on education is read on all holidays, and exercises an immense influence upon its hearers. Many writers have

spoken about his speech, but I have never been able to find a translation of it. I have therefore had a special translation made, and give here the text of it:—

"The Founder of our Imperial House and our other Imperial Ancestors laid the foundations of our Empire on a grand and everlasting basis, and deeply implanted the virtues to be ever cherished.

"The goodness of our subjects, displayed generation after generation in loyalty and piety and in harmonious co-operation, constitutes the fundamental character of our country, and from this the principles of education for our subjects have been derived.

"Do you, our subjects, be filial to your parents, kind to your brothers, harmonious in your relations as husbands and wives, and faithful to your friends; let your conduct be courteous and frugal, and love others as yourselves; attend to your studies and practise your respective callings; cultivate your intellectual faculties and train your moral feelings; foster the public weal and promote the interests of society; ever render strict obedience to the Constitution and to all the laws of our Empire; display your public spirit and your courage on behalf of our country whenever

required, and thereby give us your support in promoting and maintaining the honour and prosperity of our Empire, which is coeval with the heavens and the earth.

"Such conduct on your part will not only be what is fitting in our good and loyal subjects, but will also suffice to make manifest the customs and manners bequeathed to you by your ancestors.

"These instructions, bequeathed to us by our Imperial Ancestors, to indicate the course of conduct which we and our subjects are bound to pursue, have been of unfailing validity in all ages past, as in the present, and in all countries whatever.

"Consequently, we trust that neither we nor our subjects shall at any time fail to observe faithfully these sacred principles."

This speech is probably one of the most far-reaching in its effects that has ever been issued, since it forms part of all elementary education in Japan. Its effect increases rather than diminishes, and always it tends to raise the Emperor to a still higher plane in the minds of his people. As it is quite a model speech, and it teaches very fine lessons as well—its inculcation into all children's minds is to be admired.

In Japan the man was always considered so superior to the woman that it is astonishing to find that the first Imperial Ancestor was a woman! It is a fact that before her time there were two generations of gods and demigods, but she led the way among the human ancestors of the Imperial House. Another curious thing in this connection is that the legends say that the first Imperial Ancestor became the sun, and that her weaker brother was driven out of her palace and became the moon. Thus the sun is feminine and the moon masculine, which is amazing in a country where the phrase "queen of flowers" is not known, and the cherry blossom is called the "king of flowers."

However much the sun in the heavens may be feminine, the sun in Japan is undoubtedly and unmistakably masculine, and is centred in the Emperor. He is the sun in very deed. If he smiles the nation smiles; if he frowns the nation is troubled. And he is the all-powerful leader of the nation, although he spends nearly all his life in the seclusion of his palaces. To few monarchs has it been given to see so great a development in his country, and no country owes so much to its ruler as does Japan.

## The Influence of the Royal Family

Banzai is the royal cry of acclamation in Japan, and it means, "May he live a thousand years." It would be well for all the world to call out this greeting, for Japan has made in the Emperor's reign a progress almost equal to that of a thousand years in other lands. The Banzai of the world to Japan will be in reality a world-wide acclamation of the ruler—the sun of Japan.

# CHAPTER III

## RELIGION AND CHARITIES

In the history of Japan religion has been the one point around which, as it were, the Japanese Empire has expanded to meet the requirements of progressive civilisation. It impregnates all Japanese life, not only the religions, but the social and political, for it is the foundation from which their structures spring. It is the backbone of the Empire, and to its constant and deep influence is due the ability of the Japanese people to adopt so many foreign elements without a radical changing of their character. To understand this phenomenon is necessary in order to appreciate its bearing on the law and government of to-day. One can do no better than have recourse to a remarkably clear and learned pamphlet by Nobushige Hozumi, Professor of Law at the Imperial University. This pamphlet was issued privately, and I have been kindly allowed to make extracts from it,

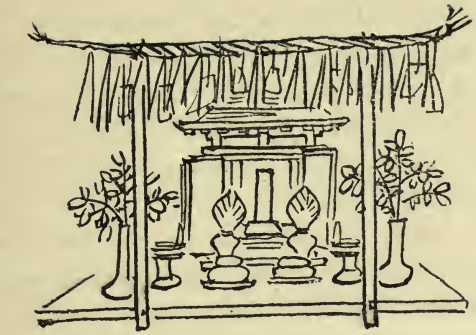
which will give to the public for the first time an insight into the part which religion plays in Japanese life, "from the point of view of an ancestor worshipper himself."

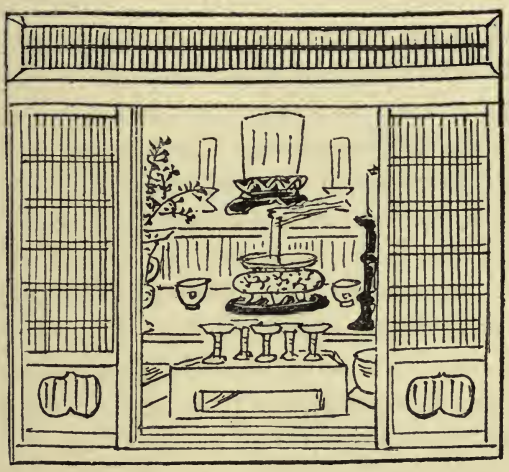
"In Japan, where at the present time a constitutional government is established, where codes of laws, modelled upon those of Western countries, are in operation, where, in short, almost every art of civilisation has taken firm root, the worshipping of deceased ancestors still obtains and still exercises a powerful influence over the laws and customs of the people. The introduction of Chinese civilisation into the country was favourable to the growth of this custom by reason of the fact that the morality, laws and institutions of China are also based upon the doctrine of ancestor worship. Buddhism, which is not based upon this doctrine, but is, on the contrary, antagonistic to it, was compelled to yield to the deep-rooted belief of the people, and wisely adapted itself to the national practice; while the introduction of Western civilisation, which has wrought so many social and political changes during the last thirty years, has had no influence whatever in the direction of modifying the custom. Thus it will be seen that the three foreign elements, Confucianism, Buddhism and Western civilisa-

tion, all of which have had immense influence upon our laws, manners and customs, and two of which were diametrically opposed to ancestor worship, could not make way against nor put an end to the widespread and persistent faith of the people.

"To Western eyes the sight would appear strange of a Japanese family inviting their relatives through the medium of the telephone to take part in a ceremony of this nature, while equally incongruous would seem the spectacle of the members of the family, some of them attired in European and others in native costume, assembled in a room lighted by electricity, making offerings and obeisances before the memorial tablet of their ancestor. The curious blending of past and present is one of the most striking phenomena of Japan. The people, whether Shintoists or Buddhists" (I would add the 120,000 converts to Christianity) "are all ancestor worshippers.

"There are two sacred places in every Japanese house—the kamidana, or 'god-shelf,' and the butsudan, or 'Buddhist altar.' The first named is the Shinto altar, which is a plain wooden shelf. In the centre of this sacred shelf is placed a taima, or o-nusa (great offering), which is a part of the offering made to





THE SACRED PLACES IN A JAPANESE HOUSE.

the Daijingu of Ise, or the temple dedicated to Amaterasu Omi-Kami, the first Imperial Ancestor. The taima is distributed from the Temple of Ise to every house in the Empire at the end of each year, and is worshipped by every loyal Japanese as the representation of the first Imperial Ancestor. On this shelf is placed, in addition, the charm of Ujigami, or the local tutelary of the family, and in many houses the charms of the other Shinto deities also. In a Shinto household there is a second god-shelf, or kamidana, which is dedicated exclusively to the worship of the ancestors of the house. On this second shelf are placed the cenotaphs bearing the names of the ancestry, their ages, and the dates of their death.

"The occasions for the celebration of house worship may be classed under three categories —namely, the sacrifice days, the sacrifice months, and the sacrifice years. In addition to the ceremonies performed on the three occasions referred to, there are three appointed times in the course of a year when people offer sacrifices to the spirits of ancestors both at home and at the graves. These are the weeks respectively of the spring and the autumnal equinox, which are called 'Higan,' and the festival of 'Urbano-ye' or 'Bon,' which con-

tinues from the 13th to the 16th of July. The extent of the sacrifices made on the occasion of the periodical services and the number of priests who conduct the ceremony, as well as the size and decorations of the ancestral graves, vary in accordance with the rank and fortune of the people.

"The first of the three kinds of ancestor worship—namely, homage to the Imperial Ancestors, and especially to the first of them, Amaterasu Omi-Kami, or 'The Great Goddess of the Celestial Light'—may be styled the national worship. The places set apart for religious exercises in honour of the first Imperial Ancestor are three in number—the Temple of Daijingu at Ise, the Kashiko-Dokoro, in the sanctuary of the Imperial palace, and the kamidana, which is to be found in every house. In the two first named the divine mirror represents the Imperial Ancestor. At the present time not only does every loyal Japanese worship Daijingu in his own house, but many look upon it as a duty to make a pilgrimage to Ise, or Ise-Mairi, at least once during a lifetime. In the sanctuary of the Imperial palace there are three temples—Kashiko-Dokoro, Kworei-Den and Shin-Den. Kashiko-Dokoro occupies the central position

where the divine mirror is placed, and is dedicated to the worship of the first Imperial Ancestor. Kworei-Den stands to the west of Kashiko-Dokoro, and is dedicated to the worship of all the Imperial Ancestors since Jimmu-tenno, the first Emperor and the Founder of the Empire. The third temple, Shin-Den, stands to the east of Kashiko-Dokoro, and serves to honour all the other deities.

"At the present time eleven 'great festival days' are observed as national holidays. All these, with the exception of two, one of which is the birthday of the Emperor and the other the banquet of the New Year, relate to the worship of Imperial Ancestors. All the festival days are annually observed as national holidays. National flags, representing the rising sun, are hung from every house; women don their best attire, and the streets are thronged with holiday makers, while children go to their schools and assemble before the portraits of the Emperor and Empress, and His Majesty's famous speech on education is read and explained to them by the schoolmasters. From the foregoing it will be seen that the worship of the Imperial Ancestors is the national worship.

"That the foundation of our Government was

the worship of ancestors is shown by the word 'matsurigoto,' or 'government,' which means 'affairs of worship.' The ceremony of 'Seiji-hajime,' or the 'beginning of the affairs of state,' which takes place on January 4, consists of the Emperor receiving from his Ministers the report of the affairs of the Temple of Daijingu, the first ancestor of the Emperor.

"The present Constitution of the Empire of Japan was promulgated by the Emperor on February 11, 1889—that day being the national festival of Kigensetsu, or the anniversary of the foundation of the Empire by the first Emperor, Jimmu-tenno. Most of the principles which find a place in the component elements of constitutional governments have been adopted, so far as they are consistent with the fundamental principles of the form of Imperial government which existed from the beginning of the Empire. That fundamental principle is clearly stated in the first article of the Constitution:—'The Empire of Japan shall be reigned over and governed by a line of Emperors unbroken for ages eternal.' In the course of the Imperial speech on the occasion of the promulgation of the Constitution, His Majesty said that 'the Imperial Founder of our House, and our other Imperial Ancestors, by the help and support of

the forefathers of our subjects, laid the foundation of our Empire upon a basis which is to last for ever. That this brilliant achievement embellishes the annals of our country is due to the glorious virtues of our sacred Imperial Ancestors, and to the loyalty and bravery of our subjects, their love of their country and their public spirit.'

"His Majesty further took an oath to the Imperial Ancestors at the sanctuary of the palace to observe the provisions of the fundamental law, the terms of the oath, including the statements that the Constitution was the exposition of grand precepts for the conduct of the Government, bequeathed by the Imperial Founder of our House and by our other Imperial Ancestors, and that the new Constitution was intended to 'give clearness and distinctness to the instructions bequeathed by the Imperial Founder of our House and by our other Imperial Ancestors, in consideration of the progressive tendency of the course of human affairs, and in order to keep in line with the advance in civilisation.'"

Mr Hozumi also says: "The population of Japan was originally considered to have been divided into three classes — shin-betsu, the divine branch, which consisted of the descend-

ants of gods; kwo-betsu, or the Imperial branch, which included the descendants of the Imperial families, and ban-betsu, or the foreign branch, comprising the descendants of naturalised foreigners. Each of these three branches was divided again into many clans, each section having a distinctive clan name, 'uji' or 'kabane.'

"In the Middle Ages clans began to gradually disintegrate and households took their place. It was only after the Restoration of 1868 that the house system began to lose its force, and that the individual, not the household, began to form the unit of the state. This transition may be illustrated by the history of our law of registration. The development of this law can be divided into three epochs—first, the epoch of clan registration; second, the epoch of house registration; and third, the epoch of personal registration. It was only in the thirty-first year of Meiji (1898 A.D.) that the history of our law of registration began to enter upon the third stage of development. The present law, which was promulgated in 1898, and which displaced the previous law of 1871, still retains the name of 'koseki ho,' or 'the law of house registration,' but the character of the law has undergone a change necessitated by

the progress of the social condition of the country, for it provides for the registration of the individual status, as well as of house registration.

"From what has been stated relative to the development of the laws of registration, it will be seen that Japan is now in a state of transition. Until recently a house was a corporation and a legal unit of the state. But ever since the Restoration of 1868 the family system has gradually decayed, until at present the house has entirely lost its corporate character. Formerly it was the head of the family only who could fill an official position, serve in the army and hold property. But with the reform in the system of government the members of the house were permitted to fill public positions, and, with the reform of the law of military conscription, both head and members are liable to military duties. Although the house has thus lost its corporate existence in the eyes of the law, it still maintains its character as the unit of society."

When there was, in the eyes of the law and the state, a head of a "house," he naturally was held responsible for all members and dependants attached to his household. With the change occasioned by the gradual dissolution of the

THE CEREMONY OF ANCESTOR WORSHIP IN A JAPANESE HOUSE.

house and the establishment of the individual, the necessity for some organised method of philanthropic system to care for that certain percentage of individuals thus thrown on their own inadequate resources has been found necessary. This is one of the serious questions to be solved that the adoption of modern methods of civilisation has brought upon Japan. Though, as an empire, she has not as yet had time to adequately deal with the problem, she is fortunate in having men so kindly at heart, and so progressive and so generous in their aims, that the needy have not suffered in the delay in the Government arrangements of its philanthropic system. And Japan has now, by their aid, acquired some of the largest and best-managed institutions of the kind anywhere. Baron Shibusawa was one of the first to see the necessity of establishing a centre for the care of paupers, sick children, etc., who, through the evolution of society, were thrown upon the world at large for maintenance.

The description of one of Baron Shibusawa's institutions in the following chapter will enable it to be seen what has been achieved so far. Its excellence proves that when Japan has enough such institutions to meet requirements the question will have been adequately solved.

Situated in one of the highest and most healthful portions of Tokyo, it possesses ample air space and opportunity for extension. In the house are to be seen men and women, old and young, sick and well, and many children. Those who are reduced to poverty and are starving are received and fed. The principal cause of poverty is sickness, which speedily does away with the narrow margin between regular wages and penury. There are two wards each for the women and for the men in the infirmary, besides the children's wards and an isolated ward for newly-arrived patients. The infirmary has its own dispensary and operating-room, staff of doctors and nurses. All the wards are markedly well lit and airy and wonderfully clean. Those adult inmates who are able can work at sandal-making, cotton-thread spinning or the making of charcoal balls, some of which articles are sold for the benefit of the institution. The manual labour of the institution is done by such inmates as are capable of work.

One notable difference between the almshouse and others is that inmates are allowed to go out to work during the day, if they desire, returning at night to their places in the house. This right is only allowed for a short time, it

being considered that with such liberty a man should be able to find a permanent occupation soon, when he would naturally leave the institution. The children found in the streets are brought to the almshouse; orphans left destitute are also admitted. These children are educated with great care to fill the different positions which their various abilities make them fitted for. They go out from the institution to become useful men and women in the work-a-day world. It has been found necessary to separate the children of bad character from the others, and they receive training in a special reformatory. The method used is to keep them employed at interesting and useful occupations, to develop their moral sense, and to have them constantly surrounded by a wholesome atmosphere. The only punishment ever used is solitary confinement. The whole institution is admirably managed, and has been productive of fine results.

In connection with this subject it is of interest to note that there are five bad places in Tokyo, where "the slums" are to be found. These slums are, however, not like American or English slums. The people, when forced to go to them through poverty, do so with the hopeful intention of leaving them soon. The

slum is to them a place where the strictest economy may be practised; which economy will enable them to come to their old life sooner or later. There is none of that hopelessness which renders the condition of the poor of Western countries so dreadful. The Japanese poor are a cheerful poor, with the hope of better things always before them.

# CHAPTER IV

## A PHILANTHROPIC INSTITUTION

WHILE in Tokyo I visited Baron Shibusawa's almshouse, and found much to interest. It gives me great pleasure to be able to print here a brief account of its growth and development from the pen of a well-wisher and helper in the work. Although this account goes rather fully into details, it is able to give a much more perfect idea of the work than could be done by any outsider.

The Tokyo Poor Asylum, which is conducted under the auspices of Baron Shibusawa, belongs to the municipality of Tokyo, and was established to relieve the invalid poor, orphans, etc. It is located at No. 18 Otsukatsuji Machi, Koishikawa, Tokyo. The institution was founded in 1872, but not till 1874, two years later, did Baron Shibusawa become connected with it.

In 1872, a Special Committee named Eizen-

# A Philanthropic Institution

Kwaigisho was organised for maintaining the public buildings and highways of Tokyo, and to its care the common property of Tokyo citizens was entrusted. Some particulars about this common property may be of interest here.

About a hundred years ago, when the Tokugawa Shogunate was in power, there lived a Minister-President whose name was Matsudaira Sadanobu. He was a very wise man, and by economising the civil administrative expenses of Tokyo (Yedo), he saved a great proportion of the money which had been allotted for poor relief.

This money was kept as the common property of the citizens of Tokyo till after the downfall of the Tokugawa Government, which took place in 1868. In September 1872 the Governor of Tokyo asked the advice of the above Committee as to the best method of poor relief in Tokyo. In reply, the Committee offered to establish a poorhouse, and to maintain it out of the common property under their care. The Governor, the late Mr Okubo, gave his consent to this, and a poorhouse was founded at Kagayashiki, Hongō (the present site of the Tokyo Imperial University). The number of paupers admitted when it was first opened was 140, all of whom were beggars.

Shortly after, the asylum was removed to the Gokokuin Temple at Uyeno Park, but its control still remained in the hands of the Committee.

In 1876 the Special Committee was abolished, and all the business was transferred to the Governor, but as Baron Shibusawa had been the chairman of the Committee, and was deeply interested in the relief work, the Governor appointed him the honorary President of the asylum.

In 1879 a district council system, similar to the county council system of England, was first introduced into Japan, and all local Government expenses became, with some exceptions, payable out of the local taxes. Consequently, the poor asylum, too, was thus supported. In this way the work was carried on unchanged till 1881, but in that year a bill for doing away with the poor asylum was introduced into the district council of Tokyo, on the ground that public poor relief would surely tend to produce many indolent poor; but as Baron Shibusawa was then the President of the asylum, and deeply anxious for its success, he opposed the bill so strongly that, fortunately, it did not pass. From that time Baron Shibusawa made up his mind to make the asylum an independent institution.

In the next year, 1882, the abolition bill was again introduced and, unfortunately, passed, with the proviso that all paupers then in the house should be discharged within the succeeding two years, and the house be shut up at the end of 1884. On this, Baron Shibusawa, who firmly believed in the necessity for one or two such poorhouses in a great city like Tokyo, which then had more than one million inhabitants, arranged to establish a new poorhouse in the city.

With this in view, he consulted the Governor of the district, Mr Yoshikawa, and, having obtained his consent, sold the estate belonging to the asylum for some 30,000 yen. To this sum was added another 30,000 yen which had been privately contributed, thus making a total of about 60,000 yen. With this money he erected a new poorhouse at Honjo, to which many paupers and orphans, who had been discharged from the old asylum, were admitted. This took place in 1885, and about this time also the Ladies' Charity Association, which is now under the patronage of Baroness Shibusawa, was organised for the purpose of helping the new asylum.

Her Majesty the Empress, who deeply sympathises in the work, has often been graci-

ously pleased to favour this asylum with her donations; and the general public, too, has all along given liberally. Thus the funds and the inmates have increased from year to year. (Statistics are given below.)

In 1896 the asylum was removed to Koishikawa, the present site, and in 1900 a reformatory school was opened in it, after the model of senior schools of the same kind in Europe and America. About fifty children are now in the school.

| Years. | Admitted. | Discharged. | Died. | Number present at end of year. |
|---|---|---|---|---|
| 1872 | 313 | 46 | 22 | 245 |
| 1877 | 292 | 142 | 198 | 341 |
| 1882 | 168 | 208 | 135 | 172 |
| 1887 | 253 | 116 | 136 | 265 |
| 1892 | 621 | 305 | 348 | 495 |
| 1897 | 503 | 210 | 266 | 538 |
| *1900 | 633 | 290 | 324 | 584 |

* Not including 47 inmates of the reformatory (44 boys, 3 girls).

THE FIRST ORGANISED LABOUR MEETING IN JAPAN.

*To face p.* 45.

# CHAPTER V

## THE LABOUR PROBLEM

WHATEVER may be the state of Japan's other resources, there is no doubt that her labour supply is ample—too ample for the labourers to enjoy an enviable position in the country. This ample supply of labour has as its chief effect the keeping of the rate of wages at a very low figure, notwithstanding the fact that the cost of living has increased very much of late years. When one considers that to this already crowded labour market there are added every year over 500,000 men and women, and that the army takes only about 40,000 out of a total of quite 450,000 available men each year, we can understand that Japan's immediate trouble is too much rather than too little available labour. It is true that the great majority of this labour is unskilled, but the workmen's nature is such as fits them rapidly to become partly skilled.

Some persons in Japan speak vaguely of the growth of the industries affording employment for the great majority of the people, but it would require an enormous development which could provide work for about 400,000 additional persons each year. It would therefore appear that there is small prospect of the wages increasing materially, or at anyrate of their increase in any way equalling the rise in the cost of living. The present condition of the labour market is excellent for employers, especially those who employ largely unskilled workmen, and it is likely to become better still in the future.

There are as yet no adequate factory laws in Japan, and the police regulations control the situation. These forbid the right of workmen to meet together to agitate for increase of wages or a diminution of hours. A revised Factory Act was to have been brought before Parliament last session, but it has been postponed until this autumn.

At present there is very little of union, according to the Western sense of the term, among the workers of Japan. They do not fully understand what is to be gained by uniting into labour unions. The employers also are, as a rule, opposed to unions, and

several of the large institutions refuse to employ union men.

The union idea, however, is an old one among the Japanese. Guilds have long existed in Japan, and several are still working organisations. It may be interesting to observe the methods employed by these guilds, taking as an example that of the sawyers. This has its headquarters at Tokyo, and is one of the flourishing organisations of this kind in Japan. It keeps itself exclusive because of its rules of entrance, demanding of every sawyer coming to Tokyo that he shall work for three years as an apprentice. It does not matter if the newcomer be the head of a large business outside Tokyo, he must go through his three years' probation. These finished, he becomes a full member of the guild, and is entitled to all the attendant privileges. It is impossible for any outside sawyer to live in Tokyo and attempt to pursue his vocation. The members of the guild dissuade him by force if necessary, and he returns to his home a sadder if a wiser man. The fee paid by each member is only some 5d. per annum. The power of this organisation is immense. It will not, for instance, allow any master to change his sawyer unless he have the consent of the man first engaged,

while he cannot engage additional men without the sanction of each of the men already employed. In this trade it must be confessed that labour is organised to a very high pitch. But until recently it was an organisation of labourers for protection against the over-supply of labour; only within a very short time has it become modernised, and, adapting itself to the present idea of labour unions, organised a strike—which, I may add, was a successful one.

The founders of the new trades' unions in Japan have discovered that their task was a most hard one. I take pleasure in giving some of the views of Mr Katayama, who is the head of the Ironworkers' Union, and the most active labour worker in Japan. Mr Katayama lived about ten years in America and was graduated Master of Arts in the Iowa State University. "Four years ago," he says, "the Ironworkers' Union was founded, and now we have a membership of some 5000 men. It has been, and still is, very hard work, owing chiefly to the lack of education among the men and the opposition of the masters to the idea of labour unions. The strength of the union does not increase nearly as rapidly as does the number of men employed in the iron works. At present there are over 40,000 workmen in

Tokyo in this trade, and there are always many more applicants than there are vacancies. From these figures it will be understood that we have as yet not much hope of action against the employers as regards any increase of wages or changes in the hours of labour. Our union is so small a portion of the men employed that we must wait until our numbers are more considerable before we can call decisive attention to our wishes. The union is framed upon English-American lines, and the men pay 20 sen per month. There is, however, much difficulty in obtaining this money regularly, as the workmen do not understand clearly their obligation to pay promptly. The wages of the ironworkers range from 20 sen (5d.) to 2 yen (4s.) a day, but the latter amount is received only by comparatively few, and these chiefly among the foremen. The hours are long and the work hard, while there is no liability by the employers for employees.

"There are other unions besides mine, notable among which is the Engineers' Union of the Japan Railway Company, which is composed of some 800 engine-drivers, who pay one day's wages each month and who now have a special strike fund amounting to 20,000 yen (£2000). Besides this fund

there are others for sick benefit purposes. The monthly income of this union is some 700 yen. It was founded after the successful strike of four years ago, and has obtained all its demands upon the Company. The Japan Railway Company now cannot employ any engineer against the will of the union, while it is compelled to dismiss any employee who is expelled from the union."

I quote also two extracts from Mr Katayama's paper, the *Labour World*, which he publishes each month :—

"The factory system of Japan is in the most outrageous condition, and destroying many young girls from day to day. Yet we have no law to stop this inhuman murder, and these poor, tender girls are left to the cruel hands of spinning masters. The Government thought it necessary to frame some sort of protective laws for the girls in cotton mills, but the bill is in the hands of capitalists, who are obstructing its becoming a law.

"In the industrial sphere employers are cutting down wages of their employees and lengthening the hours of labour. Working people in Japan are suffering the most. They are powerless, because they have no organisation to meet the crushing treatment

of employers; and, sad to say, they cannot agitate for betterment because of the police law, which will practically suppress any movement whatever that will cause inconvenience toward capitalists and employers. Labourers are politically disfranchised by the property qualification, and economically enslaved by means of that obnoxious police law."

While this opinion is held by Mr Katayama, the employers hold equally strong views of the benefit to their employees of regular wages and employment. These wages are higher than the men and girls can obtain in agricultural pursuits, and continue all the year, whereas the wages of farm labourers are very low during the winter.

In the weaving and silk factories many girls are employed, and these are boarded and lodged by the employers in special houses. This has given rise to the dormitory system, which has been fiercely attacked by many of the papers and individuals. The *Labour World* may be taken as the most extreme of these critics. From this source we learn that "these girls are treated like animals; yes, worse than animals, by those inhuman masters, for sixteen to eighteen hours a day, and seven days a week. Around the factory building

either ditches or fences are laid. The gates are shut to everyone who might sympathise with the girls. Every liberty is taken away from them." Mr Katayama also states that the wages average about 20 sen (5d.) a day —under contracts for three years—but that out of this the girls must pay 8 sen (2d.) a day for board and lodging. There are two holidays a month, on which, however, they receive no wages, but still have to pay the sum of 8 sen for their keep.

The employers urge for their part that such a system conduces to the good of the employees. To allow so many thousands of girls to wander about the towns near the factories would be good neither for the girls nor the neighbourhood. The wages are paid in a lump sum at the end of the contract period, and thus the employee has a certain amount of ready money on hand to take her home. Opponents of the system urge that it reduces the employees to a level of slaves, and that they do not know what the life is like when they enter it, and, finding it too hard for them, are not allowed to withdraw before the termination of the three years. There may be a good deal of truth in it, but it is doubtful whether they have to work harder in the fac-

tories or are treated worse than if they stayed and worked on the land. It must be confessed, however, that the absence of good factory laws gives to unjust employers great license in regard to their employees. It is also true that such laws are frequently not so satisfactory to employees as the personal kindness of good employers. It is a question which cannot be answered definitely without the most minute and searching investigation, but the general sentiment among all classes is that the condition of employees is not satisfactory.

There are ninety-five cotton-spinning factories working, which employ 57,664 women and 16,482 men, the average daily wage being 16½ sen (4¼d.) and 26½ sen (6½d.). (These figures were given me by one of the largest employers of weaving labour in Japan.) The principal other industries, which employ 988,098 women and 52,860 men, are silk-spinning and cotton-weaving, both done largely at home, the latter employing 780,866 women and 38,935 men; indigo works, employing 6268 women and 23,125 men; lacquered ware, with 2372 women and 18,000 men; earthenware goods, 3660 women and 15,794 men; matches, 14,466 women and 5442 men; and straw plaits, 16,207 women and 2287 men.

There is no denying that the germs of trade unionism are sown in Japan and that socialism has been born in the land. The Government has already taken steps to suppress two social democratic associations, an action which will probably defeat its own end, and generally there seems to be some alarm as to future developments.

In the early part of this year one of the Tokyo newspapers, the *Niroku Shimpo*, held a great mass meeting of workmen, some 30,000 in number. The police had ordered that the meeting should not exceed 5000, but up to six times that number of men gathered together, listened to speeches and passed resolutions. The meeting was orderly and very well-behaved. The following resolutions were voted unanimously :—

"We, the working people, the citizens of Japanese Empire, guided by Almighty power and His truth, and under the auspicious rule of His Majesty the Emperor, this day, this month, at this Mukoshima, in the workingmen's grand social meeting, decide with a sincerity of our heart and purpose on the following subjects :—

"1. The Government, in order to protect the right and interests of working classes,

shall effect the making of proper labour laws.

"2. The Government shall make an effective regulation that will fully protect child and female workers.

"3. In order to develop our industries, we recognise the urgent necessity of carrying on a thorough education for working classes.

"4. We believe that in order to protect our own interest we must secure the political right, the very right of voting on the Parliamentary election.

"5. The 3rd of April every year shall be the appointed day for the Japanese working-men's grand social gathering."

This may be called the working-man's manifesto, the first of its kind in Japan.

# CHAPTER VI

## EDUCATION IN JAPAN

THE Japanese are a much educated people. They are extremely anxious to learn everything which will help them to maintain with honour the present position of the Empire. When Japan was opened to foreigners after the Restoration, the people determined that education was necessary in order to keep equal with or ahead of the other powers. Thus special attention has always been given to education in all its branches. Twenty-seven years ago the system of schools was started, and it was enacted that all children must attend school when they reached the age of six years. Soon the European educational systems had completely supplanted the old Japanese forms, and grew very rapidly in magnitude. Although it is difficult to force the growth of education, the last twenty-seven years have seen great changes, and

now 85 per cent. of the children of Japan attend school.

Marquis Ito felt very strongly that before Japan could rightfully claim any revision of the early treaties with European nations, the Japanese people must be fully educated in every respect. For this reason he devoted much time to the foundation of colleges and schools.

There are thousands of schools and many technical and special colleges and institutions. There is a university in Tokyo and one in Kyoto of more recent foundation. Here every subject may be followed to the highest point, and degrees are granted in all subjects. In the university there are departments of law, medicine, engineering, literature, science and agriculture. There are now few foreign professors, although in the earlier days there were many. In connection with the engineering college, it may be of interest to quote what the Marquis Ito told me about it.

"When I was in London engaged in my work of preparing the Japanese Constitution, I was approached on the subject of forming a special engineering college in Japan. It was pointed out that the advantages would be very great for the country, and that such

a scheme of engineering education had never been carried out in any other country. Accordingly I established the college, and brought many foreign professors to Japan for that purpose. The Japanese engineers, who are now running the most important concerns in Japan, are trained at the college, and can dispense altogether with foreign aid." Originally the engineering college was a distinct organisation, but now it is combined with the other colleges in the university.

It is interesting to note that, although European and American school systems were adopted in Japan, great natural difficulties still remained to make a course of education in Japan harder than in any other country. I had a most interesting conversation with Count Okuma on this question. Count Okuma is one of the leading educationalists of Japan, besides having filled many of the highest offices in the Government. He said,—

"One of the great difficulties lying in the path of the Japanese student is that he has to study the literature of his country developed upon Chinese lines and ideas. He has to learn the Japanese and Chinese characters,

and also at least one foreign language. Another difficulty peculiar to Japan is the difference of the written and the spoken languages. Formerly they used to be almost identical, but then came the era of Chinese literature in the country, and much of the written language was written in Chinese characters, while the spoken language remained as before—Japanese. This state of things still continues. The inconvenience of it may be better understood from the fact that when a professor gives a lecture his students cannot take down his words *verbatim* but must make a special compilation upon the subject.

"The Japanese people are physically not strong—possibly owing to the long period of peace and the ease which they have enjoyed —and yet they are called upon to overcome this great difficulty of a different spoken and written language. So much time must be devoted to study on this account that there is small leisure for the necessary physical exercises. If these are to be obtained, then the number of years for education must be increased. This difficulty is a great obstacle in the way of educational development. Some twenty years ago this was realised, and two organisations were formed for its reform. The

first advocated the disuse of the Chinese characters and the use only of the Japanese alphabet (kana). This society is known as the 'Kana Society.' The second desired the adoption of Latin characters in the place of both the Japanese and the Chinese. One of their most interesting arguments is that such characters would run horizontally instead of vertically, which is much better for the human eye to follow. For many years there has been much controversy between these two societies. Recently a new organisation has been formed which advocates the reform of the speaking language, which has deteriorated, and by this means to reform also the written characters. This latest society does not necessarily clash with either of the two older organisations, but it is difficult to decide which idea is best. So important is the question considered that a Government Committee has been appointed to investigate the matter."

There is another matter with reference to education in Japan upon which Count Okuma feels strongly. He says,—

"There is no such thing as independence of study in Japan. If you go to the university you will find law being taught in one room in English, in the next in French, and further on

SENINON GAKKO, COUNT OKUMA'S COLLEGE IN TOKYO.

in German. In no school or college used there to be whole courses of study conducted in Japanese. This was, perhaps, necessary during the transition period, but the need for it has passed now. This lack of independence of study is especially marked in the higher branches of education. I founded a college —the Senmon Gakko—where everything is taught in Japanese by Japanese professors. At first it was found very difficult because of the lack of Japanese text-books, so I founded a publishing department where the leading books upon important subjects should be translated. At first this was not remunerative, but now the books are sold very largely throughout Japan, and authors are encouraged to translate works into Japanese. I hope that now the Government and the leading publishers will follow up the idea. There is still much of the old conservatism in Japan, and this makes it more difficult to introduce such ideas, but every such effort tends toward the good of Japan."

Count Okuma's interest does not stop at the education of boys, or at literary education alone. He was one of the foremost promoters of a college for the higher education of women, started in the beginning of 1901, and he has

also started a middle commercial school. Of this he says,—

"At present the school is only small, there being some 100 pupils, but there is room for 300, and I hope soon that the full number will be obtained. The students of the third and fourth years in the middle schools are taken into this school without examination, and study for three years. Then they are fitted to take any positions in the commercial world. I have advised the Government to establish such schools in connection with all the middle schools. All the professors are Japanese, except those employed to teach the English and Chinese languages. The English is a compulsory subject, but the Chinese is elective."

One very good feature of education in Japan is the system employed of sending students abroad to study the best in every country. For instance, Mr Sakatani, the Vice-Minister of Finance, told me that he had sent three students to England this year, two to study financial conditions, and one to study the construction of wharves and quays in connection with the Government wharves at Yokohama. The Department of Education and that of Commerce and Agriculture also send students abroad every

year, who, returning, apply the lessons learnt in foreign countries to the betterment of their own industries.

The Government grants for the industrial training of the people amounted to 316,928 yen in the budget of 1901, which sum was divided as follows :—Training of industrial, commercial and agricultural men, 46,928 yen (£4690); funds for industrial education, 238,750 yen (£24,000); training of teachers of industrial science, 31,250 yen (£3200).

Two quotations from the *Japan Times*, published in Tokyo, will show how important and systematic this sending abroad of students by the Government is :—

"The Department of Agriculture and Commerce is to despatch fourteen persons abroad this year as students of business methods in the West, and these are to be selected from more than a hundred applicants in various parts of the Empire.

"According to the latest inquiries made by the Department of Education, the number of rvugakusei (students despatched abroad by the Government for the prosecution of their studies) at the end of March this year totalled 106, including three from the Education Department, thirty-two from the Imperial University of Tokyo,

twenty-two from the Imperial University of Kyoto, nine from the Higher Commercial School, eleven from the Higher Normal School, eight from the Tokyo Technical School, two from the Osaka Technical School, four from the Tokyo Fine Art School, two from the Tokyo School of Music, two from the Tokyo Foreign Language School, three from the Sapporo Agricultural College, two from the Girls' High School, two from the No. 1 High School, and one from the No. 5 High School."

There is no religious teaching in any of the Japanese schools, but the moral precepts as formulated in "Bushido" are the foundation of all mental training and development. "Bushido" is a Japanese name for what the Christian nations would term the infinite truth. It is simply the crystallisation of the moral precepts which are inculcated by all religions. "Bushido" is the soul, productive of and animating all the forms and expressions of Japanese religion. Whatever be the diversity of sect, a common meeting ground is found in "Bushido," because it is simply the fundamental vitality, untrammelled by dogma, from which all religions spring. "Bushido" teaches the elements of all true virtue—to be upright in every thought and action—ethically and morally. So pro-

found a philosophy, without any dogma to impress or enforce it, was considered in olden times too difficult of comprehension for any but the educated classes, and so the difference between the higher and lower classes grew greater and greater, reaching its culmination at the height of the feudal system. Then the masters and retainers formed one class and the rest of the world the other. Buddhism taught these lower classes fidelity and obedience, while Shintoism was more the symbol of "Bushido." The only morality thought possible or comprehensible to the lower classes was absolute obedience and submission to those above them. As long as they paid their taxes and did as they were told no further ethical observances were required of them. It is this great educational difference between the upper and the lower classes which makes it so hard now in the education of Japan. The people at large have no real moral standard now that the old conditions have been done away with, and the need is strongly felt of the necessity of some means of teaching the lower classes uprightness of life.

"Bushido" explains the first reception of Christian missionaries in Japan. Containing as "Bushido" does all that is fundamental and

best in Christianity as in all other religions, the early Christian teaching was not considered as a hostile element. Among the higher classes it is felt that there is no need of change, "Bushido" being preferable in that it is not so encumbered with creeds and dogmas, nor are its followers divided into almost numberless sects. As one Japanese lady said to me, talking about the efforts made by various clergymen to have her join the Christian Church: "I don't know why I should join any church, but I am afraid that if I join one sect all my friends in the others will imagine that I have done very wrong."

There are some 4000 foreign missionaries in Japan preaching various editions of the Christian religion, and they have a fair amount of success, particularly among the lower classes. The Japanese gentlemen say that Christianity has superior fascination over "Bushido" for the masses in that it has more mystery connected with it and more of the element of fear. At the time of the Restoration there were about 8,000,000 adherents of "Bushido," and, assuming that there had been no increase, it would mean that now about one in every forty of the Japanese people practice "Bushido." Thus, if all of these 8,000,000 were to make an effort to

spread "Bushido," it would be a comparatively easy task to do it, much more easy than it will be to Christianise Japan. "Bushido" has caused all religions to be welcomed in Japan, because it recognised the fundamental points of virtue of them all as its own precepts.

The reason for the later maltreatment of Christians under the Shogunate was not owing to any lack of sympathy with the tenets of Christian faith, but because of the assumption of national non-Japanese privileges by the converts of the missionaries from the different countries. A political missionary was very different from a teacher, and received different treatment.

# CHAPTER VII

## JAPAN'S COMMERCE[1]

THE development of Japan has been accomplished in so short a time, one might expect that her commerce would not have grown to any great extent. Especially would this seem likely when it is remembered how low was the position of those engaged in commerce at the time of the Restoration. In 1868 the total trade of Japan was 26,246,544 yen (£2,600,000); in 1878 it was 58,862,974 yen (£5,900,000); in 1888, 131,160,744 yen (£13,100,000); and in 1898 it had reached the value of 443,255,909 yen (£44,300,000). In 1900 the total value of the trade of the Empire rose to the sum of 491,691,838 yen (£49,160,000). It must also be remembered that the year 1900 showed a marked falling off of exports, owing to the trouble in China, which practically stopped the whole of the export of cotton goods. But,

[1] The equivalents given in this chapter in English money are only approximate.

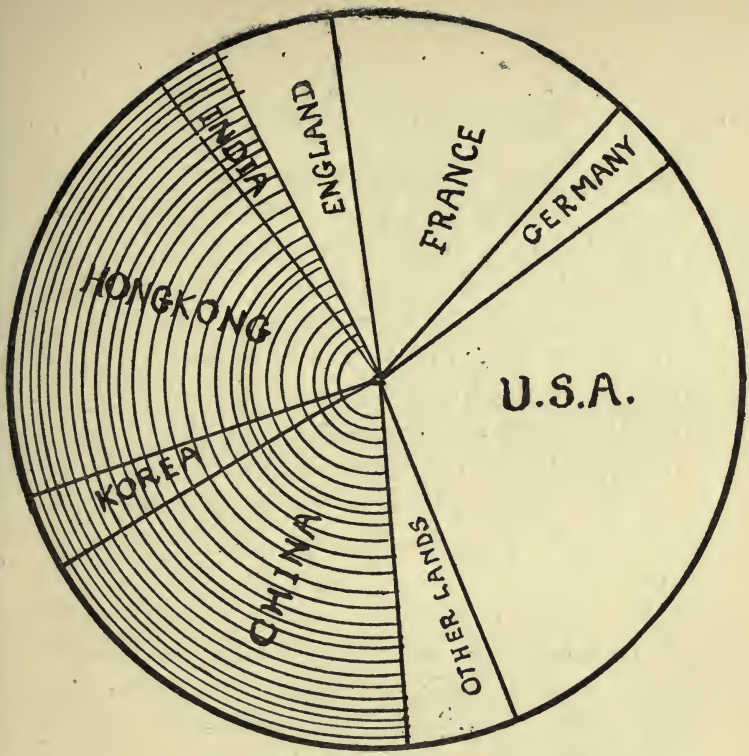
for this obstacle, the value of the total trade might have been yet higher. This increase of from under 30,000,000 yen to nearly 500,000,000 yen in the short space of thirty-two years is most wonderful. The balance of trade has, however, been against Japan, as was inevitable when it was necessary to import so many things for the development of the country. From 1868 to 1899 the excess of imports over exports amounted to 231,532,585 yen (£23,150,000). This represents an annual drain of money out of the country of over 7,000,000 yen. In 1900 there was an excess of imports over exports of 82,831,852 yen; it must, however, be remembered that this year was an exceptional one, with the economic depression at home and the trouble in China abroad. These same causes will also have their effects upon the returns for 1901, although there is a marked improvement noticeable already.

But in examining the commerce of Japan and its effect upon other nations it is immaterial to look backward. It is more important to examine the present and notice the trend of future developments. The trade with America for 1900 shows for the first time an excess of imports over exports, and this quite

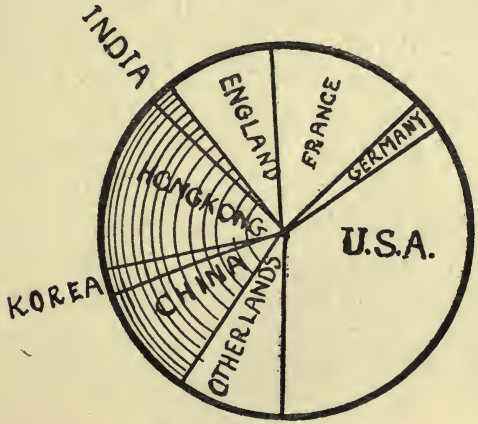
suddenly. In 1899 the figures were: exports, 63,919,270 yen; imports, 38,215,894 yen; while in 1900 they were 55,553,060 and 63,090,673 yen respectively. While this seems encouraging as far as America is concerned, it must be pointed out again that the year 1900 is not at all a normal one, and to include it in our examination will do much to give us a wrong idea of the commerce of Japan. Thus we will, after this, take the figures for 1899 as the last ones for consideration.

It is well to take special note of the growth of Japan's trade with the Eastern countries, China and Korea especially, during the last ten years. In 1890 the Asiatic trade of Japan showed 27,620,030 yen of imports and 16,435,400 of exports; in 1899 these figures had grown respectively to 84,886,239 yen and 96,606,322 yen. It is of interest to dissect these figures and examine them in detail. The exports to China had grown from 5,227,495 yen to 40,257,034 yen,[1] while the imports from 8,849,685 yen had only increased to 28,687,731 yen.[2] The exports to Korea had grown to 6,995,931 yen from 1,250,713 in 1890,[3] while

[1] 31,871,576 yen in 1900. [2] 29,960,740 yen in 1900.
[3] 9,953,292 yen in 1900.




EXPORTATIONS, 1899.




EXPORTATIONS, 1890.

The shaded sections show the trade with Asiatic countries. It will be seen that the exports have enormously increased, while the imports are proportionately the same.

the imports remained almost stationary—the figures being 4,353,540 yen in 1890 and 4,976,167 in 1899.[1] Thus the development of Japanese trade with China and Korea was all for the good, and it is likely to increase still further in the same direction. Continuing our examination of the Asiatic trade, we find that the exports to Hong-Kong had increased almost fivefold, while the imports had not increased by one half. In 1890 the exports were 9,366,406 yen and the imports 5,495,913 yen, and in 1899 34,291,308[2] and 7,338,455 yen.[3]

Thus for the nearer Asiatic countries the figures show that Japan is obtaining more trade in the right direction. With regard to India, while the importations still remain much in excess of the exports, the growth of the export trade in the last ten years is proportionately greater than that of the import trade. Japan is thus gradually asserting her right to supply the wants of the Oriental countries.

This state of things is as it should be. Japan has a clear right to supply the needs of the Asiatic countries, and she fully intends to make the best use of her power. She has many advantages in the way of supplying the

[1] 8,805,618 yen in 1900. [2] 39,177,145 yen in 1900.
[3] 10,659,855 yen in 1900.

Eastern markets. Her geographical position enables her to transport her goods cheaply to their destinations, while her superior knowledge of the needs of her customers enables her to produce what is most suitable for sale. The abundance of Japanese labour renders it possible to produce goods much more cheaply than in countries like America and England. It is possible for Japanese cotton-spinning mill owners to import raw cotton from India or China, manufacture it into cloth and sell in China more cheaply than the cotton cloth woven in China itself. To be able to do this shows that Japan is capable of much in the way of supplying the Eastern markets.

I have had the benefit of many conversations with leading Japanese business men, as well as political leaders, and possibly a few of their ideas may help to make the feeling in Japan on this point more clear.

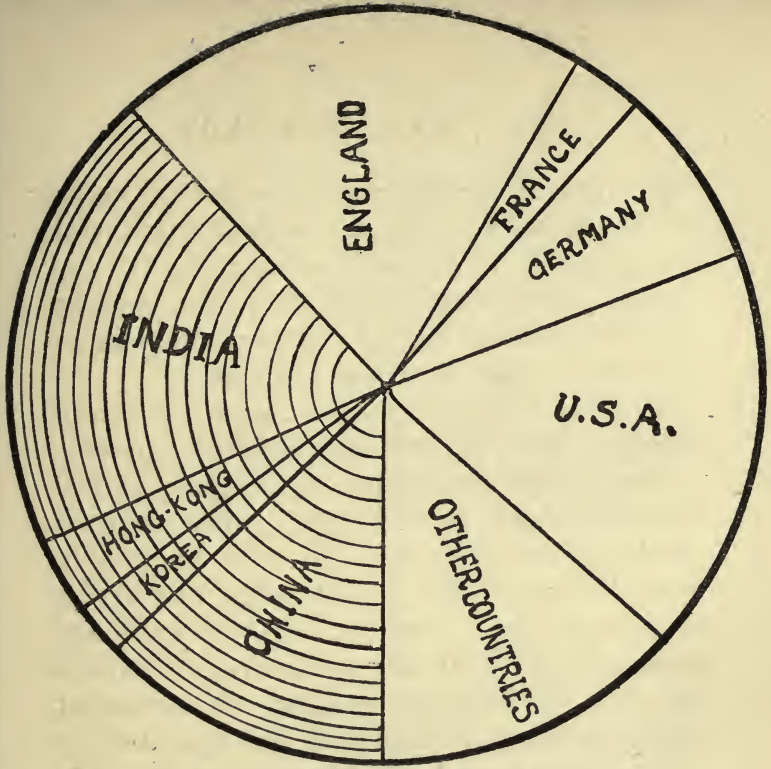
Baron Shibusawa says: "I think we can supply the Oriental markets even now better than other nations can, although the trade is necessarily mostly in the form of an exchange of products. For instance, from Korea we receive rice, beans, hides, bones, and we send there cotton thread, cotton stuff, silk cloth—such articles as are in use among the Koreans.

The trade of the Oriental countries will come to be regarded as Japan's natural share, and she is already well capable of supplying it."

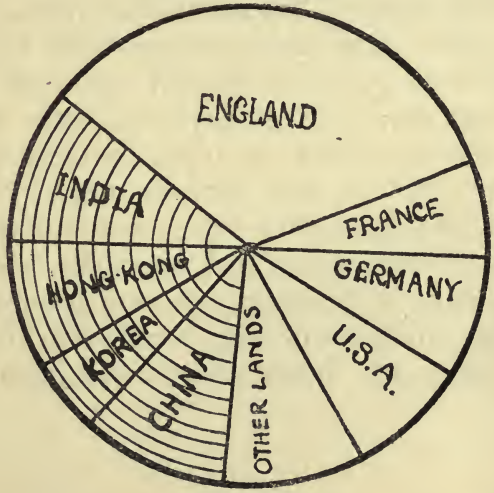
The same authority holds the following views as regards the chances of Japanese competition in American and European markets :—

"I do not think it will be easy for Japan to compete in American or European markets as far as the production of everyday manufactured goods is concerned. The superior machinery of the older countries necessarily tends to cheapen the cost of production of the finished articles. Besides, Japanese workmen, though their wages are cheaper, are not as a rule skilled artisans in this work. It is true that there are many such, but it will take two or three generations before the mass of labour is equal to that of older countries in skill. Until that time comes it is more profitable to export unfinished goods to foreign countries to be finished there. This pays far better than to attempt to produce the finished articles here.

"To Europe and America we export tea, rice, raw silk, roughly woven and undyed or in thread; coal, copper and some fine porcelain. The latter is, however, not very acceptable in foreign markets and only a small art exhibit is to be hoped for. It may come, and I hope it will,




IMPORTATIONS, 1899.




IMPORTATIONS, 1890.

The shaded sections show the trade with Asiatic countries. It will be seen that the exports have enormously increased, while the imports are proportionately the same.

that Japan will compete with powers already in the field on all lines of manufactured goods, but this time must necessarily be far distant."

Mr Yamamoto, president of the Bank of Japan, says: "Japan is quite young in her commercial career. She will make a splendid basis for manufactures, not only for domestic consumption, but for export to China and to other Eastern markets, as she has cheap coal, cheap labour and facilities for transportation. This is demonstrated in the growth of the spinning factories during the last ten years."

I do not think it necessary to quote any more opinions, as they all go to prove that the Japanese people regard the Eastern markets as their own beyond dispute, and are prepared to take them in open competition. That feeling which prompted Japan to adopt Western ideas "in order to be able to beat the foreigners on their own ground," still exists, and will work largely towards the supplying of the Eastern markets by Japan.

It is not only the Eastern markets that Japan seeks to supply. Australia is within easy reach, and there are Japanese ships running between the colonial ports and the Japanese home ports. Most of the wool used in Japan's woollen goods manufactories comes from Australia. In 1899

this was valued at 1,500,000 yen. The total import from Australia was 1,708,670 yen (£171,000),[1] and the Japanese exported in the same year goods valued at 2,169,921 yen[2] (£108,000). Thus Japan has already a very firm hold in the Australian market. There is talk of sending preserved sardines to Australia, and also to the rest of the world, at a much cheaper rate than is possible from elsewhere. The fisheries of Japan yield an exhaustless catch of many varieties of fish, and there is no reason why Japanese canned fish should not take the place of American or European in Australian markets. At least, this is the opinion of the Japanese. When they have a good idea they usually carry it through successfully.

Siberia also presents an attractive field for Japanese trade, and a determined attack is being made upon the Russian Asiatic markets. In 1900 the exports to Russian Asia were valued at 3,541,833 yen (£354,200), as compared with 430,814 yen (£43,000) in 1890. And Japan is not content with this development. Only this year in June a special band of Japanese investigators started out to traverse Siberia in order to report upon the prospects

[1] 2,455,939 yen in 1900. [2] 2,530,525 yen in 1900.

of trade between that country and Japan. It is argued, and rightly, that it is possible to supply a great portion of Eastern Siberia more cheaply from Japan than from Russia, and steps are therefore being taken to find out what manufactures are most readily saleable among the inhabitants. Thus it is to be expected that soon the exports to Siberia will equal the imports, which in 1900 were 5,716,705 yen (£571,600).

To the Philippines the exports from Japan rose in 1900 to 1,257,126 yen (£125,700), from 286,774 yen (£28,600) in 1899, while the imports were reduced from 2,383,872 yen (£238,400) to 2,284,294 yen (£228,400) in 1900.

A fivefold increase in twelve months promises well for the future of the Japanese trade with the Philippines. In June of last year the Government of the United States signed contracts with the Mitsui firm for the yearly supply of 60,000 tons of coal to the Philippines—besides some other contracts which would tend to the sending of Japanese coal to the islands. There is now an agent of the company established at Manila, and it is expected that much good trade will result from this initial contract.

This last incident tends to show what an advantage Japan has over other countries in supplying Oriental markets. It might have been thought that Australian coal would have made a bid for the contract, but there was no indication that Australia existed when the contract was signed.

The total export of coal from Japan in 1900 had risen to 20,032,103 yen, as compared with 15,164,867 yen in 1899 and 4,796,089 in 1890. In 1900 the balance of trade was so much against Japan, and the money market was so tight, that 56,707,063 yen of bullion and specie left the country, against 11,517,835 yen that came in.

Whatever may be the chances of Japanese competition entering the home markets of the Western world, it is certain that unless every precaution is taken—and possibly regardless of precautions—Japan will rule the markets of the East, and will have much to say in the supply of Australia's and New Zealand's needs. Japan claims the East as her right, and it seems as if it would be well-nigh impossible for any other Power to say her nay.

# CHAPTER VIII

## INDUSTRIAL JAPAN

ORIGINALLY an agricultural country, Japan is now progressing along the path of becoming an industrial nation. She will, however, probably remain mainly agricultural for many years, until the industrial development shall have brought more money into the country. Until the present time this development has caused a steady stream of money to drain out of the country, inasmuch as the machinery necessary for the many factories, the ships for the carrying trade and for the national defence, all had to be ordered and paid for abroad. The development of the country has been so rapid that the industries have been developed somewhat unevenly, which has given rise occasionally to an appearance of unstability.

Every branch of industry has made wonderful progress, nevertheless. Baron Shibusawa introduced the company or corporation system

into Japan in 1888, and it met with immediate success, In 1894 there were no fewer than 2967 corporations with paid-up capital of 249,760,000 yen (£25,000,000). This was just before the war with China, a date which is the most prominent landmark in the history of Japanese industrial development. So rapid was the development after the war that in 1899 there were 7829 corporations, and the capital paid up amounted to nearly 700,000,000 yen (£35,000,000.) This increase is just two and a half times in five years, and the paid-up capital is two and seven-tenths times as large as in 1894.

The banking business has also had considerable growth since the promulgation of the National Bank Act of 1872. Seven years later there were 153 banks, and in 1890, 353. The capital of these institutions was then 82,121,278 yen (£8,210,000), but in 1899 this had increased to 288,024,897 yen (£28,800,000), and there were 2105 banks. It must be confessed, however, that many of these 2105 establishments were founded upon very slight foundations, and several were little more than money-lending offices. It is "banks" of this latter class which fail during economic depression, and give rise to the idea that the

financial situation of Japan is far from being satisfactory.

The standard of living has been raised considerably in Japan, and prices have risen accordingly. Taking fifteen of the principal articles of the Tokyo market, we find that the price has in every case advanced since 1890. Accompanying this rise in prices the wages of many classes of people have been gradually raised, although the wages have not risen nearly so high as the prices—proportionately.

The first Government line of railway was constructed between Tokyo and Yokohama in 1872, a distance of 18 miles. Since that time the Government railways have been extended year by year, until in 1890 they had a length of 551 miles. After the war with China, railway construction became much more energetic, and in 1899 the Government lines totalled 893 miles already constructed. In 1883 the first private railway was constructed, with a length of 63 miles. In 1890 there were 848 miles, and in 1899, 2802 miles. Thus the total length of railway developed since 1872—thirty years—is 3635, or 121 miles a year. In 1899 there was 265,000,000 yen (£26,500,000) invested in the railways, as compared with 72,500,000 yen (£7,250,000) in 1890. Of

this amount (in 1899) 177,500,000 yen were invested in Government, and 87,500,000 yen in private railways.

The railway traffic in 1899 was about 11,970,000 tons, as compared with 4,500,000 tons in 1890. Private railways carried much more than did the Government lines, the figures for 1899 being 9,500,000 tons and 2,470,000 tons respectively. For the year 1899-1900 the Government railways cost 6,593,677 yen, and earned 13,719,006 yen, the expenses averaging 48.08 per cent. of the earnings. The private lines earned 25,042,300 yen and spent 12,539,328 yen—an average working cost of 51.29 per cent. upon earnings. In 1900 there were 102,263,714 passengers carried, and casualties embraced 1035 people killed and 1095 wounded. The Japanese railway carriages were principally constructed in England, but are now made in Japan. The first locomotives were of English make, then came American, and now the English machines are again in demand. There are some 12,000 miles telegraph communication and 3680 miles of cables. But it is the telephone system which has developed most wonderfully. There are now 11,813 subscribers, as compared to 3232 in 1897. In 1899-1900 there were 1627 miles of

line opened and in use, as compared with 1538 miles in 1898-99.

The chief industry of Japan at the present time is cotton spinning, and it is one which grows in importance all the time. It had its origin in 1880 or 1881, and at first its development was gradual only. In 1890 the total number of factories was thirty, with 277,895 spindles, and a producing capacity of 41,060,704 pounds of cotton yarn. In 1894 the tariff on exports of cotton yarns was removed, and in 1896 that on the import of raw cotton, and the spinning industry developed rapidly. There were ninety-five factories in 1899, with 2,074,475 spindles and a productive capacity of 344,910,240 pounds of cotton yarn. In 1899 the export of cotton yarn was valued at 28,521,438 yen, which shows how important the industry has become.

In the weaving industry the increase during the last ten years has been more than fourfold. In 1891 the value of woven goods produced was 30,000,000 or 40,000,000 yen; now the capacity is 150,000,000 yen. This great advance is principally due to the progress of applied chemistry and the scientific methods which have been adopted.

In value silk is the most important of the

exports, in 1899 there being 62,000,000 yen of raw silk sent out of the country. The methods of producing the silk have been much improved of late years, but it has been found unprofitable to attempt to produce finely-finished silks in quantities. The principal portion of the exported silk is in a rough finished condition, such as habutai, silk handkerchiefs, etc.

The tea industry has varied much during the last ten years, but generally speaking the tendency has been downward since 1895. This had resulted from the change of the United States tariff, a duty having been imposed upon tea. This killed much of the export trade, and caused many persons to abandon the industry. The production of tea in 1899 reached 16,352,000 pounds.

Rice and wheat are also produced in considerable quantities. The best quality rice is exported to England and America, which necessitates the importation of inferior rice from Korea and other countries for domestic use. Although the area devoted to rice has been much extended, the production has not increased proportionately.

The paper made in Japan is very excellent and strong. There are three Japanese varieties besides those made for export. The total value

of the paper produced in 1899 was 14,946,453 yen (£1,500,000), a decrease from previous years. The decrease is due chiefly to the fall in the price of the paper made for export, of which a greater quantity was manufactured in 1899 than ever before. The Government owns its own paper mill near Tokyo, employing over 1000 persons, while close beside it there is a large private mill. Another large mill has just been constructed, which can produce 23,000 pounds of paper a day and 7,000,000 pounds a year. The paper industry is rapidly being developed and improved, and it is hoped the paper export will soon show large increase.

The following three quotations from the *Japan Times* will serve to introduce three industries, and at the same time will show that there is plenty of progress in them :—

"The Shinagawa glass factory has been successful in manufacturing pane glass, which no other Japanese manufacturers have been able to produce. The goods made in Shinagawa can well vie with those made in Germany and Belgium. The price is quoted at less than 7 yen per case, while similar glass imported is sold at 8 yen."

Up to the present time only very inferior glass has been manufactured in Japan—bottles

and so on. All good glass goods have been imported from France. Possibly, however this import trade will be spoiled by the improvement of the industry in Japan.

"After experiments covering several years past, Mr Kinosuke Nakajima, a flannel merchant of Honcho, Nihonbashi, Tokyo, is reported to have succeeded in manufacturing a certain brand of flannel excellent both in quality and colouring, and able to compete with the stuff imported from abroad."

"Of late years only watch cases are imported, and machinery of Japanese make is fitted inside the covering. As for the working of the machinery, the Japanese manufacture can fully vie with foreign ones. The imports to Yokohama in 1900 of gold coverings for watches amounted in value to 139,910 yen; silver coverings, 159,053 yen; nickel and other coverings, 67,370 yen—a total of over 370,000 yen."

The porcelain and metal work industries are flourishing, although they may eventually feel the effect of abandoning their own artistic designs and colouring for the too often tawdry and hideous ones supposed to meet the foreigner's taste.

A great portion of the population of northern Japan are engaged in the prolific fisheries

which abound round the coast of the Hokkaido.

The Government encourages the industries of the country by frequent domestic exhibitions, and much good sense is shown in the methods employed in getting them up. The following quotations are of interest in this connection :—

"It is a custom of prize hunters to represent inferior goods by a specially manufactured sample. In order to frustrate such dishonest practice, the authorities of the Fifth Domestic Exhibition, to be opened in Osaka, will examine the goods exhibited on the spot of production. Foreigners will be allowed to show their goods, if those goods are made in Japan, in the exhibition."

And again :—

"The Great National Industrial Exhibition, which the Imperial Government of Japan will hold in Osaka in 1903, will present some novel and interesting features never witnessed on similar occasions in the past, to one of which in particular the Imperial Government wishes to call the attention of foreign manufacturers and of the industrial public in general. That is the establishment of a special building for the samples of such articles produced or manufactured in foreign countries as may be of value

for purposes of comparison or reference in the way of industrial improvement. The primary object aimed at is thereby to afford the Japanese manufacturers an opportunity of studying the latest products of Western invention, with a view to the improvement of Japanese industries. But at the same time it will be observed that the establishment of the building in question offers to foreign manufacturers a rare opportunity for exploiting the rapidly-developing markets of the whole Far East, for the coming exhibition is sure to attract, besides millions of Japanese, large crowds of visitors from the continental countries of Asia."

Japan's industrial condition is very good, and only needs a little more capital invested to become very profitable indeed. The depression is over, and prosperity's wave will soon bear the various industries along to successful and profitable working. There are very many good opportunities for the investment of foreign capital in Japan, and it would be difficult to find a better time. With or without foreign capital, however, Japan's industrial development will become more and more successful, and more and more tending to the good of the Empire.

# CHAPTER IX

## THE FEELING OF THE NATION

It is interesting to turn aside from the study of the opinions and feelings of the statesmen, the bankers or the big manufacturers, and from mere facts and figures, and discover what are the thoughts of the people at large. This study is all the more interesting in Japan because it is less than thirty-four years since modern civilisation and thought have had a chance to change them. At that time, after the feudal lords and their relations, the most honourable class was that of the samurai or shidzoku. This class was composed of a certain number of families in which the profession of arms was hereditary. There were 400,000 such families and about 2,000,000 samurai. These men wore two swords in their "obi" or sash—one large one and one small one—and used to employ them on very

slight pretext. This class was the adored of the people—the incarnation of all that was brave and manly. In those days if a man had received an injury and could not avenge it in any other way he would perform hari-kiri—in other words, commit suicide by cutting open a large vein in the lower part of the abdomen with his sword. Such an act was considered to be most noble and heroic. This feeling of a warlike spirit was the dominating influence in the mind of the people. After the Restoration they were obliged to give up the wearing of two swords, but this did not curb the old samurai spirit—nor the sword! Even to-day numbers of Japanese people carry ever with them the short sword—hidden away perhaps under the buttons of a European waistcoat.

The history of the development of Japan has been marked by two or three assassinations and several attempted assassinations of the men prominent in political life. Count Okubo was killed, Count Mori also, and an attempt was made upon Count Okuma. In the case of Count Mori, all the accounts of his death give as the probable cause the fact that he had been supposed to profane one of the temples. To hear the story from one of the people, it is

no longer a supposition—it is the actual fact. To my man — who is typical of the many millions of Japan — though he has been in America, England and Australia for long periods, it was quite legitimate to kill Mori because "he no very good. If very good, then no kill; if no very good, then killing—that proper." The people treasure up all the details of the affairs and delight to relate them. They seem to prove to them that the old warlike spirit has not died out of the nation. The statements which always appear in the press after one of these deeds, ascribing it to the work of a "fanatic"—a "crazed man," one "demented by fancied wrongs," etc.—in proof of which, if possible, they add "he committed suicide"—certainly give as wrong a point of view as possible of the spirit in which the thing was done. The man, in all cases in Japan, has planned the assassination coolly and deliberately and after due offering to his ancestors, and does it because in his mind it is not only the honourable but the courageous way to avenge a personal or to alleviate a public wrong.

Last year there occurred the assassination of Mr Hoshi, member of Parliament and leader of a great portion of the Constitutional Association. He was a prominent lawyer, and had

held office for a short time. He was called the "Richard Croker" of Japan, and undoubtedly did manage to emulate Mr Croker in some of his methods. He was bitterly objected to by a section of his party. His efforts in emulation of Mr Croker were continued when he obtained a seat in the last Cabinet, but the Senate took a firm stand against his methods and he lost his office. This shows the opinion of Mr Hoshi entertained by the Government officials. To observe him with the eyes of the people, however: "He no good—plenty money make out of Government. He got big house, all same big gentleman, he no more big gentleman than me. Government he no understand, he think he good man; but newspaper he know." Such was the criticism of the Japanese people. When the news of his death was cried around Tokyo as a newspaper special the greatest excitement prevailed.

Our informant came in full of joy, saying: "Mr Hoshi killed very quick; he no much good; he no look out; very quick killing; that proper; very good man kill that way. One, two time before try killing, but he always look out; this time no look out; very hurry finish. Very glad Hoshi fall down; Government much better now; people all glad. He

no proper; if he proper he no get killed. Every day, every day newspapers say, 'Hoshi make plenty money, he no good man.' When man proper newspapers say name all the time, all the same when not proper, newspapers say name too, and say why he not proper. All the Japanese know; we no speak foreigner." Then followed many details given with great intensity and many smiles. Asked as to whether the assassin had run away, he replied, "No, never run away; stealman, he run away, but brave man like this never run away; that proper. He go very quick policeman and say, 'I kill Mr Hoshi four o'clock; take me very quick,' but he never run away." He accompanied this with the movements of the man offering himself up to be bound by the police, and his face showed much indignation that such a man should be thought capable of running away. There was no horror at the deed, none at all; if anything, there was satisfaction and applause for the killer.

The topic kept the populace, as well as the household, excited and arguing the case out through the night. When I say arguing I do not wish to give the impression that there was any discussion as to the justice of such action, for there was none. It was only a discussion

as to how the deed had been done, and how proper and what fine art it was. It was just the bubbling up of the old samurai spirit, which was supposed to have been cast off with the two swords, but which still remains in the breasts of the people.

This idea is fostered to some extent by the newspapers—that is, the newspapers which are written in lower-class Japanese, and which have immense circles of readers. Small tradesmen, domestics, ricksha coolies, etc., all read these papers eagerly. Not only do they read them, but they believe in them implicitly. Nothing can be more weighty an argument in favour of something than that the "newspapers" say this or that.

These newspapers have a wonderful system of obtaining the most secret and intimate news of one's personal doings. This is obtained by means of special men, more like spies than anything else, who make certain rounds every day, visiting the servants' quarters of those of whom they desire news. They have realised the truth of the saying that "no man is a hero to his own valet" and act upon it accordingly. Thus nobody comes to Tokyo from abroad and stays any length of time without his history and character, his everyday

doings and sayings being openly discussed in the vernacular newspapers. He is weighed in the balance, and by the result of that trial he will be regarded as good or as bad by the vast circle of readers of these newspapers. As my man says, "Englishman, American, he no understand, but newspaper say every day plenty about him. Newspaper he know everything." The discussed man goes on placidly, thinking he is making a fine impression, and all the time his character is being torn shred from shred in public.

To quote the man again: "Japanese he know all time, but he no tell what paper say—that proper." There is, for instance, one gentleman, who is employed in connection with one of the docks of Japan, of whom the papers say that "he drink all the time. Mornings when cook baby food, he drink alcohol, and fall down outside door." This may or may not be true, but that has no effect upon public opinion. The people believe it, because "newspaper says," but the individual accused of dipsomania proceeds happily on his way, believing himself to be a fine example to this poor class of what modern civilisation can do for a man. In a similar way the newspapers announce that Mr X. is a blind fool, and that

there is "plenty trouble between Mrs X. and a young Italian gentleman, but Mr X. he no understand." This system of forming public opinion before the very eyes of the unsuspecting victim is skilfully manipulated. To have such power among its readers encourages the newspapers to fresh efforts in the way of obtaining details. The servants talk readily enough in most cases, and the character of the master is either gone or firmly established.

The general mass of the Japanese people hate the Russians and the French without measure. All those who frequent the Legations of these two countries run a risk of appearing in the newspapers with a black mark against their characters. Of the Russian Legation, for example, the police are informed who goes in, who stays a long time, who only a few moments. As my man says: "When master go Russian Legation plenty telephone bells ring, plenty trouble, Russians no good. I think better no go there any more." As, however, I had occasion to visit the Minister often, I had to disregard this advice. This did not please the man, but he said: "Oh, well, everybody understand master name now; they know he all right; newspaper tell so, but first, perhaps they no understand." Closely after

the Russians and French come the Germans, while the English and Americans are regarded with great favour. I asked my man what would be the effect of a war with Russia—at that time there was much talk of trouble—and he said that Japan was all right; not afraid, and that one Japanese soldier was equal to ten Russians and to a 100 Chinese. There is patriotic pride for you!

As it is with their opinions upon outside affairs, so it is with inside politics. The newspapers decide what is good, and that is accepted by the readers. Happily there are many newspapers, and thus too many people do not become imbued with the same idea at the same time. The leading men of the State are weighed in the balance in the same frank way. Marquis Ito, Marquis Yamagata, Baron Shibusawa, are fast and first favourites in the public opinion. Many of the leading men are always attended by a special servant, very strong and active, who is there to defend them against any attempted attack. These men ride in front or behind the carriage, and frequently attend their master at meals, on visits, etc. To the Japanese people this seems most reasonable. "If no look out then killing" is their way of summing up the affair. To

avenge an injury by killing is considered rather fine among the people, since the man who kills generally commits suicide afterwards, or else is executed; he is regarded more as a martyr in the cause of good than otherwise. The only feeling about the victim is the impression that he certainly must deserve it, if he and the gods between them could not "look out."

# CHAPTER X

## PATENTS AND INVENTIONS

THE feeling seems prevalent abroad that no man's inventions are safe in Japan, and that all things will be copied by the clever Japanese workmen and produced at prices far below those of the foreign articles. For instance, while I was in America a short time ago one of the heads of a large hat manufacturing establishment informed me that his agent in Japan had found it impossible to do any business because his samples were copied, including the stamp of the firm, and hats identical with his sold at about half the price. Then he proceeded to decry any country which could descend to such practices. My friend was very indignant, and imagined that he had every reason to be.

As a matter of fact, he had no right to be angry with anybody or with anything but himself—his own ignorance about Japan. He had neglected to take precautions which he

would have considered absolutely necessary in any other country in the world, in the way of registering his trade-mark or his patent, and yet considered it wonderful that the Japanese people should take advantage of his neglect. He would expect such advantage to be taken by any other nation, and would take precautions against it, but he apparently regarded Japan as different from the rest of the world. A citizen of the United States who can read most of the world's literature in pirated editions need not cast stones at any other nation for taking advantage of unprotected objects.

As a matter of fact, the patent and trade-mark registration laws of Japan are very good and very effective. As there seems to be such a mistaken idea concerning these laws and the possibility of obtaining protection under them, I will give their principal points.

The first law was passed in 1871—three years after the Restoration—and related to monopolies, giving for the first time to inventors the right of enjoying the benefits of their ideas. This law was replaced in 1872 by a simple regulation requiring all inventors to give notice of inventions to the local authorities, who would report them to the Minister of Public Works. The absence of any legal

conditions made the position of inventor unenviable, while the merchants had no means of protecting their trade-marks.

In 1884 a law for the protection of trade-marks was put into force, and in 1885 there followed a law upon patents. These two laws were imperfect, and offered certain difficulties in actual practice. Also there was no law for the protection of designs or models, and these were imitated and counterfeited very much. In 1888 the law upon patents and trade-marks and a new law upon designs and models were collected and rearranged, and since then the protection of industrial property has been practically assured.

In the revised treaty with England, published in 1895, the seventeenth article provides for the reciprocal protection of patents, drawings and trade-marks, and this was applied to other nations, as they signed the revised treaties with Japan. Since July 1899 Japan has been a member of the international union for the protection of industrial property. Thus in a little less than ten years the old laws of Japan on these three subjects have been modified and completed in order to follow the development of national industries.

Here is a table showing the number of appli-

cants for patent rights and designs and those of patents granted or registered since 1898 :—

| | Application for Patent Rights. | Patents granted. |
|---|---|---|
| 1898 . . . . . | 1789 | 293 |
| 1899 . . . . . | 1915 | 597 |
| 1900 . . . . . | 2006 | 615 |
| 1901 (to May included) . . | 997 | 223 |

| | No Designs sent in for Registration. | Number registered. |
|---|---|---|
| 1898 . . . . . | 265 | 52 |
| 1899 . . . . . | 342 | 139 |
| 1900 . . . . . | 397 | 119 |
| 1901 (to May included) . . | 190 | 70 |

As shown in the foregoing table, the rate of grant of patents is about 30 per cent. of the number of applications, while the rate of registered designs is perceptibly higher.

To quote the opinion of the Minister of Commerce and Agriculture, under whose department these laws come :—

"The laws in operation guarantee completely and efficaciously the protection of industrial property to natives of Japan and to foreigners without distinction, and allow industrial men to establish their rights firmly ; these laws punish vigorously those who have infringed patents or who have imitated or counterfeited designs or registered marks, and

finally they guarantee, before or after the date of the brevet of the patent or the registration, all the rights of the invention. While they have not been applied to strangers until the ratification of the revised treaties between Japan and Germany in November 1896, their conditions had already been modelled upon foreign laws. Since the coming into force of the new laws the rights of Japanese and foreign patentees are perfectly guaranteed and efficaciously protected."

From this statement it would appear that there is not much danger of infringement of patents in Japan, and that foreigners have only to take the proper steps to be perfectly secure in their rights.

As to the principal portions of the laws now in operation the same authority says :—

"The demands are examined primarily by an examiner of the Patent Office. If the examiner refuses the patent or registration it is allowed to call for a new examination ; in the case where this new examination results in a refusal it is possible to appeal to the judgment of the Patent Office.

"When the examiner refuses the patent or registration as irregular, or because not proved, or because already granted, those interested

can demand the judgment of the Patent Office, and can appeal against the decisions of this to the Supreme Court.

"There shall be paid annually a fee for patents and registration of drawings and marks. When it is a question of a patent, everybody who wishes to make a demand or inquiry, or who is owner of a patent, is obliged to appoint a resident representative when he himself does not live in Japan.

"If the patentee does not publicly put his invention into practice in the Empire within three years after the date of the patent, or if he has ceased publicly working his patent for at least three years in Japan, and if he nevertheless refuses, without sufficient reason, the cession or license for the invention to some third person offering suitable conditions, the head of the Patent Office can annul the patent.

"Whoever wishes to exercise the profession of representative for patents must be authorised and watched by the Bureau of Patents of Inventions."

From an examination of the laws relating to patents of inventions, we learn that "the patent relative to the invention of a product confers upon its holder the exclusive right of manu-

facture, of use, of sale or of putting into circulation of the products of the invention," and "its effect extends also to products resulting from the use of the product." Among non-patentable things we find foods and drinks necessary to sustain life; medicines and pharmaceutical products; products or results which are capable of acting against public order or public morals. The patent lasts for fifteen years, and the fees for the patent rights are changed four times. From the first year to the third the charge is 20s. a year; from the third to the sixth, 36s.; from the seventh to the ninth, 40s.; from the tenth to the twelfth, 50s.; and from the thirteenth year to the fifteenth, 60s. Thus the total fees in connection with the keeping up of a patent for the fifteen years are £31 (approximate). If we add to this the 10s. tax to be paid upon making the demand for the patent, we find that the total outlay to secure a patent need only be £31, 10s. This is not at all excessive when compared to the charges in other countries.

The punishments in connection with the registrations of patents are fairly severe. The witnesses or experts who give false evidence before the Patent Office are punishable by imprisonment of one month to twelve months,

and a fine of 10s. to £10. Whoever counterfeits or imitates a patented object, or who knowingly makes use of or sells a counterfeited article is liable to an imprisonment of from fifteen days to three years, or to a fine of from 20s. to £50. All suits against the infringer of a patent must be brought by the owner of the patent, or by his representative in Japan. Every holder of a patent is bound to mark his invention plainly as so protected; neglect to do this in many cases divests the patentee of the right to punish infringers.

It is forbidden to register drawings or industrial models made in the form of the chrysanthemum, of the Imperial arms, or resembling it, or those which can harm public well-being or morals. The length of the protection accorded after registration is ten years. The fees in connection with such registration are 94s. for ten years, while from 7½d. to £3 is charged for copying the drawings to be registered. The punishments in connection with the registration of drawings and models are very similar to those in the case of patents and also of trade-marks.

From the subjects possible as trade-marks are excepted the Imperial chrysanthemum, the military flag, the insignia of the Imperial orders

or foreign flags. Anything likely to deceive the public, or to do harm to public morals, is also barred. The length of exclusive use of a trade-mark is twenty years, and this period may be renewed; trade-marks already registered in foreign countries benefit from the time of the protection of the first registration.

The representatives eligible to take the place of absent holders of inventions have to be registered and examined before they are allowed to represent anybody. Many people are prohibited from being representatives, and every precaution is taken to avoid any chance of fraud.

Numerous patents are taken out each year by Japanese people for their own inventions. Many of these are connected with the army. The Murata rifle was of Japanese invention and make. The new model which has superseded it was also invented in Japan. The quick-firer in use in the Japanese army was invented by a Japanese genius, and it is a remarkably good and serviceable weapon. There are many people who imagine that, while the Japanese can imitate anything and everything, they cannot originate or improve. This is an erroneous idea, and every year it is proved more and more so.

To take only three instances, which have been reported within the last few weeks, of inventions by Japanese people, we find that these comprise a new paint for ships' bottoms, a cigarette manufacturing machine, and a paint for military purposes. The first was invented, after ten years of experiment, by a Mr Chinzuro Shimizu, and enjoys the advantage over other such paints in that it resists the growth of weeds and shells upon the bottom of ships, even in the Pacific Ocean and China seas. This paint has had the benefit of Government trials.

The cigarette manufacturing machine seems very good, although not so likely of universal adoption as the ships' paint. A skilled worker can manufacture forty cigarettes in a minute by means of the apparatus. The maximum number of cigarettes that can be manufactured in the ordinary way is 1000 per day. By means of this apparatus the number ranges between 4800 and 9600 in eight hours. One set of this convenient apparatus costs about £1.

The military paint has been adopted by the authorities in the army, and will soon have quite replaced the old style of foreign paints. In connection with the weaving and spinning

industries, there are many inventions and improvements made every year, and many of them are patented.

Although it can hardly be classed as an invention, it is of interest to note that it was a Japanese doctor who first discovered the pest germ.

The business of invention is popular now, and in Kyoto there is a society to give advice to those engaged in inventing. The Paris Exhibition gave a great impetus to invention in Japan. But why should not the Japanese people discover and invent as well as the Americans or the English or the Germans? Is there anybody who can say that the art of invention shall be confined to one nation or two? In every people there are men of genius, and these will produce inventions or great works, whatever may be their nationality or standing. For instance, in Honolulu, at one of the sugar mills, I heard of a Japanese engineer who made drawings of practical improvements on a modern American pumping plant under his charge. Wherever genius is, there will be the works of genius. I am firmly convinced that Japan has as much genius latent in her population as has any nation. It may be said that the Japanese need to learn from

foreigners, but, granting that this is true, everybody in all nations has received that same education. Japan is on an equality with other nations in respect of genius, as well as in respect of power and influence.

# CHAPTER XI

## JAPAN'S MERCHANT SERVICE

THERE are few countries which one would expect to be interested in navigation more than Japan, her coast line is so great compared with her area, and there are so many good harbours in all parts of the country. The fisheries of Japan have always employed a large number of the inhabitants, and have caused the construction of boats from the earliest times.

In the early days Japanese junks visited and ravaged the coasts of Korea and of China much in the way the Vikings ravaged the English coasts. After the closing of the country, consequent upon the doings of the Jesuit priests, the construction of vessels capable of crossing the seas was strictly forbidden. Only small boats of a form suitable for working close to the land were constructed during the period of seclusion which ended with the coming of Perry. Before he arrived, however,

several English and Russian vessels touched at the northern part of the Empire, but they met with scant kindness, and were refused permission to land.

Even after the Restoration the shipping of Japan did not show any growth until 1877, and until 1884-85 the navigation did not include any voyages beyond those along the coasts of Japan. After that, however, the development of the merchant marine was very rapid, although in 1890 there were only 1450 vessels constructed after the European pattern, with a registered tonnage of 145,692 tons. After the war in 1894-95 development was still further accelerated, thanks largely to the promulgation in 1896 of the navigation encouragement subsidy law and the shipbuilding encouragement subsidy law.

Soon after these laws went into force, steamer service was instituted to Europe, America and Australia, and now the Japanese merchant marine offers two routes to America, one each to England, Australia and Russia, two routes to Korea and thirteen to China. The services are all maintained by modern vessels, many of them over 6000 tons in burden, and as comfortable as the liners of any other nationality.

The merchant marine has increased very rapidly—in 1877 there were 258 vessels in European style, with a tonnage of 62,753 tons; in 1887 the figures had mounted to 1284 vessels of 133,297 tons, and in 1898 there were 3044 vessels of 455,492 tons; in August 1900, the tonnage (gross) of sailing vessels (foreign style) was 300,839, and of steamers 517,407—the net tonnage of all sea-going vessels at that date being 601,844 tons.

Since the war with China the growth of shipping has been very marked, as may be seen by the following table:—

| | Steamers. | | Sailing Vessels. | | Total. | |
|---|---|---|---|---|---|---|
| | No. | Tons net. | No. | Tons net. | No. | Tons net. |
| 1895 | 827 | 213,221 | 702 | 41,471 | 1529 | 254,692 |
| 1896 | 899 | 233,941 | 644 | 41,445 | 1543 | 275,386 |
| 1897 | 1032 | 438,779 | 715 | 48,130 | 1747 | 318,636 |
| 1898 | 1130 | 295,544 | 1914 | 159,948 | 3044 | 455,492 |
| 1899 | 1221 | 315,168 | 3322 | 269,032 | 4543 | 584,200 |

In 1899 the Government adopted the policy of improving the services on the principal lines, and at the same time putting a limit on the amount of subsidies granted. It has been decided to grant subsidies for ten years (1900-1909) on the European line and two American lines, the boats on these services having to keep up a fixed time from port to port.

# Japan's Merchant Service

The total sum devoted to marine enterprises in the Budget of 1901 was 6,877,952 yen (£690,000). Of this sum 228,161 yen was devoted to subsidies for the encouragement of the local services, 797,766 yen for the encouragement of navigation funds, and 5,544,775 yen for the navigation extension funds. Only 277,250 yen is devoted to the encouragement of shipbuilding, and 30,000 yen to the education of sailors and life-saving funds. Thus it is evident that the Government is principally anxious to extend its navigation as much as possible, and is prepared to pay quite heavily for this object. The great increase of the merchant service of Japan is largely due to this Government action, which encouraged enterprise where perhaps individual effort would not have ventured.

There are two great shipping companies in Japan, of which the Nippon Yusen Kaisha is by far the largest. This company is one of the largest in the world, having on June 1, 1901, sixty-seven vessels, with a tonnage of 212,583 tons. Besides these the company has five steamers under construction, several of which are to be over 6000 tons. The other company is the Osaka Shosen Kaisha, which has, however, no services beyond Eastern waters.

The Nippon Yusen Kaisha, or Japan Mail Steamship Company, is in a most flourishing condition, and pays very good dividends. The paid up capital is 22,000,000 yen, and all the shares are owned by Japanese people. This is necessary for any company receiving subsidies from the Government. Of the fleet of sixty-seven steamers running under the Nippon Yusen flag, there are fifteen of over 6000 tons, nine of over 3000, two of over 4000, seventeen of over 2000 and twenty of over 1000 tons. Of the new ships the largest ones are running between Japan and Europe and America.

The chief lines operated by the company comprise the following:—

European Line, fortnightly, between Yokohama and Antwerp and London, *via* Japan, China and Straits ports.

American Line, fortnightly from Hong-Kong to Seattle, *via* Shanghai and Japan ports.

Australian Line, monthly, Yokohama to Melbourne, *via* Japan ports, Hong-Kong, Manila, and Australian east coast ports.

Bombay Line, four weekly, touching Hong-Kong and Singapore.

Besides these main line services there are many local and coasting routes on which com-

munication is regularly maintained, comprising those between Yokohama and Shanghai, Kobe-Vladivostok, Shanghai, Tientsin Line, Kobe-Korea-North China Line, Kobe-North China Line, besides frequent services between the ports of Japan and to Formosa.

Thus it will be seen that the company covers almost the whole world, and yet is extending all the time. The directors are now considering the advisability of running a line of steamers between Japan and New York. The Nippon Yusen Kaisha's boats have a total carrying capacity of 1218 first-class passengers, 711 second-class, and 10,016 third-class passengers. Thus it will be seen that they do not rely upon passenger traffic to any great extent, although they make every provision for it. The amount of cargo handled by the company in 1899 was over 1,800,000 tons. This was a decrease from the year 1897, when the total was almost 1,900,000 tons. Thus it is by the freights carried that the company is able to make successful announcements to the shareholders each year. It must be remembered also that the Japanese steamers plying between Japan and European or American ports have to combat a very serious disadvantage. This is

that nearly the whole of the export trade of Japan is in the hands of foreigners, who naturally have a leaning toward the employment of their own nation's vessels. Thus the British and German steamers benefit from an increased Japanese trade rather than the Japanese steamers themselves.

The Government pays the Nippon Yusen Kaisha large subsidies on its various lines, but it also demands many terms as to the size of the boats, their speed and so on. These subsidies have not been wasted when it is considered that the sixty-nine steamers and sailing vessels, aggregating 68,996 tons, and valued at 7,726,000 yen, owned by the company in 1886, have developed into sixty-seven steamers of 204,713 tons, valued at 20,934,000 yen. The regular services of the company now cover nearly 50,000 leagues, as compared with 9400 leagues in 1886.

There is also the Toyo Kisen Kaisha, whose fleet of three steamers of 6000 tons ply between Hong-Kong and San Francisco. Although at present this line is not very large, it has a very firm hold upon the Pacific carrying trade. Many passengers from San Francisco prefer these new Japanese steamers to the old American and English ones of the

other two lines. They are certainly far more speedy, more comfortable and more safe. It is, indeed, worthy of note that the supremacy of the carrying trade between America and the East should be held by a Japanese company.

Most of the Japanese mail steamers plying to European or American ports have European or American captains. A change has been made recently, however, when a Japanese captain was appointed to one of the Nippon Yusen Kaisha's American steamers. The European captains on the Indian service have been replaced by Japanese officers.

While there is small difficulty in obtaining sufficient sailors as crews there is greater in finding competent captains at present. In 1900 there were 361 Japanese holding first-grade certificates as masters, 157 mates, 191 as second mates; in the second-grade there were 319 masters, 480 mates and 1599 second mates; while in the third grade there were 3166 masters and 8804 mates. The engineers are divided in four classes, there being 268 first, 473 second, 415 third and 1206 fourth class. Thus there were in 1900 14,338 Japanese qualified to fill their respective positions in the Japanese marine. As there were at the same time only some 200

foreigners qualified in the same way, it would seem evident that the Japanese merchant service can almost stand alone.

Most of the modern steamers in the Japanese merchant service have been built abroad, mainly in England. Now, however, the Nagasaki shipbuilding yard can construct ships of 6000 tons. There are other yards capable of turning out smaller vessels. The Government has tried to encourage home shipbuilding by enacting that upon foreign-built vessels the subsidies shall be reduced one half.

At the present time Japan is in a position to handle almost the whole of her carrying trade and all her export trade. The proportion of the carrying trade which has fallen to Japanese ships has increased very much since 1895. The figures are as follows:

| | 1895, yen. | 1899, yen. |
|---|---|---|
| Total trade . . . | 258,031,609 | 428,243,816 |
| Trade carried in Japanese ships | 7,786,310 | 139,437,852 |

This increase is out of all proportion to that of any other nation. The figures for American ships in 1895 were 16,183,077 yen, and in 1899 they had sunk to 15,525,360 yen. The carrying trade which fell to British ships increased from 162,160,250 yen in 1895 to 186,124,831 yen in 1899.

# Japan's Merchant Service

If the development of the Japanese marine continues we may soon see all the carrying trade with Japan borne in Japanese vessels. An increase of twentyfold in five years is marvellous, and yet it is only in keeping with the general progress of Japan.

TONNAGE OF STEAM VESSELS ENTERED AT JAPANESE PORTS FROM FOREIGN COUNTRIES.

| | 1895. | | 1899. | | 1900. | |
|---|---|---|---|---|---|---|
| | No. | Tons. | No. | Tons. | No. | Tons. |
| Japanese | 126 | 93,505 | 1044 | 1,236,334 | 2645 | 3,363,657 |
| British | 907 | 1,741,894 | 573 | 1,225,982 | 1542 | 3,739,154 |
| French | 29 | 61,330 | 28 | 59,627 | 135 | 294,657 |
| German | 365 | 333,388 | 174 | 252,199 | 392 | 1,030,768 |
| American | 34 | 83,087 | 80 | 169,065 | 135 | 311,180 |
| Russian | 66 | 85,515 | 166 | 274,093 | 196 | 356,573 |
| Norwegian | 238 | 235,703 | 105 | 135,145 | 165 | 268,969 |
| Chinese | —— | —— | 21 | 22,887 | 6 | 6,262 |
| Austrian | 22 | 55,844 | 20 | 46,671 | 71 | 172,626 |
| Others | 76 | 59,573 | 29 | 17,663 | 43 | 62,906 |
| Totals | 1863 | 2,749,839 | 2240 | 3,439,666 | 5330 | 9,606,752 |

From these figures it will be seen that Japan has been steadily increasing her merchant marine; the proportion between 1895 and 1900 are most amazing.

| | 1895. | | 1899. | | 1900. | |
|---|---|---|---|---|---|---|
| | No. | Tons. | No. | Tons. | No. | Tons. |
| Japanese Steamers | 126 | 93,505 | 1044 | 1,236,334 | 2645 | 3,363,657 |
| All other Nations | 1637 | 2,656,334 | 1196 | 2,197,332 | 2675 | 5,243,095 |

NOTE.—Prior to 1899, in case one foreign vessel entered at one or more ports, her tonnage was measured once only, but in 1900 the measurement was repeated at every entry.

# CHAPTER XII

## JAPAN'S FINANCIAL CONDITION

THE impression seems general that there is no stability in the finances of the Japanese Empire, and that, in 1901, Japan was hovering on the brink of bankruptcy. This idea has had its source in the incorrect statements and cables which were published at intervals from Japan in the world's press. Thus, one cablegram related last year that "twenty banks have closed their doors, and there is a financial panic." This was quite true, but the cable failed to state that the twenty banks were all small concerns without many dealings outside their own locality, and that the financial panic was also limited almost entirely to one neighbourhood.

I have talked over the subject of Japan's finances thoroughly with six of the leading authorities of Japan. These are Count Matsukata, Count Inouye, Count Okuma, all former Ministers of Finance, besides having filled other

of the highest posts in the State; Mr Sakatani, Vice-Minister of Finance, who has prepared the Budgets of the Empire now for seventeen years; Baron Shibusawa, the leading authority in commercial, financial and industrial lines in Japan; and Mr Yamamoto, Governor of the Bank of Japan.

In the years before the Restoration the finances of the country were managed locally by each feudal chief or daimio. The standard of currency was rice, and everthing was valued at so many kokus of rice, if it were at all possible. There was also a copper currency, which was used for the payment of dues upon land, etc., incapable of producing rice—thus forest lands had to be valued in copper currency. These feudal lords also issued paper money, which had a certain rice value when issued, but values were much depreciated. Even when the Emperor came to his full power this state of things continued for some time, causing much confusion in the finances of the Empire. It must be remembered, also, that all the leaders of the new Government had been trained as soldiers, and consequently their ideas on economic questions were not so accurate as on military subjects. Another cause of confusion was the fact that all the

departments of the Government were becoming modernised, and therefore had regular expenditures. To meet these there was only an uncertain revenue, collected in varying ways in the various parts of the country. Also, the value of rice being unstable, the amount of revenue was always uncertain.

It was decided to abolish the feudal system, and this was done in the third year of the new era. The Government took over the feudal lands and centralised the system of paper moneys. This was a step in the right direction, but the expenditure still became more and more definite, while the revenues remained uncertain. The too rapid and pell-mell development of the various branches of the Government necessitated the issue of much more paper money, and the value of 1 yen in silver rose to 1 yen 80 sen in paper money. The military heads of State and the Finance Ministers having a difference of opinion about the financial administration, the latter resigned. The Satsuma rebellion in the south of the Empire under the leadership of Saigo, forced the depreciation of paper money still lower, and it was seen that it was necessary to appoint some time for the transformation of all paper money into convertible notes. This work caused the final

calling in of the irredeemable paper money, and the issue of redeemable notes was accomplished January 1, 1886, under Count Matsukata, who was Minister of Finance. The Europeanising of the country still proceeded pell-mell, and the expenses of Government were considerable, as it was frequently not possible to adopt the most economical channels of development owing to the haste to develop.

In 1894-95 came the war with China, and it must be admitted that the action of the army and navy made this a very victorious war. The indemnity of 350,000,000 yen (about £35,000,000) was also a proof of success. This huge sum, however, produced such effects as almost to make a victorious war ruinous to the country. Up to this time it had never been necessary to use hundreds of millions in the calculations of Japanese finances, the total revenue being only about 80,000,000 yen (about £8,000,000). Thus the receiving of so great a sum produced a hitherto unknown feeling of riches and prosperity. The expansion of Government and individual enterprises was enormous, and resulted in the most part of the money leaving the country in exchange for articles of foreign manufacture.

Count Inouye was in Berlin directly after

the Franco-German War, and is thus able to contrast the effect of the payments of the indemnities in Japan and in Germany very well. He found that there was a great difference in that the inflow of money in Germany produced industrial enterprises, tending to develop the natural resources of the country, whereas in Japan the industrial enterprises which have sprung up have as yet principally tended to develop and utilise the natural resources of other countries instead of those of Japan. Thus, while in both cases the money received as indemnity soon left the country, in Germany its results were more satisfactory than in Japan. This is largely due to the fact that owing to the lack of tariff autonomy, as arranged for by the foreign Powers in the revised treaty, Japan cannot protect her industries by protective duties should she wish to do so.

October 1, 1897, the gold standard was adopted in Japan, mainly through the efforts of Count Matsukata. He became Minister of Finance in 1881, and remained in practical control of financial affairs until 1899. His recapitulation of the coinage history of modern Japan is most interesting.

"There are four periods in the coinage

IN THE GOVERNMENT PRINTING OFFICE, TOKYO. GIRLS EXAMINING AND NUMBERING BANKNOTES.

[*To face p.* 126.

history of Japan, The first period extends from 1868 (the first year of Meiji) to 1871, in which the beginning was made of the establishment of the new currency system by the promulgation of the new coinage regulations of 1871. The main effort of the Finance Ministers of those days was directed to the adjustment of the disordered condition of the finance and coinage, created by the revolutionary state of affairs at the close of the Shogunate *régime*. The second period extends from 1872 to 1879. This period is marked by the founding of the Government mint and the issue of new coinage, but more marked for enormous issues of inconvertible paper money, which brought about all the evils of inflation.

"The third period extends from 1880 to 1885, in which the efforts of the Government were directed to replacing the inconvertible paper money with convertible notes, which prepared the way for the final inauguration of the gold standard system, though for a time it resulted in the establishment of a *de facto* silver system.

"The fourth period extended from 1886 to 1898, in which the silver standard was changed into a gold monometallic system. It will be noted that the first, second and third periods

are marked by efforts directed to the adjustment of the coinage system in view of the condition of things in Japan, while the fourth period is marked by the attempt to adapt the national coinage system to the condition of things abroad—these conditions of things being chiefly characterised by sudden and great fluctuations in the price of silver, endangering the safe economic growth of our country."

Of the industrial and commercial enterprises entered into with precipitate haste, it is of interest to quote Baron Shibusawa's views upon the national characteristics which produce the real difficulties of economic growth in Japan. He says :—

"There are four points in the Japanese character which make it hard for the people to achieve business success. These are, first, impulsiveness, which causes them to be most enthusiastic during successful and prosperous movements, and progressive even to rashness; secondly, lack of perseverance, which causes too easy discouragement when economic conditions are not so easy—a characteristic which causes many of the failures of which the world hears so much, as the heads of enterprises sometimes prefer to close their doors during the trouble rather than struggle with the diffi-

culties; thirdly, disinclination for union; and, fourthly, dislike for credit, that which is so much a necessity of modern economic existence. These four characteristics are always to be met with in a more or less degree in Japanese business men."

It is of interest to learn how the present financial department is arranged, and in what relation it stands to the other branches of the Government.

The Budget is prepared in the Account Bureau, the various estimates being sent in from the different departments. The Budget is then sent to the Cabinet for approval, and then to receive the Emperor's sanction, returning to the Cabinet to be presented to the Parliament. After receiving the sanction of this latter, the Budget returns to the Account Bureau. Directions are then given to the Tax Bureau to collect the revenue as arranged for, and orders are given to the Cash Office to pay the certain sums to the different departments. At the close of the year the definite accounts of the revenue and expenditure come from the departments to the Account Bureau and are arranged. This total definite account then goes to the Cabinet, and is thence sent to the Audit Bureau for examinations. When passed

by this it returns to the Cabinet and is submitted to Parliament. When new expenditure is necessary the Account Bureau has to decide how it is to be met. In fact, this bureau is the centre of the whole system of Government finance.

Mr Yamamoto, remarking upon the circumstances which were all combined to depress the financial situation last year and in 1900 says :—

"The appreciation of prices and the activity of the import trade continued undiminished when the year 1901 began. On the other hand, the export trade experienced a gradual and marked decline on account of the decreased demand in European and American markets for our silk, habutaye and other important commodities. The inevitable result of this one-sided trade was an outflow of a considerable amount of specie month after month, and there began to be felt in the market a growing scarcity of capital. This state of things manifested itself in various ways; it caused banking establishments to raise their rates of interest; it led to immobility of merchandise, to the depression of price in stocks and market. The stress of the situation was felt by almost all import and export merchants who had any large stock of goods on hand,

and particularly keenly by the dealers in cotton and cotton yarns, the price of which experienced violent fluctuations. Such was the economic conditions of the country at the close of the first half of the Chinese trouble, and the subsequent despatch of troops to China led to an increased stringency in the money market, in anticipation of the probable future demand of money for military purposes. The result of the increased tightness of the market was noticed in the failure of some mercantile houses and the troubles among some banking institutions. The present Chinese complications cannot, of course, be compared to the war of 1894-95 in the degree of the disturbance caused in the financial and economic conditions of the country. Still it has injuriously affected in no small degree the interest of a section of our business community which is directly interested with our export trade with China, thereby aggravating the general unfavourable balance of trade. This injurious effect of the Chinese affair was rendered still worse by increasing that tendency of the abnormal distribution of capital under which the country has been suffering for many years, which, while it intensified the scarcity of capital for industrial and commercial purposes, fed the sources of

general consumption and maintained the upward tendency of prices. We are arrived at an important stage in the financial and economic history of the country. That store of money made up of the war indemnity and the proceeds of national loans, by which the country had been conducting various undertakings since the late war with China, has been nearly exhausted, while not a small number of important undertakings remain yet to be taken in hand both by the Government and by private individuals." But the result of Japan's foreign trade is now such that a speedy return of specie to that country can be expected, though it takes time to find a way of supplying an adequate amount of capital for her commerce and industry.

The opinion is now general among the statesmen of Japan that if foreign capital is to be encouraged to flow into Japan it is necessary to amend the law relating to ownership of land. At present no foreigner may buy Japanese land, but the restriction is made more nominally than actually a bar to the introduction of foreign capital. Baron Shibusawa wishes to introduce a system of trusteeship to encourage foreign investments and investors. His idea is to make it possible for a Japanese capitalist or

group of capitalists to make themselves personally responsible for foreign money invested. By this means any failure of Japanese investments would fall upon the Japanese guarantors, not upon the foreign investors. By this step more confidence would be felt as to the stability of Japanese finance and more benefit would follow the inflow of foreign capital.

With reference to the result of the Chinese War upon the Government, Count Matsukata, who still practically controls the financial policy of the Government, although not actively participating in the Cabinet, says: "The results of the Chino-Japanese War of 1894-95 made it necessary for the Government to undertake so many new enterprises that the annual expenditures, which used to be about 80,000,000 yen, rose suddenly to the sum of 200,000,000 yen in the Budget of 1896-97, and kept on increasing still further until for 1901-02 it stands at 275,928,645 yen. An increase so sudden and so large completely revolutionised the financial situation of the country. In drawing up the *post-bellum* financial measures it has been the policy of the Government to aim at bringing about the economic growth of the country along with the financial, as the only policy destined to produce a lasting result." For this

reason, while on the one hand the Government resorted to the increased taxation and to the public loan in order to obtain the increased revenue which was needed to meet a greatly-expanded Budget, on the other hand the coinage system was revised, and the organs of monetary circulation were expanded, and other measures taken with the view to the industrial growth of the country.

Referring to the increased taxation in recent years, Mr Sakatani gave me the following figures of the *per capita* rate of taxation, which tend to show that the individual is by no means heavily taxed in Japan as yet. The average rate per individual is 5.10 yen (9s.), which is made up of 3.65 yen (7s. 7d.) national taxes, 79 sen (9d.) prefectural taxes, and 66 sen (7d.) municipal taxes. Thus it will be seen that as yet the taxation is by no means excessive. The indebtedness of the nation is also not excessive, the national, prefectural and municipal debts averaging 12.11 yen (24s.) a head. When a Government can even contemplate the reduction of taxation it can hardly be called in financial straits. It is true that it was found impossible to raise advantageously one or more loans which were contemplated, but there has been no question

of financial difficulty for the Government to face.

So far from being in financial difficulties, the Government expect during 1902 to pay off several million yen of the National Debt. The new year sees Japan's trade vigorous again, the exports greater than the imports, and a steady stream of gold pouring into the country. In the last six months the gold reserve of the Nippon Ginko (Bank of Japan) has increased by over £1,000,000. The hard times of 1900-01 are passed, and the financial future is of the brightest for Japan.

# CHAPTER XIII

## JAPAN AND FOREIGN CAPITAL

An important step with regard to the introduction of foreign capital into Japan was taken a short time ago, when a Special Commission founded a new bank called the Credit Mobilier[1] (Nippon Kogio Ginko). This Commission, which was presided over by Mr Sakatani, already for many years practically the permanent director of Government Budget in Japan, seems to have really brought into being a very workable and useful organisation. The general sentiment among financial circles in Japan is favourable to the introduction of foreign capital, and, although it it is considered essential that the vital national interests shall be safeguarded and run no danger of being swamped by foreign influence, the same spirit which has in the past caused Japan to rely almost solely on internal loans for her marvellous development actuates

[1] *N.B.*—The capital of this bank was over-subscribed three times.

her still, and it is a sentiment for which no one can blame her.

The Japanese Government feels that the position of monetary affairs in Japan has improved so much since last year, that a movement towards the introduction of foreign capital cannot be regarded, however remotely, as a demand for charity. In the last six months the gold reserve of the Bank of Japan has increased by 10,000,000 yen, and the export trade is most flourishing. In 1902 the Government, so far from seeming embarrassed for money, expect to cut down the public debt by several million yen. Thus the financial condition is such that there can be no mistaking the fact that any foreign capital asked for is wanted for the legitimate expansion and development of Japan's resources and for no other reason.

From Mr Sakatani I have received the English translation of the laws of the company, and also a brief summing-up of its objects. "The capital of the bank is 10,000,000 yen, and its chief aim is to introduce foreign capital into Japan, and for this purpose the Government, in order to assure foreign capitalists of the absolute substantiality of the undertaking, controls the

workings of the bank and guarantees the annual dividend of 5 per cent. for its capital during five years."

The Appendix of the Law (Arts. 29 to 32) deals with the appointing of the Commission over which Mr Sakatani has presided with such success :—

Art. 29. The Government shall appoint a Commission for the transaction of all business connected with the establishment of the Nippon Kogio Ginko.

Art. 30. The Commission for the establishment of the Nippon Kogio Ginko shall make a draft of the by-laws, shall secure the sanction of the Government for the same, and shall then invite subscriptions.

Art. 31. When the said Commission has secured a sufficient number of subscribers, it shall present to the Government the subscription certificates and ask for sanction for the establishment of the bank.

When the said sanction is secured, the Commission shall require, without delay, the payment of the first instalments of the subscribers.

Art. 32. At the conclusion of the shareholders' general meeting for the establishment of the bank, the Commission for the establishment of the Nippon Kogio Ginko

shall transfer its business to the president of the bank.

The law defines very straightly the Government control of the bank and the limitation of its lines of business that I cannot do better than give its first twenty-six articles complete as I received them. The Articles 27 and 28 deal with the punishment of the officials of the bank, and it is of interest to note that special provision is made for the punishment of any infringement of Article 8 prohibiting the officers from engaging "under any name whatsoever in any other profession or business."

I give here Articles 1 to 25 of the law of the bank :—

Art. 1. The Nippon Kogio Ginko shall be constituted a joint-stock company, and have its chief offices in Tokyo.

Art. 2. The capital of the Nippon Kogio Ginko shall be 10,000,000 yen; this amount may be increased with the sanction of the Government.

Art 3. The amount of each share of the Nippon Kogio Ginko shall be 100 yen.

Art. 4. The term of business of the Nippon Kogio Ginko shall be fifty years; the term may be extended with the sanction of the Government.

Art. 5. The Nippon Kogio Ginko shall be presided over by one president, four or more directors, and three or more auditors.

Art. 6. The president shall represent the Nippon Kokio Ginko. The president and the directors shall, in accordance with the by-laws, superintend the business of the Nippon Kogio Ginko. The auditors shall oversee the business of the Nippon Kogio Ginko.

Art. 7. The president shall be appointed by the Government from among such shareholders as hold 100 or more shares each. The term of office of the president shall be five years.

The directors shall be appointed by the Government from among candidates elected at the shareholders' general meeting from among such shareholders as own fifty or more shares each—the number of said candidates being twice that of the directors to be appointed; the term of office of a director shall be three years.

The auditors shall be appointed by election at the shareholders' general meeting from among such shareholders as own thirty or more shares each; the term of office of an auditor shall be two years.

Art. 8. The president and directors may

not engage, under any name whatsoever, in any other profession or business.

Art. 9. The business of the Nippon Kogio Ginko shall be as follows :—

(1.) To make advances in loans on the security of national loan bonds or the debentures local loan bonds, or the debentures and shares of companies.

(2.) To subscribe for, or to take over by transference, national loan bonds, local loan bonds, or the debentures of companies.

(3.) To receive deposits of money and keep custody of goods entrusted for safe keeping.

(4.) To undertake a trust business in relation to local loan bonds and the debentures and shares of companies.

Art. 10. The Nippon Kogio Ginko may purchase national loan bonds, local loan bonds, or the debentures of companies whenever there is a surplus of its funds.

Art. 11. The Nippon Kogio Ginko may not engage in any line of business not mentioned in this law.

Art. 12. The Nippon Kogio Ginko may issue debentures, whose maximum limit shall be five times the amount of the bank's paid-up capital; such loans shall never exceed the total amount of money the bank has actually

loaned out at the time, together with the market value of the local loan bonds and the debentures of companies in its possession.

Art. 13. The debentures issued shall be of the face value of 50 yen or more and unregistered; they may, however, be changed into registered debentures at the request of subscribers or owners.

Art. 14. When the Nippon Kogio Ginko desires to issue debentures it must receive the permission of the Minister of Finance; in case the debentures are to be issued in foreign countries, the necessary regulations shall be further determined by law.

Art. 15. The interest on the debentures of the Nippon Kogio Ginko shall be paid twice a year or oftener, and the principal shall be redeemed by lot within the space of thirty years.

Art. 16. In case the Nippon Kogio Ginko desires to issue debentures at a lower rate of interest, in order to replace those already issued, the bank may not necessarily be bound by the limitations of Article 12.

When new debentures at a lower rate of interest are issued, the bank shall redeem within the space of three months, by lot, old debentures equal in face value to the amount of the new debentures.

Art. 17. The Nippon Kogio Ginko shall put aside, at the end of each business year, 8 per cent. or more of its profit as a reserve for making up any deficit in its capital, and 2 per cent. or more of its profit for maintaining an even rate of dividends.

Art. 18. The Government shall control the business of the Nippon Kogio Ginko.

Art. 19. The Nippon Kogio Ginko, when it proposes to make alterations in its by-laws, shall secure the sanction of the Minister of Finance.

Art. 20. The Nippon Kogio Ginko, when it proposes to open branch offices or agencies, shall secure the sanction of the Minister of Finance.

Art. 21. The Nippon Kogio Ginko, when it proposes to declare a dividend, shall secure the sanction of the Minister of Finance.

Art. 22. The Minister of Finance may stop any acts of the Nippon Kogio Ginko in the course of its business management when such acts are regarded as either contrary to laws, orders, or by-laws, or injurious to the public good.

Art. 23. The Nippon Kogio Ginko, in obedience to the Minister of Finance, shall present reports relating to the condition of

its business, together with its financial accounts.

Art. 24. The Minister of Finance shall appoint comptrollers to inspect the business management of the Nippon Kogio Ginko.

Art. 25. The comptrollers of the Nippon Kogio Ginko may examine at any time the vault for cash, the vault for instruments of credit, the books, and all kind of documents of the Nippon Kogio Ginko.

The comptrollers of the Nippon Kogio Ginko may attend the shareholders' general meeting, or any other meetings of the bank, and make addresses at the same.

Art. 26. If the dividend to be declared for any business year of the Nippon Kogio Ginko does not equal the rate of 5 per cent. a year, the Government shall give a subsidy in order to make up the deficiency during the five years reckoned from the last day of the initial period of the bank's establishment. The amount of the said subsidy shall in no case exceed 5 per cent. of the paid-up portion of the capital.

GENERAL KODAMA, MINISTER OF WAR.

[*To face p.* 145.

## CHAPTER XIV

### JAPAN'S MILITARY STRENGTH

FROM the earliest times the Japanese have been a military people, and under the feudal system (which was done away with early in the new era, about 1872) the great majority of the male population was interested in war. The spirit of fighting was very strong in the hearts of the people, and it is one of the most marvellous changes introduced into the country that it was possible to enforce the law prohibiting the carrying of swords in the street. To this day, however, numbers of the Japanese people in high life and in low carry a short sword continually. Thus the old spirit of the warrior is still smouldering under the new conditions, though such a spirit is of course perfectly consistent with the ideas of modern civilisation. Many conversations with Marquis Yamagata gave me a most interesting insight into the growth of the present army in Japan,

and, as he founded that army, his opinions and views have much weight.

Under the feudal system there were numbers of "shidzoku," or fighting men, retained by the feudal lords. After the restoration of the Emperor to power these armed men still remained, and might have constituted a powerful army, except that they were divided into different clans or parties and that there was no organisation. When the feudal system was abolished there were 400,000 families of "shidzoku" in the country, or about 2,000,000 fighting men. It was determined to introduce a system of conscription into the country, and it aggregated some 200,000 men. It was impossible to raise more men owing to the question of expense and the lack of Government funds. It is interesting to know that a system of conscription had been in force in Japan about one thousand years ago, but had lapsed with the coming of the feudal system.

There was much discontent among the "shidzoku," or professional soldiers, at the idea that peasants, artisans and merchants should fight side by side with them, and this idea also caused much doubt to be entertained as to the efficacy of the new system. The "shidzoku" felt that they had suffered degradation, and

many of them refused to enter the army. To compensate these men, who had lost their means of livelihood by the doing away of the feudal system, the Government issued paper money to the value of 200,000,000 yen, and awarded various sums to those "shidzoku" who had no means of supporting themselves. The rebellion in the South, under Saigo, in 1877, was a crucial time in the history of the new army, because the rebels were principally of the "samurai" class, that is, "shidzoku," and the Government army was composed of the new conscripts, who were not so accustomed to war or so self-reliant. However, organisation and discipline prevailed, and the rebellion was crushed. The outbreak of hostilities in China in 1895 caused some further uneasiness as to the ability of the army, but there followed only another vindication of the efficacy of the system as introduced into Japan.

In the early days of the army organisation, French officers were employed, but later these were changed for German officers. It was found, however, difficult to ensure to the Japanese officers sufficient training. It is also very difficult for Japan to keep pace with the development of modern science as applied to

weapons of destruction. The soldiers have to learn to use complicated weapons, and in about six months these are out of date and must be replaced by more modern arms. The Japanese army has been most successful in all its enterprises since its inauguration, and after the Chinese War of 1895 its strength was doubled, becoming twelve army corps, with 500,000 men. The value of having so strong and well-organised an army in the Far East as an ally of Great Britain cannot be over-estimated.

This brief description of the growth of the army helps us to understand its present condition and standing. That improvement of an organisation which compared so brilliantly with the Allies of the world in the recent Boxer troubles is still contemplated proves much for the height of Japan's ideals. According to the conscription law, all Japanese males between seventeen and forty years of age are liable to duty, either in the army or the navy. The conscripts are divided among the various branches of the service, according to physique, occupation, etc. The conscripts serve a period of twelve years and four months, which is divided into actual service and reserves. The former period consists of the first three years after entering the army, during which the con-

scripts remain in barracks, and of the following four years and four months, when those who have completed their active service are liable to be called upon to serve again. During the last five years those who have served during the two previous periods are liable to be called upon for active service. Generally, however, it may be said that the length of active service is three years. The age of conscription is twenty years. At present only a very small percentage of the available men are called out every year. Marquis Yamagata told me that in 1897, out of 350,000 available for conscription, only 20,000 men were taken. Thus it would appear that, whenever the funds of the Government will permit, there is ample material for a great enlargement of the army.

To the popular idea, the army is far more attractive than the navy, and the Japanese would all rather be soldiers than be sailors if the choice were allowed them. In explanation of this, Count Inouye says there are several reasons. First, that from olden times the profession of sailor was looked down upon, whereas it was the honoured occupation of many of the people to be soldiers. Then again, the sailors have to go away from their homes for long periods of time, while the soldier very seldom

has to go far from his home. Also, the soldier uniform is more gay, and he has more chance of displaying himself and of being a fine bird before the eyes of his world than the sailor has. Again, curious as it may seem, the Japanese have not that love of sea life usual to island people. All these together combine to make the army the favourite service—a strange state of affairs in a country where there are less than 162,000 square miles of area to 17,836 miles of coast.

The most noticeable thing about the Japanese soldier is not connected with his actual military duties, though they perform these very thoroughly, but rather the excellence of their conduct when off duty. They may be seen in numbers in the streets walking along decorously, with happy, smiling faces, frequently two and two, holding each other's hands like little children. They never seem to be noisy or intoxicated even on the most festive and demoralising occasions. The instance may be cited of one of the two festivals which are known as soldiers' days, upon which all soldiers have holiday.

I had occasion to take a long drive through the most soldier-frequented quarter of the city of Tokyo, and returned late to my home

in Aoyama — which district, containing the Aoyama palace, lies in the centre of a series of barracks—yet all the way I never saw a disorderly soldier or any drunken man. It is much more customary to see the Japanese soldiers sitting talking to acquaintances and drinking tea at the side of the street, or else looking over books in the book stores, than to find them in wine-houses, or even beer-halls. It is true that they receive only a few pence from the Government when they have a holiday, but as in almost all instances they are supplied with money by their parents or families, it is not because of lack of funds that they do not become intoxicated. This feature of the Japanese army contrasts very markedly with the conduct of foreign troops in Nagasaki when the transports come to that port to coal. For instance, there has scarcely ever been an American transport in Nagasaki harbour without serious trouble arising between the troops and the Japanese police. I take the instance of the American transports, because the feeling toward America is so good and so kindly as to preclude any desire for trouble unnecessarily, such as might be the case were the soldiers of a different nationality.

The training of the Japanese soldiers is very

thorough, it being estimated that, except for the cavalry, a soldier should be fit to be sent to fight at the end of four months' service in barracks. The captain of the company has the responsibility of the teaching of the soldier, and the ordinary duties must be taught completely within the first year. The exercises through which the infantry are put include gymnastics and bayonet-fighting, not always according to rule, but as it would most naturally occur in warfare. Then again, soldiers may be seen in the parade grounds being trained in jumping ditches and climbing earthworks, while the art of taking cover is well elaborated. The Japanese army marches entirely to the bugle, and there is only one band for each army division. Thus there is much less music connected with the army than is the custom with those of many of the other nations. The officers' training is very complete, although there are many Japanese authorities who feel it is not sufficiently so for modern requirements. After passing through the local lower military schools, the Central Lower Military School, and the Officers' Military School, the officers take up the special studies necessary for whatever branch they may have entered. In addition to these special schools, there is a higher

military education to be had for staff officers in the University of the Army.

The Emperor is the head of the army, and it is his superintendence which obviates any friction between the different heads of departments. Of these departments there are four—Military Organisation, Military Training, Military Intelligence, and Military Work. The Minister of War is virtually the Commander-in-Chief, and must always have the rank of a general. Under him comes the Chief of Staff, who is appointed by the Emperor directly, and who is responsible for the *personnel* of the army, the staff, the military university, and the land survey.

When necessary, the Emperor calls together in consultation the Minister of War, the Chief of Staff and the chief superintendents of the various departments.

The guns for the army are made chiefly at the factory at Osaka; a special type of quick-firer has been invented there, and generally the guns turned out are excellent. The rifles are made in the factory in Tokyo, and are also of Japanese design. This factory turns out some 400 rifles, complete with bayonets, and 250,000 rounds of ammunition in a day. Here are also manufactured shell and shot for the guns, and many various parts of military equipment. The

horses are partly specially bred, and partly purchased, there being special officers in charge of this department. The army medical service is very well organised, and did very good work in the war of 1895 and the recent Chinese troubles. On each of these occasions much assistance has been rendered by the Japanese Red Cross Society, which is a large and well-organised institution.

The table opposite gives the strength of the present army on a peace and on a war footing.

This gives a total peace footing of 183,000 officers and men, and a war footing of 526,000 officers and men, excluding transport and only taking combatants.

The estimates for the army expenditure in the Budget of 1901-02 are approximately £4,000,000 for ordinary expenditure, and about £1,150,000 for extraordinary. This gives an average expenditure per head of the Japanese population of 1.13 yen (2s. 4d.) per annum. The expedition to North China demonstrated very clearly the excellence of the Japanese transport and field telegraph system, while the fighting qualities of all branches of the army were proved to be very good. The lessons of this expedition and of the South African War, which was watched by Captain Hiraoka on behalf

| Class. | Commanding Officers. | | Petty Officers. | | Rank. | | Transport. | |
|---|---|---|---|---|---|---|---|---|
| | Peace. | War. | Peace. | War. | Peace. | War. | Peace. | War. |
| Gendarmes | 105 | 105 | 500 | 500 | 2,000 | 2,000 | ... | ... |
| Infantry | 4,500 | 7,000 | 10,000 | 30,000 | 100,000 | 300,000 | ... | ... |
| Cavalry | 500 | 550 | 1,200 | 2,000 | 10,000 | 20,000 | ... | ... |
| Field artillery | 1,000 | 1,500 | 3,000 | 7,500 | 15,000 | 45,000 | 2,000 | 20,000 |
| Garrison artillery | 600 | 1,500 | 1,500 | 5,000 | 1,000 | 35,000 | ... | ... |
| Sappers | 400 | 600 | 1,000 | 3,500 | 15,000 | 8,000 | 75,000 | ... |
| Transport | 300 | 400 | 700 | 3,000 | 3,500 | 15,000 | 8,000 | 75,000 |
| Staff | 70 | 100 | ... | ... | ... | ... | ... | ... |
| Medical department | 1,000 | 3,000 | 1,000 | 3,500 | 2,000 | 9,000 | ... | ... |
| Veterinary | 200 | 600 | ... | ... | ... | ... | ... | ... |
| Paymaster's department | 700 | 2,000 | 1,200 | 4,000 | ... | ... | ... | ... |
| Band | 4 | 4 | 77 | 64 | ... | ... | ... | ... |
| Unclassed troops | 800 | 1,200 | 2,000 | 3,000 | ... | ... | ... | ... |
| Grand total | 10,179 | 18,599 | 22,177 | 62,064 | 150,500 | 446,000 | 85,000 | 95,000 |

of the Japanese army—he accompanying Lord Roberts' staff with the British army in South Africa—are being applied in improving the army. A first step is being taken in the changing of the white uniform to a khaki one for campaigning purposes, a change which is most useful.

Captain Hiraoka returned from South Africa enthusiastic in his opinions of the splendid fighting qualities of the British soldier in situations of almost unparalleled danger and discomfort. It may well be that his reports to the General Staff Office at Tokyo on this subject tended to strengthen the feeling in favour of the present alliance. The captain himself is a most ardent Anglophil, a feeling shared by all the naval men and many of the military officers in Japan, despite the fact that the latter are trained on German lines.

To show that the prowess of the Japanese army has, since the relief of Peking, been recognised on every hand, the excellent discipline kept, while many of the other troops were looting and massacring, has been recorded with universal approbation by all the correspondents accompanying the Allied force. This general recognition by the other Great Powers of the efficiency of the army has caused

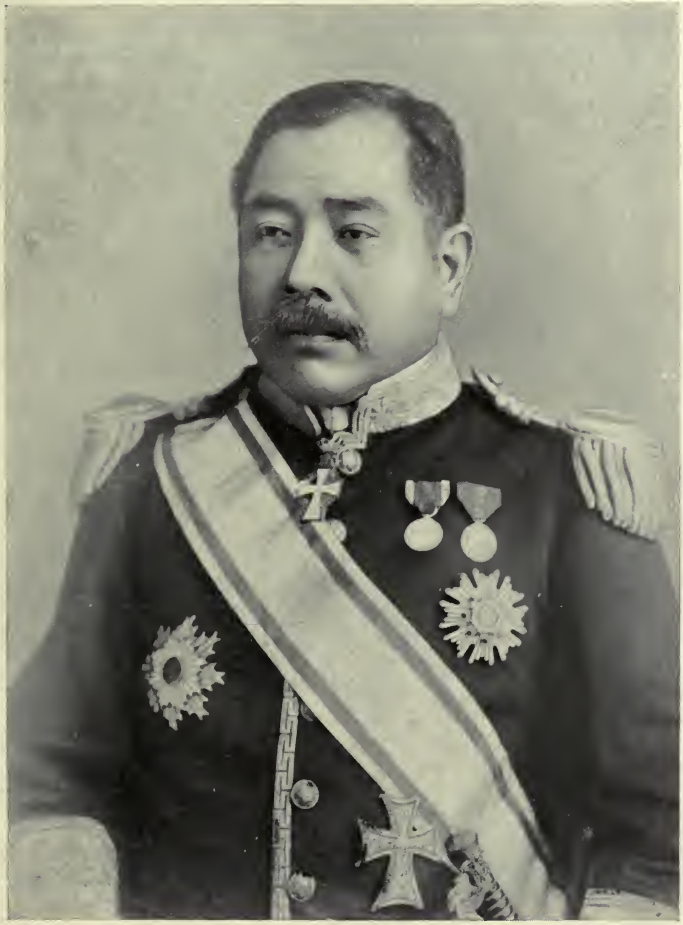
Japanese military men great pleasure and satisfaction. I quote the following from a message of Lord Salisbury to Japan, relative to the march to Pekin: "Her Majesty's Government . . . express . . . their earnest admiration of the gallantry and efficiency displayed by the Japanese forces in the recent operations, which contributed to the success of the expedition so very largely."

# CHAPTER XV

## THE NAVAL POWER OF JAPAN

JAPAN'S strength as a nation is largely based upon her naval power. Since the war with China the Japanese navy has grown very much, and now it is composed of very modern and homogeneous war vessels. The Ito programme of naval construction is nearly completed, there being only one battleship, the *Mikasa*, still to be delivered. It is expected that one of the earliest acts of the new Cabinet will deal with a new naval programme, and it is certain that there will be little difficulty in raising the necessary money. Japan is now fully awake to the fact that in case of war her navy must be able to insure her the command of the Eastern Seas. The increase of the European fleets and the strengthening of the Far Eastern squadrons of the various nations render it necessary for Japan also to increase her navy.

The Japanese navy, as it exists to-day, is largely of British design and construction. A



ADMIRAL YAMAMOTO, MINISTER OF THE NAVY.

[*To face p.* 158.

few of the cruisers have been made in other countries—in America, Germany and France —but the general feeling in naval circles is that it will be better to confine the orders to British shipbuilding yards.

There are two great dockyards and naval stations in Japan, at Yokusuka and at Kure. The latter is the more modern and better-equipped yard, and lies within the Inland Sea. And there is one great naval station at Sasebo, near Nagasaki. There are also several smaller though rapidly-growing naval ports on the Inland Sea and along the outside coast line. At Kure there is a portion of the naval port devoted to the casting of cannon and other portions of the equipment of warships. Nearly all the Japanese ships are armed with Elswick guns from the great firm of Armstrong, and they have given great satisfaction. The naval authorities have, however, kept track of the experiments carried on by the firms of Vickers, Maxim & Co., and Krupp. They have purchased a quick-firer from each of these firms, and from Armstrong, and are engaged in most exhaustive tests and trials at present.

Everywhere throughout the world the naval officers, attached to Legations or not, keep watch upon naval developments and write

minute reports to their Government. All these lessons learned thoroughly are stored up ready for the time when necessity for action shall arise, when they will help greatly to insure successful plans of campaign.

Japan's navy has no lack of *personnel*, although there is some difficulty in providing sufficient numbers of trained officers to meet the requirements of the new ships so recently and so rapidly added to the navy. The Japanese sailors are drawn partly from the yearly conscripts and partly from volunteers. The proportion is nearly half and half. The former serve four years, and those voluntarily enlisted seven years. It is from the latter class that the principal portion of the petty officers is selected, as it is hard to train men sufficicently in four years now that the mechanism of fighting machines has become so complicated and delicate. The lack of education among the sailors is found to present a great obstacle to successful training on board the warships. The officers prefer to have men from towns rather than from among the fishing communities, because, although their physique is less robust, they learn much more readily.

The naval officers' education begins in the cadets' college at Yokusuka. These cadets

are selected by competitive examination throughout the country. The examinations take place in seventeen centres, and the list of subjects is very severe. For those candidates who have already passed the middle school examinations there is a special examination in English and mathematics. The number of applicants for admission to the college is far in excess of requirements. Last year there were 1400 applications and only 200 successful, and this year there are 1700 applicants. The cadets are educated at Government expense, and stay for a period of three years in the college before becoming midshipmen on warships. There are two training vessels in connection with the college, which cruise around the neighbouring seas, with some hundred cadets on board. There is a naval academy in Tokyo, where lieutenants and commanders undergo training in the special branches of their profession. This is under the able guidance of Admiral Sakamoto, who, it may be remembered, was Japanese naval delegate at the Hague Peace Conference. It may be said that all Japanese naval officers speak English fluently, and many have acquaintance with other languages as well.

As regards her navy, Japan has one great

element of strength in that she has plentiful supplies of coal available for immediate use. Another source of strength is the possession of the Inland Sea, where all her fleet can remain behind the fortifications in perfect safety from attack. There being three entrances to the Inland Sea renders it impossible of blockade, and thus the fleet has a safe refuge should necessity arise. It is only fair to say that the Japanese naval men have no idea of remaining in any refuge, however secure. They recognise the necessity of securing control of the sea at the earliest point in a war, and have laid all their plans accordingly.

Besides the coal supplies of Japan there are also oil wells, and experiments are being made to use oil as fuel on board some of the torpedo boats. Should it prove successful, Japan would have another great advantage over other Powers in the Far East.

On the question of naval construction of small ships or large ones, Japanese opinion, at least in high naval circles, leans toward having large vessels. It is necessary, they say, in order to keep their position, and as long as the other Powers build large warships Japan must follow suit. They think, however, that 15,000 tons is large enough, and do not desire to

emulate the British battleships of larger tonnage. In addition to these leviathans they hold that it is necessary to have many more torpedo boats and destroyers than they at present possess. There are three Japanese destroyers building on the Thames, and the home dockyards turn out a number of torpedo boats every year.

Submarine boats have not yet made their appearance in the Japanese fleet. The British Admiralty's experiments in the construction of four submarines are being watched with great interest, also the experiments in France, and the results will probably determine Japan's action in this regard. At present naval men do not look with very much favour upon the idea, believing that the submerged boats are too slow of movement, too unmanageable to be of much value.

The Japanese navy is the only one which has fought a modern battle in the open sea, and thus her naval officers have had an experience not possessed by those of other nations. It is true that the American fleets at Santiago and Manila were in vigorous action, but these cannot be compared with the battle of the Yalu.

It is strange to reflect that the Japanese

successful fleet consisted of cruisers, while the Chinese contained battleships. This would appear to demonstrate the value of cruisers rather than that of battleships, but the contrary was the case. The battleships, although battered almost to pieces, were still left floating, and some of them still are in commission in the Japanese navy.

The effect upon the Japanese navy of having fought a successful battle in modern times will exercise great influence upon the feelings with which her sailors will go into their next battle, and will predispose them for victory.

Japan's navy is well manned, well equipped, and well officered. Naturally it will have to operate near to its base in the event of war. She has every right to feel pride in her warships, and the whole world should feel glad that they enable Japan to be a steadying influence throughout the Far East, and therefore throughout the world.

To enable it to be better realised how great is the naval power of Japan, I cannot do better than give here a list of her fleet. I have placed the speed first, as it is a most striking feature how rapid most of the Japanese men-of-war are. From the third column it will be

seen how many vessels have been constructed in England compared to any other country. It must be noted also that Japan already builds small cruisers and torpedo boats in her own yards, and the foundation of the Government Ironworks, near Shimoneseki, is a great step in the direction of the time when Japan will be able to construct all her own vessels of war.

## The Japanese Fleet.

*Battleships :—*

| Knots. | Name of Ship. | Where built. | Year. | Tons. | Men. |
|---|---|---|---|---|---|
| 19.6 | Mikasa | Vickers | 1900 | 15,200 | 730 |
| 19.11 | Hatsuse | Elswick | 1899 | 15,000 | 741 |
| 19 | Asahi | Clydebank | 1899 | 15,200 | 740 |
| 18 | Shikishima | Thames Ironworks | 1898 | 14,850 | 741 |
| 19.2 | Yashima | Elswick | 1896 | 12,500 | 600 |
| 18.5 | Fuji | Blackwall | 1896 | 12,500 | 600 |
| 11 | Chin-Yen [1] | Stettin | 1882 [2] | 7,350 | ... |
| 13 | Fuso | Poplar | 1887 [3] | 3,717 | 377 |
| 10.2 | Hei-Yen [4] | Foochow | 1890 | 2,067 | ... |

[1] Formerly Chinese, Chen-Yuen of China.
[2] Reconstructed 1897.
[3] Reconstructed 1895, 1899.
[4] Formerly Ping-Yuen of China.

*Armoured Cruisers :—*

| Knots. | Name of Ship. | Where built. | Year. | Tons. | Men. |
|---|---|---|---|---|---|
| 22 | Idzumo | Elswick | 1899 | 9800 | ... |
| 22 | Iwate | Elswick | 1900 | 9800 | ... |
| 22 | Asama | Elswick | 1898 | 9750 | ... |
| 22.7 | Tokiwa | Elswick | 1898 | 9750 | ... |
| 20 | Yakumo | Stettin | 1899 | 9850 | ... |
| 21 | Azuma | St Nazaire | 1900 | 9436 | ... |

*Protected Cruisers:—*

| Knots. | Name of Ship. | Where built. | Year. | Tons. | Men. |
|---|---|---|---|---|---|
| 23.76 | Chitose | San Franciso | 1898 | 4760 | ... |
| 22.76 | Kasagi | Cramps | 1897 | 4760 | ... |
| 23.08 | Yoshino | Elswick | 1892 | 4150 | ... |
| 24 | Takasago | Elswick | 1897 | 4300 | ... |
| 16.7 | Matsushima | La Seyne | 1890 | 4277 | ... |
| 18.7 | Itsukushima | La Seyne | 1889 | 4277 | ... |
| 20 | Nutaki | Kure | 1901 | 3420 | ... |
| 20 | Tsushima | Yokusuka | 1901 | 3420 | ... |
| 19 | Akitsushima | Japan | 1892 | 3150 | ... |
| 18.7 | Naniwa | Elswick | 1885 | 3700 | ... |
| 18.7 | Takachiho | Elswick | 1885 | 3700 | ... |
| ... | Idzumi [1] | Elswick | 1884 | 3000 | ... |
| 20 | Suma | Japan | 1895 | 2700 | ... |
| 20 | Akashi | Japan | 1897 | 2700 | ... |
| 19 | Chiyoda | Clydebank | 1889 | 2450 | ... |
| 15 | Sai-Yen [2] | Vulcan Co. | 1886 | 2320 | ... |

[1] Formerly Chilian Esmeralda. [2] Formerly Chinese Tsa-Yuen.

Besides these there are seven small unprotected cruisers.

There are ten Thornycroft and nine Yarrow torpedo boats destroyers, all with a speed of over 30 knots.

There are thirty-eight first-class torpedo boats, thirty-five second-class, and four third-class. All save two (of 19 knots) of the first-class boats have a speed exceeding 27 knots, of the second-class fifteen have speeds over 23 knots, and twenty over 20 knots. The third-class boats have a speed of 20 knots.

There are also twenty-three merchant vessels available for use in war time. Of

these sixteen are over 6000 tons burden, and none of the rest are less than 3300 tons.

From this list it will be seen that Japan possesses a homogeneous modern fleet of six battleships capable of at least 18 knots, six large armoured cruisers capable of 22.7 knots, eight protected cruisers capable of 20 to 24 knots. And it must be remembered that Japan does not have to detach any of her vessels to serve on distant stations. They are all on the home station, and are all kept in high-class condition.

It may not be out of place here to give a short account of an experience which I had with respect to the Japanese navy. Last year I was with Mrs Stead in Seoul, and having an audience with the Emperor of Korea, we missed the regular mail steamer for Chefoo. However, there was a Japanese fleet at Chemulpo, leaving the next morning. Accordingly, I telegraphed to Tokyo, and received permission to travel with the fleet. This permission was the first ever granted to any non-naval persons outside of the Royal Family.

We accordingly embarked on H.I.J.M.S. *Asama*, of 9750 tons, first-class armoured cruiser, more powerful than many a British battleship. As the fleet steamed out of

Chemulpo Roads, it was a splendid display of Japan's naval power. This was the first occasion on which any Japanese battleships had gone on a foreign cruise. There were first, the *Asahi* and the *Shikishima*, both new battleships, and then followed the first-class armoured cruisers *Idzumo*, of 9800 tons, and the sister ships *Asama* and *Tokiwa*, exactly similar but for the lines running around the ships, red and black respectively. Besides these armoured vessels, there was the *Kasagi* protected cruiser, newly arrived from America, and two torpedo boat destroyers. These last three looked very small in comparison with the giants of the fighting line.

With Japanese coal the whole fleet could go into battle at 16 to 16½ knots, or with Welsh coal at 18 to 18½ knots.

The *Asama* carries an armoured belt right fore and aft, and has two armoured decks. Her complement is 620 men and officers, and in common with the rest of Japanese men-of-war no marines are carried, the bluejackets doing all their work on shore and on board. While on board I was enabled to witness all the drills for various occasions, and was most impressed by the efficiency and excellence of the bluejackets' work. And it must be said that the

crew of the *Asama* was largely made up of new hands, who had not yet been brought up to the highest pitch of excellence. Nearly all the petty officers are chosen from the volunteers, as their term of service is seven years as compared to the conscripts' four years.

In the Japanese navy the Fleet Engineer has executive rank, and exercises his rights over three divisions of the crew. He ranks as a commander, and receives the same pay. The system seems to work very well, and to tend to the promotion of a harmonious spirit between the officers. The pay of officers and men is much less than it is in the British navy, but everyone seems contented.

On the voyage to Chefoo the fleet encountered a most severe typhoon. The *Asama* rolled to thirteen degrees, and yet was so steady with it that we were able to keep our port open, although it was on the windward side. The destroyers had a frightful time, rolling to forty-five degrees, but they came through uninjured. It is an interesting fact that all the Japanese destroyers have stood the long voyage to Japan from England and all the after work without any of those bad effects which are now so often said to follow when destroyers are exposed to bad weather. The typhoon was

certainly worse than any weather to be experienced in British waters, and for several days no merchant vessel ventured out of harbour. It gave us a very good insight into Japanese discipline in storm as well as in calm.

The one defect to be found with naval training in Japan is that up till lately there has been too little cruising done by the larger vessels. However, the cruise in which we were privileged to take part is the starting-point of the new system, and when matters become more settled in the Far East it is hoped in Japanese official circles that it may be possible to send one or more large warships cruising around the world, accustoming the nations to the sight of the most brilliant naval flag on the seven seas.

In the Budget of 1901-02 there is an estimated ordinary expenditure of 20,161,010 yen, and extraordinary of 16,954,255 for naval purposes.

On paper the Japanese fleet looks formidable, and in actual working I am impressed strongly by the fact that it is yet more so.

With its supremacy in Far Eastern waters, and the British fleets holding control of the Western seas, nothing would seem impossible to the new Dual Alliance.

# CHAPTER XVI

## THE POLICE OF JAPAN

ALTHOUGH called "police," these men are much more resembling the *gendarmerie* of France and of Egypt. They are a semi-military force, and are recruited from those persons exempt from the calls of conscription. No old soldiers are allowed in the ranks. The police force is in reality an excellent body of soldiers, who receive much higher pay and broader training than do the conscripts.

The men join for five years; and there are seven grades, with rates of pay beginning at 9 yen a month, ranging up to 15 yen, with occasional gratuities or extra-allowances for men serving as clerks, interpreters, etc., etc.

The qualifications for joining are as follows :— The candidates must be from twenty-one to forty-five years of age, being drawn from the ranks of those not liable for conscription, no ex-soldiers being taken; they must pass a medical board, and then an examination in the

following subjects :—history, geography, arithmetic, correspondence, criminal law, court procedure, and police regulations.

On joining, the men are trained at a drill school in fencing and wrestling; have to learn the elements of common law, and more regulations! Promotion is from the ranks, and the men may marry, but only with official consent. One week's leave is granted for each six months' duty completed. There are no barracks, and the men have to find their own quarters, food and clothing; with the exception of uniforms, which are issued: one winter suit every two years, one summer suit every year, together with the regulation cap, gloves, sword, handcuffs, whistle and piece of rope.

They are supposed only to draw the sword in self-defence, and can only arrest wrongdoers or persons charged with crime when they witness the act complained of, or are ordered to arrest the person by their superior officers. The men are provided with a lantern at night, but they do not patrol, nor have they a special beat either during the day or night, but are stationed at police boxes placed about the city.

The arrangement of dividing up the districts

is very systematically carried out, and each police box is provided with official books giving the names and pursuits of everybody in every house in his section. Thus there is no confusion or ignorance as to locality or ownership of any property or house. The police also, to a large extent, take up the census, in connection with the keeping up of the books to date. In each police box there is a telephone, connected with the central office of the district, and while this is sometimes a nuisance, it is, on the whole, a very valuable arrangement. I remember once when I wished to photograph a policeman at his box he refused to permit it until he had asked permission by telephone of his inspector!

The police in 1900 had an additional duty thrown upon them—that of receiving and paying for dead rats and mice. This was at a time when plague was prevalent in the East, and a small reward of 1½d. was paid for each rat brought to a police station. At the central police station of Hyogo (Kobe) I witnessed a very amusing spectacle. There was a Japanese mother with her baby on her back, and hanging on to her hand was a serious-faced mite of about three years. In his hand was firmly grasped the tail of a diminutive mouse,

and the family had come to claim a rat's reward for it.

Generally speaking, the police regulations are more strictly observed than are many of the laws. The plague was responsible for a regulation forbidding anyone to go abroad in the streets barefooted. The day previous to its enforcement many thousands of children of all sizes were to be seen without anything on their feet, while on the day itself there was literally nobody to be found who did not boast some sort of "geta" or "waraji" on their feet.

In addition to their police occupations, the force constitutes an emergency fire brigade, and does much most valuable work. With the narrow streets and low houses a modern fire-engine would be of little service, but the police, with their buckets and their ladders, do yeoman services to the people under their charge. At every call of fire, away they rush, and there is always to be seen among them the flag by day, or lantern by night, indicating the position of the inspector or chief of police who is directing the work.

I must acknowledge here my indebtedness to my good friend Mr Hamada, chief of police of Hyogo, and to all his able assistants. Thanks to him, I was enabled to gain a very

clear insight into the police training and organisation. Mr Hamada is still young, but he has established for himself a name for thoroughness and efficiency throughout Japan. The esteem in which he is held is demonstrated very clearly by the fact that he has been given charge of one of the most important police positions in Japan.

Under his guidance I visited the Kobe Police Hospital, a perfectly-arranged and conducted organisation, and one which almost pays its way, despite the lowness of the fees charged to those treated. Everywhere throughout the great building everything was scrupulously clean, tidy and well arranged; in fact, even at the great Red Cross Hospital at Tokyo the wards were not better kept and managed.

Kobe being a mixed community, it has been found necessary to provide both European and Japanese cells in the police stations. Of course the former are of the best, everything is that Japan has imported from outside—except the foreigners themselves. The police stations are airy and well arranged, and in each there is a large room set apart for the instruction of the policemen in the various subjects considered necessary for their training.

One of the most striking points in their

training is the science of self-defence, or "jujutsu." This is in reality a most scientific system of defence or attack, based upon carefully-worked-out laws of leverage, balance and anatomy. It gives to those who know it a most wonderful self-confidence, however powerful may be his opponent. I speak from experience, having learnt the art of "jujutsu" while in Japan. The police learn it practically much more than theoretically, and so I learnt it from a celebrated police professor, who could speak no English, by the way. At Kobe the police gave us a display of "jujutsu," and also of the old style Japanese fencing, and it was a most inspiring and exciting performance. It might be well worth the while of the Commissioner of Police of London to introduce this system of training among his men. It enables them to manage boxers, men with knives or swords, etc., with the utmost ease and safety. The Japanese authorities would gladly give every assistance in such a plan, and would be proud to send special instructors to England for this purpose.

An interesting feature of police training in Japan is the periodical publication in Japanese of reports dealing with the training and organi-

sation of the police of the different foreign nations. From these the men learn many useful things, and the police officers improve and make more complete the Japanese organisation.

Besides the police employed on land there are also the water police, a most important body of men at places like Yokohama and Kobe or Nagasaki. It is a little sad to reflect that it is necessary to have a far greater proportion of police in these trading ports with their white populations than in the purely Japanese cities. The power of the police over the Japanese vessels is very great. It was of great assistance to us, since it enabled Mrs Stead and myself to secure passage to Korea on a steamer, where an immoral company had re-sold our cabin. In this connection there occurred an amusing thing. When we left, the committee, welcoming H.M.S. *Orlando*, with General Gaselee on board, took us off to our steamer on the police launch, then proceeded to the *Orlando*. Just as we had got under way, however, back came the police launch and the signal was made to stop the steamer. This being done, our friends came close to the side and shouted best wishes for our voyage. Then the steamer was allowed to proceed on

her way. This had a curious effect upon the Japanese people on the ship. Several of them inquired anxiously of our Japanese "boy": "Your master, he heap big policeman in England?"

The quarantine stations of Japan are largely under the control of the police, and we spent a very interesting few hours going through the Kobe station. This is very excellently arranged and every provision is made for the comfort of European and Japanese passengers. Here Europeans may have no fear of experiencing any disgraceful behaviour of the sanitary officers such as took place in Honolulu. There the American officials compelled two Japanese ladies, travelling first-class, to be disinfected under what, to any ladies, were degrading circumstances. It is to be regretted that the United States had not enough sense of honour to officially apologise to the Japanese Government for what was regarded as an insult to all the Japanese nation. Imagine the outcry that would have been raised if anything of this kind had ever happened to any Europeans in a Japanese quarantine station. But, as I said before, such things cannot happen in Japan.

From what I have written in this chapter it will be seen that the Japanese police are an

able and well-trained body of men. In the past they have done fine work in the field of battle, notably in connection with the Saigo rebellion in Satsuma. Now the pick of the men go to Korea to police the Japanese settlements there and to guard the railways, and they are likely to be most useful in safeguarding Japan's interests in that much coveted peninsula.

In all the country, including Formosa, there were in 1898, 31,632 policemen and 2479 officers and inspectors. This is by no means a large body when we consider that the population is well over 40,000,000. In fact, in 1898 there was only one policeman to every 1360 of the inhabitants.

# CHAPTER XVII

## THE LEADING MAN OF JAPAN

THE history of a country and its development cannot be studied accurately unless one also knows the leaders of the nation and the makers of its history. During my recent stay in Japan I met all the leading men of the country on many occasions. When I say I met them, I do not mean only at a reception, in a crowd, or as an interviewer, but I have met them in their own homes, as well as in my own, and thus, through their friendship, I have been enabled to understand much more clearly the history of Japan. I have decided to give brief descriptions of some of Japan's most prominent men, because I feel that it is most important that they should be known throughout the world for the able and fine men that they are. Marquis Ito would, naturally, head a list of this kind.

To the great majority of people at large the


HIS EXCELLENCY THE MARQUIS HIROBUMI ITO,
G.C.B., ETC., ETC.

[*To face p.* 180.

# The Leading Man of Japan

Marquis Ito is the only Japanese leader whose name is known ; until now he has seldom been thought of in the same way as our own statesmen. Japan is so far away, and has been content to grow more and more powerful without advertising herself. The peoples of the outer world have grown into the habit, or rather continued in it, of regarding Japan together with China, and the Japanese as slightly-modified Chinese. The war so successfully waged by Japan on China in 1895-96 brought, for the first time, the difference between the two countries into universal prominence. The name of Marquis Ito then received a more tangible meaning to the world at large. Since that date it has always been his name which has figured in Japanese telegrams in the world's press. Hence it is not only our statesmen who should receive him as a colleague ; the people should accord him the welcome due to the greatest man of a sister nation. And this is right and as it should be. Great and gifted as are the other great Japanese statesmen, Count Inouye, Count Okuma, Marquis Yamagata, Count Matsukata—that glorious group of intellects, reared in an Oriental civilisation, which has led Japan to its present great position—none of these would grudge Marquis

Ito his world-wide fame. Writing of him, one of the cleverest of the younger statesmen says: "He is the present and the future of our country personified in one individual; and in spite of all the attacks of party politics, he is still the man to whom all and everyone turn their eyes whenever the country is in trouble, whether he be in or out of office." In power or out of power, leading a Cabinet or in retirement at his villa of Oiso, Marquis Ito is always the guiding voice of the nation. The formation of a new non-Ito Cabinet is always preceded by a veritable procession of prospective Cabinet-makers to visit the Marquis at Oiso. And up to the present, ever since the first Cabinet was formed, Marquis Ito has been virtual Prime Minister of Japan. The people of Japan, from the highest to the lowest, have confidence in their leader, and, although sometimes those newspapers which rely on the lower classes for readers attack Marquis Ito fiercely, no crisis can arise without the whole nation turning to him as one man for guidance and help.

Marquis Ito has always had, and still enjoys to the full, the confidence of His Majesty the Emperor, and the latter realises very clearly how much he owes to his leading statesman.

It must be confessed—and I think that Marquis Ito himself would be most glad to acknowledge it—that much of the completeness of his political supremacy has risen from his being the confidential adviser and friend of the Emperor. For it must be remembered that, however great any man may become in Japan, he is as nothing compared to the Emperor in the sight of the multitude. I give the following story, which may or may not be true, in proof of this statement. This year Marquis Ito attended the funeral of Mr Hoshi, his assassinated political colleague, and uttered a funeral oration at the temple. The next day several of the cheaper papers, catering to the masses, denounced him for having proceeded directly to the presence of the Emperor in the same garments as he had worn at the funeral. This was held to have desecrated the Imperial presence, and one paper went so far as to print a statement that an official of the Imperial household had emulated Henry II. in his outspoken desire regarding Thomas à Becket. This story, of which no one knew the truth or falseness, caused quite a commotion in Tokyo. The people might well have been satisfied that the man who had given to the Emperor so much increase of power was

surely one who might be absolved from any desire to desecrate his presence. The Emperor has conferred upon the Marquis every sign of his confidence and his favour, on one occasion decorating him with an order until then reserved for royal personages.

Marquis Ito may be compared to Bismarck, or to Napoleon; but there are, in fact, no Westerners by whose achievements his can be measured. His work stands out unique in the world's history, as Japan's growth is alone in a class by itself. Most nations are content to become great in hundreds of years. Japan has arisen from nothing, according to Occidental ideas, and in thirty odd years has become the holder of the balance of power in the Far East. The Marquis Ito has been the principal figure and worker in this marvellous, this unprecedented national change. To no other man in this world has it been given to look back from the comparatively early age of sixty years and see such a life's work lying behind him. What changes he has seen and brought about since his birth in September 1841!

So few people have yet realised the greatness of Japan's growth that it is hardly to be wondered at that they do not accord to Marquis Ito the full palm of praise for his work. This,

however, will be more and more generously accorded as the truer knowledge of the new Japan grows amongst the other nations of the world. From Marquis Ito himself people will learn little of his work: he is reticence itself upon personal matters. Imbued as he is with ideas of Occidental civilisation, he is not free from Oriental ideas of modesty. However, his accomplishments speak for themselves, and no student of Japan can ignore them.

All his life he has been in Government service, ever since his return from his first visit to foreign lands, when, as a mere boy, accompanied by the present Count Inouye, he made his way by sailing vessel to England to study (in 1863). On his return he was able to do yeoman service to his country in her troubles with the foreign nations just about the time of the bombardment of Shimoneseki. Then, though very young, he was the real representative of Japan in treating with the foreign Ministers.

After the Restoration he was appointed Governor of the Prefecture of Hyogo, in May 1868. He received this post because of the establishment of the foreign port of Kobe, close to the town of Hyogo, it being already recognised that Ito, young as he was, was best

fitted to hold intercourse with foreigners. In 1869 it was found necessary, for the good of the Government, to appoint him as Under Vice-Minister of Finance, and in 1870 he went to America to study the monetary system, and spent nearly twelve months there. After his return his official progress was very rapid. In 1873 he was a member of the Cabinet, holding the Portfolio of Public Works, and in 1885 Marquis Ito formed the first Ito Cabinet, which was in office for three years. He, however, participated in the next Cabinet by special order of the Emperor. During these later years he has held many other offices, such as President of the Imperial Household, of the Privy Council, of the House of Peers, and received the rank of Count. In 1892 Ito formed his second Cabinet, and remained in office until 1896, after the conclusion of the Chinese War. For his distinguished services to the State in this war he was raised to the rank of Marquis. In 1898 the Marquis formed his third, and in 1900 his fourth Cabinet, both of which only held office for a few months.

Notwithstanding the many offices which Marquis Ito has held at home, he has also frequently been despatched for the benefit of

his country to foreign lands on special missions. In 1871 he made his first official visit to Europe and America in the suite of Prince Iwakura. His most important mission, however, was that of investigation and organisation for the framing of a Constitution in 1882. During this mission he represented Japan at the coronation of the Tsar Alexander III. of Russia. In 1885 Marquis (then Count) Ito went to China to settle the Korean problem, and in 1897 he accompanied H.I.H. Prince Arisugawa to the Diamond Jubilee of Queen Victoria. And now Marquis Ito has made his fifth visit to Europe! This brief account of his offices and political missions gives but a faint idea of the ceaseless activity of the Marquis on behalf of his country.

Marquis Ito was helped on in his great work of transformation when the Japanese people realised that it was necessary to meet the foreigners on their own ground if Japan was to remain Japanese. In forcing the people to accept that view, Marquis Ito did what was perhaps his greatest work for his country. It was this that induced the samurai and nobles to cut off their topknot, lay aside their two swords, and conform to Occidental ideas. By gaining his end in the way he did, Marquis Ito

preserved all the old samurai spirit for the work of national development, and it is this spirit largely which has made possible the new Japan of to-day.

Having made this great change, in 1883 he drew up a Constitution for Japan, and changed an absolute monarchy into a constitutional one as easily as another man might change a misspelt word. Of this great work Marquis Ito told me only this year "that the work was very difficult and productive of much thought. There had never been a Constitution in Japan to lead me to know what were likely to be the most necessary points to be provided for. Even when I had decided what was most necessary, it required very great care to ensure the proper working out of the various provisions. I had always to remember that my Constitution was to be a permanent one, and, therefore, I had to examine all the possible effects likely to arise. And then it was most important that all the sacred rights of the Emperor should be safeguarded. I accomplished my task, and it is very pleasant to think that it has not been necessary to amend the Constitution in any way since its promulgation." And this Constitution was the work of a man of a little over forty years of age!

The army and the navy, especially the latter, have been the special care of Marquis Ito, and it was his national work during the years 1892-96 that enabled Japan to beat China so conclusively and so thoroughly. The celebrated Ito programme of shipbuilding is now nearly completed, and, as a result, Japan is in possession of a strong and homogeneous fleet of modern warships.

In 1900 Marquis Ito formed a party known as the Constitutional Political Association, one of the greatest steps yet taken in the direction of party government in Japan. Some of Marquis Ito's views on the duty of a party, as contained in his manifesto, are full of interest :—

"If a political party," says the Marquis Ito, "aims, as it should aim, at being a guide to the people, it must first commence with maintaining strict discipline and order in its own ranks, and, above all, with shaping its own conduct with an absolute and sincere devotion to the public interests of the country; and it must, moreover, at all risks, avoid falling into the fatal mistake of giving official posts to men of doubtful qualifications simply because they belong to a particular political party."

The manifesto emphasises also the fact

that the appointment and dismissal of Ministers pertain, under the Constitution, to the prerogative of the sovereign, and points out that once Ministers have been invested with their official functions, it is not permissible for members of their party to interfere with them in the discharge of their duties.

But it is well to turn for a moment away from the public life of Marquis Ito, and consider him as a man living quietly in his villa of Oiso, near Tokyo. It was here that I had the pleasure of lunching with him and talking out a long summer afternoon last year. According to the doctors, the Marquis was only convalescent, but there was little of the invalid about the active, young-looking gentleman who welcomed me in his European room. The old statesman is always active—too much so for his health, as he never will allow attention enough to be taken of his bronchitis troubles, which every now and then reassert themselves. His hair and sparse beard are tinged with grey, but there is no age in his eyes or in his voice. They are those of one who is always young, and will be to the end. He is ordinarily dressed in European garments, a frock coat tightly buttoned and a soft felt hat for the garden, when passing from the

European house to the Japanese one behind it. In common with most of the wealthy Japanese gentlemen, Marquis Ito has two houses, one painful and European, and the other delightful and Japanese.

The room in which we sat before lunch was one having a beautiful view towards the loveliest of all mountains, Fujiyama. There were two telescopes to enable one to obtain a clearer view in the late summer of the countless pilgrims ascending the mountain side. On a table in one corner lie copies of English reviews and newspapers, for the Marquis is a great reader, and reads—as he speaks—English very perfectly. This being so, it was amusing to hear from the Paris correspondent of a London morning paper that Marquis Ito could not converse with him in English. Would not, would have been nearer the truth.

In a larger room near by are countless precious articles of jade, presents from the Chinese Emperor; there were many more, but the Japanese Emperor's collection has been enriched by the gift of them. The most noticeable feature in the room is the large signature of the Chinese Dowager Empress on a large kakemono, the bold strokes of the

brush testifying amply to the character of the artist.

For a long time we sat together talking of Japan and her great future, and it was pleasant to hear the creator of a nation talk about his work. It was impossible for him to restrain some pride in the result of his country's progress, but he was also quite convinced that for a nation there is no such thing as standing still; it must be always more and more progress. And with it all Marquis Ito was strong on the point that however many Western ideas were introduced and adopted they must become Japanicised, as have all things which have entered the country. Buddhism, Confucianism, traditions, arts, etc. —all these are still themselves, but they are Japanese too. Thus it is with the nation itself, and will ever be. The Marquis spoke very bitterly of the missionaries who came to the country and denounced the Japanese as immoral, and he expressed himself very decidedly in favour of the country being without any outside religion. All the educated people, he said, have "Bushido" to guide them in their life, the purest teaching of doing right combined with the highest code of honour. Why then should they wish to adopt a super-

stition such as Christianity, especially as it comes to the country in so many various and conflicting sects and forms?

So we talked, looking away over the fringe of pine trees on to the still blue sea, dotted here and there with fishing boats.

It was the day before the funeral of Mr Hoshi, and Marquis Ito was to leave for Tokyo that same evening. We discussed the troubles of his political party, varied by explanations as to the identity of numerous portraits of the children of the Imperial family hanging about on the walls. It was a veritable nursery of happy-looking children. Everywhere in this house, as in the other, the rooms were decorated, and the floors were covered with gifts to the distinguished statesman.

Soon came the summons to lunch, and we passed out into a garden lying on the edge of a steep descent. The garden above was Japanese, while below were to be seen beds of gay European flowers, and in one corner of the garden was a small glass-house. The wife of Marquis Ito it is who is devoted to flowers, and who spends much of her time in her garden. Soon we came to the Japanese house, and found a table spread and ready. We had a most excellent European repast—

with some of madame's flowers to decorate it. The room was beautiful in its proportions, as, indeed, are all purely Japanese rooms, and could not lose its beauty even with the admixture of much that was foreign. The Marquis gave many reminiscences of his busy life—reminiscences which it is not for me to give to the public, but which helped much to a better understanding of the development of the nation.

After lunch our talk ran upon China, on which country the Marquis Ito is one of the best-informed authorities. He holds that it is necessary for China to have either a strong emperor or else to be rent and torn by internal anarchy for years—a seething cauldron out of which would come some leader of men to save the Empire. He is of opinion that the Chinese army will never be formidable as long as it is officered by Chinese, as corruption will always be too rife. After countless cigars had been consumed, for the Marquis is an inveterate cigar smoker, the evening shades began to fall and I left the villa.

The feeling of the greatness of the man was much intensified by the long talk with him, a talk which covered a multitude of subjects and many countries. The Marquis Ito

was most cordial in his expression of friendship towards England, and appreciation of her constant good feeling.

Since I talked with Marquis Ito at Oiso he has made a flying tour of America and Europe occupying only a few months.

Besides the British Alliance, which to the public appears now as the chief object of his visit, Marquis Ito availed himself of this opportunity to find out for himself the international condition of affairs in Europe. Although he had no political mission, nor diplomatic powers, it is an open secret that he returns to Japan to undertake the task of forming a new Cabinet in the newly-elected Parliament which will meet in December 1902. Thus he will soon enough have the fullest of powers to sway the new combinations which he has brought into force. It is to the credit of the various great Powers that they have realised this fact, and received Marquis Ito rather as the future Premier than as the private traveller. The Tsar received Marquis Ito in special audience, and Count Lamsdorff gave a ministerial banquet in his honour. In Russia, in Germany and Italy Marquis Ito received the highest decorations. In Potsdam the Kaiser gave Marquis Ito a banquet, in which there is a probability that

the last traces of Germany's action after the Chino-Japanese War was removed. From Germany Marquis Ito proceeded to Brussels for rest and recreation, and arrived in London on December 24.

Here, in London, he was received most cordially, and early had an audience with His Majesty the King, and, although it is not generally known, the King was most anxious for the distinguished statesman to come to Sandringham to receive the decoration of G.C.B. which he bestowed on him before his departure from Europe.

It will make a great difference in the future maintenance of England's prestige in the Far East that King Edward VII. can count upon the friendship of the Marquis Ito, the greatest man of Japan, and one of the great men of the world.

# CHAPTER XVIII

## SOME LEADING MEN OF JAPAN

I HAVE selected the following six names from the many able Japanese whom it has been my privilege to know; to describe more would result in the descriptions being too short to be useful. The Marquis Yamagata, Count Inouye, Count Okuma, Count Matsukata, Baron Shibusawa and Mr Tsudzuki are all men who, whether in office or in private life, will always exert the greatest influence upon the course of the nation.

### BARON SHIBUSAWA

Although not in the Government, Baron Shibusawa is by far the most influential non-political in Japan at the present time. The Marquis Ito is the great political power, but there is a power behind that of political leadership, and it is that of finance. Baron Shibusawa recognised the importance of finance and com-

merce early in the new era and resigned his position as Vice-Minister of Finance to enter the commercial arena. His life is the history of the industrial development of the country he having been closely connected with every step made in the path of progress by Japan. Now at the age of sixty-two years he holds a unique position in the nation. He is president or director of nearly fifty large companies, and a shareholder in practically every enterprise which tends to advance the national credit and position. Recently he was offered the position of Minister of Finance but declined, believing rightly that he is able to exercise far greater influence upon the Government when he is not a member of the Cabinet. His acceptance of the office would have thrown the economic world of Japan into chaos, since in Japan no Cabinet Minister may be a director of any company. It is only fair to Baron Shibusawa to say that he would not have hesitated a moment to undertake the office of Minister of Finance if he had been convinced that it was the best policy for the nation. Baron Shibusawa is intensely devoted to his country and all his efforts are directed in the ablest manner. He has built almshouses and supports them, he has endowed schools and

founded charitable organisations, besides having been the introducer of the company system into Japan.

Before the Restoration Baron Shibusawa visited France and England, accompanying the brother of the Togukawa Shogun. Everywhere they were well received and the Baron still has the warmest recollection of the kindness extended to him then. He left Japan wearing the two swords of the warrior, but in France he adopted modern European costume, realising that the carrying of swords was inconsistent with peaceable and rapid development. When his portrait arrived from France, showing the young man in his new garb, the family wept at the degradation which had come upon them. But Baron Shibusawa persevered in his desire for progress and has always led the van in Japan for the adoption of all that is good in Western civilisation.

Baron Shibusawa is beloved of all, rich and poor, great and small, and, go where one will, it is impossible to hear a bad word about him or hear tell of an unkind action. Such a reputation is rare, and yet with it Baron Shibusawa is acknowledged as the most powerful influence in economic circles in Japan. In appearance the Baron is short and rather thick-set, his face

is rugged and always cheerful, while his eyes are piercing and keen, taking in all that goes on around him. Baron Shibusawa still speaks a little French, which is wonderful, when one thinks that it is nearly thirty-eight years since he was in France. But this feat of memory is typical of the Baron, and it is very doubtful if he ever forgets anything which he has experienced. To be a friend of Baron Shibusawa is to ensure the most deep consideration everywhere in Japan, and his name is the password to all places in the Empire. It will be a hard day for Japan when Baron Shibusawa is no longer in the midst of the nation, for nobody can take his place.

### Count Inouye

An energetic man, with his head so full of ideas and schemes for the future, Count Inouye is one of those great men who will never be old. It is true that he belongs to what is known as the Elder Statesmen, but he is never old in his ideas or his thoughts or his energy. In the past he has filled many of the highest posts in the Government, and there is every possibility that he may again be called upon to take office. Whenever that time comes, Count Inouye will enter upon his work

as cheerfully and as energetically as he did at the beginning of the new era in Japan, when he became Vice-Minister of Finance. Count Inouye was one of the first six Japanese to visit London before the Restoration. He and Marquis Ito, with four others, worked their way to Europe as sailors, and spent much time in studying Western civilisation. They returned shortly after the Emperor had regained his power, and since then Count Inouye has ever been in positions of influence and close to His Majesty the Emperor. As Foreign Minister, Count Inouye had the work of arranging for the revision of the treaties, but he discovered that most of the foreign nations were determined not to allow tariff autonomy to Japan, and so he resigned his office. The Count is a strong believer in the benefits of a protective tariff for the development of the industries of his country. He has visited Europe on several occasions, being in London during the Franco-German War, and visiting Berlin after the signing of the terms of peace. His son is the present Japanese Minister there.

At present Count Inouye is engaged upon a close research into financial facts and figures, and is preparing a table to show that the intrinsic value of Japan is much higher than ever

before. He feels very keenly that it is only necessary for the world to know the real truth about Japan for her credit to be firmly established.

Count Inouye is noted as one of the foremost collectors of works of Japanese art. His house is full of wonderful old paintings, screens, etc., from temples, from palaces and from foreign lands. Beautiful bronzes, *cloisonné* objects and kakemonos are to be found in every room. The Count takes a great interest in his garden, but principally in the beautiful stones which ornament it. These are brought from great distances by water and by rail, and at a cost which would astonish Western gardeners, who know nothing of stones as a decorative possibility.

Count Inouye has the reputation amongst his friends of being a pessimist, but I must confess that he is by far the most cheerful and bright pessimist I have ever had the pleasure of meeting. The Count speaks English, but when anxious to express himself more freely falls back into Japanese. Seated in his large armchair, he leans forward constantly as he warms to his subject, and then sinks back again while listening to the reply.

On all occasions when I have met Count

Inouye, he was always full of excellent plans for the good of Japan, and he is recognised as being one of the leading authorities upon finance in Japan at the present time. His reminiscences of Japan are delightful and most varied, covering as they do the whole of the new era, and he having had the opportunity of viewing his country from the position of Prime Minister, Minister of Finance and Minister of Foreign Affairs.

### Count Okuma

In the year 1889 the whole of Japan, if not the whole world, was startled to hear that an attempt had been made to assassinate Count Okuma. The Count had been so progressive, and so anxious for the adoption of foreign institutions, that the idea had gained credence that he was for giving over Japan to the foreigners. A fanatic therefore attacked Count Okuma while the latter was driving in a closed carriage in Tokyo. After killing the two horses and the men on the box, he hurled a dynamite bomb at the Count, shattering his right leg. The injured limb was amputated and Count Okuma recovered completely, although at one time his life was despaired of.

The Count is a great, cheery man, a most confirmed optimist, and, as he said to me, with a hearty laugh, "a martyr to the cause of the foreigner in Japan." An artificial leg enables Count Okuma to walk, although he has sometimes to have the aid of a stick. He has always an attendant close at his side, to assist him and to guard against the possibility of another attack.

Count Okuma has the reputation of being the greatest Japanese orator and public speaker. His eloquence is very great, and he makes frequent journeys through the country, speaking upon the financial or educational situation, both of which subjects are of especial interest to him. Count Okuma has been Prime Minister and also Minister of Finance, but recently he has been in opposition to the Government, a position which gives much greater play to his oratorical ability. He is one of the leaders of the Progressive party, and he is the most ardent member of his own party.

There are many who say that Count Okuma is too optimistic and is too hopeful of the future, but, so far, he has always managed to justify his hopes and his optimism. He is a strong believer in the benefits of Free Trade, wherein he differs from his friend Count

Inouye. The fact that Count Okuma does not speak any English has not deterred him from writing magazine articles for the American press on more than one occasion.

Count Okuma is a great educationalist, and I had the pleasure of being taken over his school for the higher education of women and his school for the higher education of boys by the Count himself. The former institution is a great favourite with Count Okuma and is proving very successful. The latter is known as the *Senmon Gakko* and is a very large institution. In connection with this college there is an extensive publishing bureau, where many translations of foreign books into Japanese are prepared.

The garden of Count Okuma lies close to the college — the house was unfortunately burned down a few months ago. Thus at present there is only the garden, but this is one of the most celebrated in Tokyo, and is very beautifully laid out. The Count and Countess are very much devoted to flowers, and two wings of a large conservatory are given up to a fine collection of orchids.

On my last visit to Count Okuma, I found him intent upon the plans of his new house and bending his whole energy upon the

problem of how to reconcile the European and the Japanese portions of the building, for now it is customary to build new houses in both styles. He gave his whole attention to the matter, just as in his political life he has always given his whole strength to the prosecution of his aims. Count Okuma, like Count Inouye, will never grow old. Whatever he has done or will do is always for the good of his nation, and always well along the path of progress.

### The Honourable K. Tsudzuki

No complete idea of the leading influences at work in Japan would be complete unless it contained some appreciation of Mr Tsudzuki and his future. Although he has yet much of his life and work before him, he is the embodiment and predestined successor of the "Elder Statesmen." Related to Marquis Ito and Count Inouye, Mr Tsudzuki is one of the "Younger Men" pre-ordained to follow in the footsteps of the "Elder Statesmen" of Japan, when at last they are forced to relinquish their hold on the helm of the ship of State. Although only forty years of age, Mr Tsudzuki has already filled many important Government positions,

among them being those of Vice-Minister for Foreign Affairs and of Education. He is the youngest member of the House of Peers, and his nomination for this honour was altogether unprecedented and a striking tribute to his ability.

Mr Tsudzuki received part of his education in Germany, and speaks German and French, as well as English, very fluently. During the recent visit of Marquis Ito to Europe Mr Tsudzuki accompanied him in the double capacity of relation and political secretary, and left an impression of ability and charm in the minds of his English colleagues that any public man might envy. It is seldom that one sees such devotion and self-abnegation in a brilliant young statesman to the older statesmen in order that the fame of the older men may shine undimmed by the light of lesser stars.

Coming into prominence at a time when English and Japanese interests are publicly proclaimed as identical, the feeling of friendship for him which he left in this country may be hoped to develop into a closer political relationship. Mr Tsudzuki will probably fill a post in the next Cabinet under Marquis Ito, the portfolios of Foreign Affairs, of Education and of Communications offering him a selection.

He is one of the "Younger Men" whose coming into power will be appreciated in politic Britain as well as in his own country.

### Count Matsukata

Count Matsukata may be described as the greatest financial Government force in Japan. For so many years he held control over the finances of the country in one capacity or another that even now he practically dominates the situation. The Count looks strangely like the great Prince Bismarck; in fact, when his face is in repose, one might almost be forgiven for imagining that the great German statesman was still alive. When Count Matsukata speaks, however, the illusion is destroyed, although there is still the same impression of strength which so characterised Prince Bismarck.

Count Matsukata is a great admirer of both Bismarck and Gladstone, and has small statuettes of both of these statesmen in his house at Tokyo. In the early days of the new era Count Matsukata went to France, where he spent considerable time in studying the financial systems of that country and of others. On his return he found ample scope for his financial ability, as the economic con-

dition of Japan was very bad. During the period when he was in charge of the financial affairs of Japan, the two great economic changes took place. The first was the redemption of all the unconvertible paper money of the Empire and the issue in its place of redeemable notes. The second change was the adoption of the gold standard in 1897. Count Matsukata it is who is responsible for the bringing into order of the chaotic finances of the early part of Meiji, a task which had proved impossible — largely owing to special adverse circumstances—for such great men as Count Inouye and Count Okuma. In 1900 Count Matsukata resigned his office as Minister of Finance in the Cabinet of Marquis Ito, but he has so set the fashion for governmental finance that it will be long before his successors change from the financial path which he has marked out.

During the stormy financial and political time of the Chinese War and the following years, Count Matsukata's strength was as a tower of refuge to the more timid of his colleagues. His report upon the *post-bellum* finance of Japan is a most masterly composition, and one which makes clear much that would otherwise be obscure. He has also

prepared a report upon the adoption of the gold standard, which gives the fullest account of the growth and development of the coinage system of Japan.

Count Matsukata's house in Tokyo is very delightful, and surrounded by a large garden in semi-European style; he, however, principally lives at his villa in Oiso, a distance of about two and a half hours by railway. The Count belongs to the "Elder Statesmen," and is a great favourite of His Majesty the Emperor.

### Marquis Yamagata

Although the Marshal or Marquis Yamagata complains of old age, he shows few signs of his sixty-five odd years, unless I except his grey moustache and iron-grey hair. An erect, spare figure, full of energy and action, a long head, and most bright and active eyes, these are the chief of the personal features of Marquis Yamagata. He has all the military punctiliousness as to neatness of dress and appearance, and strongly disapproves of negligence in others. His large house in Tokyo is built in European style, but has also a Japanese portion attached to it. When engaged in conversation

Marquis Yamagata illustrates his points with any objects lying near his hand—a match-box or a cigarette-holder may serve equally well to indicate an army or a battalion.

Marquis Yamagata is one of the greatest statesmen in Japan, and there are many who think him to be the greatest of all. On several occasions he has been Prime Minister, and to him is due the introduction of the present army system into Japan. He is the real power behind the Katsura Government, of which many of the members were formerly in the last Yamagata Cabinet. Marquis Yamagata was abroad in 1889, and again in 1897, when, however, he only visited Russia. His opinions with regard to China are considered as being the most authoritative of any Japanese statesman. Before the war and after it, he studied the conditions of the Celestial Empire very minutely, and has strong ideas as to how the state of things there can be improved.

Marquis Yamagata met with much opposition to his idea when he introduced conscription, it not being thought possible to combine merchants, peasants, etc., with the soldier class and make a successful army. The revolution in the South in 1877, and the Chino-Japanese War were triumphant indications of the efficacy of

this method of raising the army, and the recent trouble in North China finally proved that the Japanese conscripts are worthy to fight in line with any of the world's troops.

The Marquis was for long the head of the army, and although he now holds no official position, he practically overshadows all that is done by his successors. It would be a brave man who would attempt to introduce any system into the army contrary to the ideas of the Marshal Yamagata. Besides being one of the most senior officers in the army, the Marquis assisted in the Restoration of 1868, and is a great favourite of the Emperor.

In politics the Marquis is not so actively concerned as are others of the "Elder Statesmen": his strength lies chiefly in the House of Peers, but he does not spend so much time in the organisation of his party as might be expected from the unanimity with which they support him. Marquis Yamagata is a great favourite with the people, as well as with those on the higher levels of Society.

# CHAPTER XIX

## IN THE DIPLOMATIC FIELD

DIPLOMATICALLY Japan has had a much more easy development than in many other branches of her national existence. And this, although there has always been efforts made by all countries to belittle her importance. These efforts have had considerable results, owing to the ignorance of the various Governments on matters concerning Japan. It seems strange that, for instance, the British Government could lightly change Sir E. Satow from Tokyo to be Minister in Peking. Sir E. Satow had lived over thirty-five years in Japan, and had a wonderfully good hold of the situation there. He was on perfectly good terms with everybody, he could speak Japanese and write it perfectly, yet because China happened to be geographically near Japan the British Government imagined that one who had succeeded so well with the Japanese could do equally well

with the Chinese when a difficult position arose there to be filled. As long as it is possible for foreign Governments to confound Japan with China in this way, it is easily understood that the position of the Japanese envoys is not at all an easy one. Yet they are invariably well-educated men, able to meet their colleagues on an equal footing from every point of view. There have never been any more able and justly popular Ministers representing any country than M. Kurino, formerly Minister at Paris, and now stationed at St Petersburg, and Baron Hayashi, the well-known Japanese Minister in London, who, with Lord Lansdowne, signed the Anglo-Japanese Alliance on January 30, 1902.

From the early days the Japanese Government has tended towards the military. At first all the leading men in the State were military men, and since then the army has always played a very large part in determining the policy of the Government. There are many at the present time who complain that the nation is ruled too much by the General Staff Office and too little by the Cabinet, notwithstanding that there is always present in the Government the influence of Marquis Ito. The "Elder Statesmen" of Japan have up to

recently had a monopoly of the business of Cabinet-making. These "Elder Statesmen" are Marquis Ito, Marquis Yamagata, Count Matsukata, Count Inouye, and Count Okuma, and they form the solid portion of the Government. It is hard to imagine who will succeed these men. Many of the younger men are rashly progressive, which makes them impatient of the control of the "Elder Statesmen." But, as Count Inouye said to me, it is the "Elder Statesmen" who were originally the rebels from the old order of things, and who taught the younger men their present ideas.

The present Ministry was formed by Viscount Katsura after the resignation of the Ito Cabinet, and after quite a considerable interregnum, during which all the possible makers of Cabinets visited Marquis Ito. The Katsura Cabinet is distinguished as being the first formed by one who is not an "Elder Statesman." Careful newspaper comparisons have revealed the fact that the so-called "Younger Men" Cabinet is only on an average three years younger than the late Ministry of Marquis Ito. Thus it can hardly be said that the turn of the really young men has as yet arrived. The Katsura Cabinet is one formed irrespective of party lines, and the great part

of the Ministers are not Members of Parliament. The younger men are loud in their outcry for Party Government, and they hope great things for the results of the new elections, which will probably be held before September 1902; but at anyrate not later than that time. It is curious to note that the "Elder Statesmen" consider it probable that the elections will bring into power a much more intelligent body of men than is at present in Parliament.

Much of Japan's diplomatic and political development has consisted in the making of rules, or rather the adopting of rules and then growing up into those rules, without to any great extent modifying them. Thus, while Japan's foreign diplomatic representatives are exactly as other diplomats, they are too often not recognised as being on an equality. Mr Kurino, the Minister to St Petersburg, says truly that what is needed is a truer knowledge of Japan by the world, but especially by the continental world of Europe. Until there is more complete knowledge of Japan, the work of Japanese diplomatists is likely to be rather hard.

In studying Japan's diplomatic position, it is necessary to understand her interests in foreign countries and their interests in her.

In all, there are some 97,994 native Japanese living outside Japan. Of these, 71,315 are in the United States and her colonies. Hawaii is the principal settling ground of these emigrants; there are some 57,848 Japanese in the islands. In the United States themselves there are some 13,377 Japanese, and in Luzon only 90. Next in order of importance come Korea, with a settlement of 15,068 Japanese, and the British Empire with 5681. Russian Asia contains 3994, and European Russia only 27, making a total of 4021. In China there are 1699, which seems a very small number when one considers the vast interests between the two countries. Besides these larger bodies of residents abroad, there are 512 in other countries, of whom 210 are in Germany.

In trade the British Empire comes first with £16,400,000 (in 1899), and then the United States with £10,200,000; the Philippines have £267,000 worth; China with £6,800,000; France with £3,500,000, and Germany with £2,350,000 follow a considerable distance behind, while Russian Asia has only £700,000, and Korea £1,200,000.

From these two series of figures we would be brought to the conclusion that from the

question of resident Japanese, the United States, Korea, the British Empire and Asiatic Russia would be the most important from the point of view of commerce; the British Empire, the United States, China, France and Germany would be of importance in the order named.

Thus it might be imagined that Japan's diplomatic representation would follow the same lines. It does not do this, however, and is influenced by many things outside the question of concrete interests. In China there are 9 members of the *Corps Diplomatique* and 42 of the *Corps Consulaire.* In Korea there are respectively 7 and 46 members. Russia has allowed it the same number of the *Corps Diplomatique*, but only 7 of the Consular body. In the United States, where there are over 70,000 Japanese and a trade of over $50,000,000 annually, there are only 5 members of the diplomatic body and 21 consuls or minor officials. In England, Belgium, and Germany there are 6 diplomats from Japan, and in the British Empire 22 Consular members. In 1894 the total number of the *Corps Diplomatique* was 39, now it is 73. Compared to the 63 of the *Corps Consulaire* in 1894, there were 144 in 1899.

Steps are being taken to raise several of the Ministers of Japan in foreign countries to the rank of Ambassador. It is probable that this change would be made primarily in England and America. Such a step would do much good, and is the natural next advance in the ascent of Japan to her rightful place among the nations.

The postal returns give some interesting facts as to Japan's relative relations with other nations. Taking the whole of the mail matter received and sent, we find that in the year 1899-1900 there were 1,792,431 letters, papers, etc., sent to Asiatic countries, and 1,157,625 received. The great majority of these postal matter belongs to Korea, 1,137,000 objects having been sent there, and 639,766 received. The United States received 500,689 items, and sent 822,703. The great difference in the amount of matter sent to Japan and that expedited to America is due to the fact that 385,255 newspapers were sent from America as compared to 167,622 sent from Japan. Canada sent 47,278, and received 63,061 items. England received from Japan 350,414 letters, newspapers, etc., and sent 441,730, while Germany sent 238,775, and received 219,978. It is an interesting fact to know

that while the Germans sent to Japan 16,913 post-cards, the rage for pictorial post-cards caused 59,475 to leave Japan for Germany. The postal exchange between Japan and the Hawaiian Islands was almost equal to the German figures, there being 205,888 sent from Japan, and 202,861 received. The mail bags from Japan to her great neighbour of China totalled 361,544 going, and 252,838 returning.

Everyone feels an interest in the development of a market, and the means taken to secure the most rapid opening, and therefore it is interesting to note that whereas England sent 35,633 samples to Japan, the United States only sent 14,196, and Germany 18,538. Japan sent to these countries quite a number of samples, the figures being 5317 to England, 11,362 to the United States, and 4251 to Germany. Thus it would seem as if Japan is as intent upon spreading her goods in America as are the Americans to succeed in Japan. The total amount of international postal matter reached 6,663,139 in 1899-1900 as compared to 3,227,565 in 1894-95. Thus it would appear that Japan's interests in international affairs and countries had more than doubled in under five years. Since 1899-1900

the postal matter has increased very much, and continues to do so.

Japan has in recent years taken part in many international conferences, such as the Peace Conference at the Hague; and it is only natural that she should do so more and more, as her interests grow more and more intermingled with those of other nations. As to whether Japan has any right to interfere actively in any American or European dispute, in the same way that the United States might interfere with Turkey's freedom of action under certain conditions, is the subject of much discussion in Japan. Logically I suppose that she has as much right as any nation to interfere with the affairs of any other, but so far she has not gone outside the Far East in her active interference.

In this connection the views of Baron Suyematsu, son-in-law of the Marquis Ito and late Minister of the Interior, may be of interest. He says:—

"Our position in international affairs does not, I believe, differ in principle from that of European Powers. Considering the fact that we are already admitted by treaties into the comity of the civilised nations, our right as an independent Power cannot differ in any way

from any of the European Powers: but we have no desire of interfering with European politics. We believe, however, we have full right to interfere with any important questions concerning any Oriental countries as much as any of the European Powers has the right. This is only natural, when one considers how greatly we are associated by historical traditions and large commercial and political interests with those countries, and our insistence is more of the nature of self-preservation than of aggrandisement."

These ideas are held by a great proportion of the statesmen of Japan, and there is no doubt that in the case of Oriental Powers Japan knows far better how to act than do the other great world Powers. Japan's policy during the recent troubles in North China was consistently sound and full of common-sense. If she had been accorded her rightful position in the councils of the Allies there would speedily have been a laying of the ghost of rebellion in China.

It is probable that few, if any, of the nations which signed the Revised Treaties realised that by that action they took away the last bond and allowed Japan to rise to her proper level with themselves. Those who do not

realise it as yet will soon be forced to do so, and there will be no chance of their mistaking Japan's real international and diplomatic position in the world.

# CHAPTER XX

## JAPAN PARAMOUNT IN THE FAR EAST

Not only is Japan now one of the great nations of the world, but, allied to England, she is *the* great Power of the Far East. All other nations must allow her a leading voice in all questions relative to the settlement of affairs in the Far East. The greater the number of interested Powers in this portion of the world's surface the more important does the position of Japan become. She takes this place in every department—as a military Power, as a naval Power, and as a commercial Power, because in all these she holds the predominance of influence there. The Far East is the natural sphere for Japan's prowess, within which it is difficult for any of the other Powers to stand in her way.

It is of interest to study a little as to the reasons for this paramountcy and supremacy of Japan. First of all, Japan owes very much to

her position, and to the fact that she is an island Power. This latter fact reduces very materially the chances of a successful invasion, just as it saved England from annihilation during the Napoleonic wars. This immunity from invasions more than doubles the offensive power of the nation. The knowledge that, whatever course she may pursue, there is small danger of her home being overrun and devastated makes Japan much more able to deal with affairs outside her frontiers.

The Japanese Empire lies very favourably to dominate the Far Eastern world. Japan, Formosa, and the long line of the Pescadore Islands, command the whole coast of China and render very difficult the passage north or south of hostile forces. But Japan's position is also very good as far as regards many other countries beside China. Korea is almost within stone's-throw of her outermost islands, Hong-Kong is close to the southern point of Formosa, and the Philippines are only about seven days' steaming from Nagasaki. Australia, Siam, Indo-China, all are within easy reach of Japan, and all are more easily dominated by the Japanese than defended by the nations which own them. Take, for instance, the case of Hong-Kong. From Nagasaki to Hong-Kong is some 1060


MAP ILLUSTRATING JAPAN'S CENTRAL POSITION IN THE FAR EAST.

miles, while from London it is 3488, and from Calcutta 1400 miles. From Brisbane also it would be some fourteen days before any assistance could come to the colony.

From San Francisco to Manila requires about fourteen to twenty days' steaming, whereas from Nagasaki it is only some seven days' voyage for cargo steamers. Australia is much nearer to Japan—as far as the rich Eastern colonies are concerned—than to England, Canada, or South Africa, where are stationed British fleets. Indo-China, again, is so far removed from France when compared with the distance from Nagasaki to Tonquin, that figures are unnecessary to prove the ease with which Japan could dominate Indo-China. Thus, from her position, if it were simply a question of distance, it is easy to see the advantage of Japan as an ally in the East. But there is something more important than the mere number of miles from one place to another, and that is the possession of coal to make it possible to steam those miles, at any time. Japan has very large and very valuable coal beds and some very large coal mines now in operation, and this gives her a great advantage. Steamers are useless without coal, and even the most powerful of modern warships are at

the mercy of a torpedo boat if there is no coal in the bunkers and no possibility of movement. Japan produces ample supplies of coal for her own use, and now exports considerable quantities. Only a few months ago contracts were signed at Nagasaki between the U.S. Government and the great Japanese firm of Mitsui for the yearly supply of 60,000 tons of coal for the Philippines, which in itself was a tacit acknowledgment of the right of Japan to supply the Far East with coal. This coal supply of Japan gives her an unrivalled position. It is true that there are coal mines in China, but little is known of the quality of the coal or the possibilities of working. Even granted that the various portions of China under the control of different European Powers supply coal in abundance, that does not at all lessen the supply available for Japan's own use.

In diplomacy Japan is well fitted for her post. All the Far Eastern questions are likely to revolve around China, and there is no nation which understands China better than does Japan. Whether it is the knowledge as to how to treat diplomatically, or to wage war on land or on sea, or to manufacture those articles most suited for Chinese consumption, in each Japan's knowledge far surpasses all others. This is

only natural when it is remembered how much of Japanese civilisation has a substratum of Chinese philosophy, and how largely Chinese literature enters into the education of the Japanese people. This study of the Chinese classics enables the Japanese to estimate very truly the thoughts of the Chinese, and to act accordingly. Japan's ability to wage war against China was shown very conclusively in the late North China trouble, when the Japanese army alone, of all the Allies assembled there, possessed good maps and full knowledge of the country. And this knowledge is not confined to North China, but is spread over the whole of the neighbouring countries to Japan.

If Japan's position during war time be considered, it must be confessed that it grows all the more strong. Her navy is composed of modern and powerful vessels, and her sailors have all the advantages which appertain to men of an island nation. Japan's fleets would have the inestimable advantage of the nearness of their base and the security of their coal supply. In case of any disaster befalling them, her fleets can retire within the Inland Sea and rest secure, protected by the powerful batteries at either entrance. The Inland Sea is impossible of blockade, owing to the fact that there

is not only one entrance, but several. No harbour can compare with this great stretch of water, which is, moreover, so vastly more secure a refuge than is available to any other fleets in the East.

The Japanese army can muster 500,000 men, and these excel in mobility and in lightness of transport. The soldiers showed their merit very conclusively in the suppression of the Boxer disturbances, and it is only fair to them to say that they could have done much better if they had been allowed a freer hand by the Allies. Such a compact, highly-drilled army could accomplish very much, since practically the whole of it would be available for service abroad. As long as Japan can maintain a fleet in being she is safe from invasion, as soon as she can gain control of the sea she can invade anywhere with safety. Thus it will be seen that the new Allies occupy an almost unparalleledly strong position in the naval and military affairs of the Far East. It is neither necessary nor conclusive to compare Japan's strength with that of other nations in the Far East: this has been done too often already. Japan's real strength lies in her nearness to the field of action, her modern fleet and mobile army, and in her geographical situation and nature.

In the commercial field Japan can equally well dominate the Far East. The possession of coal, of kerosene oil and of almost unlimited water power renders it possible to produce manufactures very cheaply and economically. The price of labour also is not high, and labour is much more easily dealt with than in other countries. Then, again, the geographical situation of the country is in its favour, and it is easy to understand that freights must be far cheaper from Japan to, say, China, than from America, or London, to China. This lowness of freight, added to the cheapness of production, and to the fact that Japanese manufacturers know the desires of their customers very well, make it very hard for any other nation to hope to wrest the paramountcy of trade from Japan in the Far East.

There is much to be gained from the occupancy by Japan of the position of the leading nation of the East. It introduces a steadying influence into the situation which has long been lacking, and which will render the Far Eastern question more amenable to argument than to force. Japan's policy towards China is strongly in favour of preserving its integrity and opening the country to trade more and more. It has been clearly recognised how important is

this trade, and the present trouble in North China has shown how serious is its loss to Japan. That China should be peacefully developed is all that is desired by Japan, and this is the reason why an alliance was sought with England rather than with any other nation. The value of Japan's export trade with China was in 1895 only 9,135,108 yen, but in 1899 it had risen to 40,257,034 yen, an amount only rivalled by the export to the United States, which was 63,919,270 yen. In 1895, however, this amount was 54,028,950 yen. So that the increase of export to China has been proportionately far greater. The total value of the exports was, in 1899, 214,929,894 yen, so that the export to China represented about one-fifth of the whole. These figures show how anxious Japan should be that the integrity of the Chinese Empire should be maintained.

When the outside world has fully realised Japan's present paramountcy, they will all be anxious to be in friendly agreement with her. The nations whose interests in the Far East are identical with Japan's, and who have ever displayed friendly interest in the development of the Japanese nation, were the United States and the British Empire. Thus it was to these two nations that the Japanese people looked for the

first recognition of their country's rise to the position of a first-class Power. It has been shown that she did not have to look in vain, as far as England was concerned, and her due recognition of Japan as a friend and ally on an equality with herself marks the beginning of a new era, when Japan will be everywhere regarded as is her due.

What then should America do at the present time? It is so manifestly impossible for her to be the paramount Power in the Far East, however she might desire it, that she must make some provision to ensure the maintenance of the integrity of China and help on the development of her commerce. Thus she needs to have an agreement, formal or informal, with the Powers which already hold the paramount position in the Far East, and this can be easily achieved. A little kindness and consideration in international affairs shown to Japan would gain the lasting friendship of the nation and the Government.

It is related with pleasure how the Japanese, American and British troops acted together during the campaign in North China, and how well they were in agreement. It also is pleasant to reflect that these three nationalities were exempt from that savagery which

marked the acts of the other Allies. The common action in China of the three nations is looked upon as an excellent omen for the future common action of the three Powers—at least as far as the affairs of the Far East are concerned. While it may be urged that such a triple agreement would be the means of more firmly consolidating Japan's position, it must be remembered that this position already exists, and that it is well to take advantage of actual conditions when they happen to tend toward the same goal as yourself.

With Japan, openly allied to Great Britain, as Paramount Power of the East, the Far Eastern world will no longer resemble a powder magazine around which the flames of war are ever flaring. The gain to the other Powers of the world will be immense, both as regards actual expense and the restoration of the certainty of the security of the future. It is for America to follow Great Britain in the recognition of the new state of affairs in the East, and they will gain much benefit from such simple and yet such statesmanlike action.

# CHAPTER XXI

## THE ANGLO-JAPANESE ALLIANCE

THE time had arrived when Japan felt it almost a necessity to come to some definite arrangement, if not an alliance, with one or more of the European Powers. This, not because she felt any weaker than formerly — quite the reverse—but because she would rather wish to have more resources at her command for the development of her natural wealth. Sprung in thirty odd years from an unknown country into the position of a first-class Power, Japan has accomplished this wonder with her own money and with scarcely any foreign loans. And although it has been necessary to spend much money, it cannot be said that Japan is extravagant in her expenditures. An instance may be taken which only came to my notice a short time ago. Talking to a high Japanese official, he informed me that, according to the Tokyo War Office estimate, Japan could keep an army

as large as the present British army in South Africa in the field for a year with the money spent in two weeks in the South African War! Whatever Japan has obtained has been of the best, and naturally the best always costs much money. It must not be imagined that Japan is in a bad financial condition; she is most prosperous if she would stand still; it is the constant progress that is considered necessary which calls for foreign help and capital.

There was no doubt in the minds of Japanese statesmen that an ally was necessary; the only question was, Who shall it be? Japan is pledged beyond the chance of retiring to the policy of Korea for the Koreans, or for the Japanese, and it was this policy which determined her choice of allies. The Japanese army has been maintained at a great strength, comparatively, and this solely with a view to eventualities in Korea. The military drain of money rendered it impossible to find conveniently money for a new naval construction programme, and yet there is no denying that Japan's strength must lie on the sea. But more than all these is the fact that Japan's credit was unfortunately low, and that it was difficult to raise satisfactory loans even at very high rates of interest with good securities. Then, lastly, there was the question

of the various treaty-fixed tariffs forced upon Japan by the nations when she was weak and unable to resist. Thus it will be seen that there were many things in which an ally would be most useful. Japan wished for an offensive and defensive alliance, if possible. Let us consider the possible nations available as allies.

Naturally, our thoughts would turn to Russia, Japan's powerful neighbour. There are many reasons why such an alliance would be most beneficial to both parties. It must, however, be remembered that the Japanese have lost confidence in Russia's actions to a great extent, whether rightly or wrongly. The retrocession of the Liaotung peninsula was pardonable in their estimation, but Russia's occupation of Port Arthur was quite another matter. They also have recollections of Marshal Yamagata's visit to St Petersburg in reference to Korea. It is Korea which is really one of the most potent factors against a Russo-Japanese alliance. The country itself is not the bone of contention; this is to be found in an island lying off the harbour of Masampho, in the south of the peninsula. On more than one occasion offers have been made to Japan of the whole of Korea on the understanding that Russia should occupy this island. And this

means practically that the offer is without value, since both nations regard it as the Gibraltar of the Far East, commanding Korea and the surrounding seas. Thus this island always remains a rocky barrier between the two Powers. France is not considered apart from Russia. It must not be forgotten that in the popular sentiment in Japan Russia is in anything but high favour, a state of things largely produced by the Yellow Press of Tokyo and other cities. The report of the military expert's lecture at St Petersburg in the *Times* of December 20 points clearly enough to Russia's sentiment, at least in the army, on the question of Korea. It is this feeling on Russia's part which prevents Japan from thinking seriously of an alliance with her.

Japan had her own ideas of her needs, and they included an alliance with Germany and England as the other parties. America she considered as unlikely to desire an alliance with any Power—at least at present. The reasons for wishing both England and Germany as allies is apparent when we examine the matter. England's great and well-kept fleet, her chains of coaling-stations, and, lastly, her wealth and wonderful credit, all are of first-rate importance to Japan. Neither are there any frontiers for

friction with England or with Germany. From Germany Japan desired neither her fleet nor her wealth, and only indirectly her army. The Japanese statesmen argue logically enough that wherever a dispute may begin it always finds its way to Europe before its settlement. And it is because Germany has at command three votes in the Council of European nations that Japan desired her as an ally. This reasoning shows that the statesmen at Tokyo look well ahead and prepare for all eventualities.

I do not know what advantages Japan was likely to offer to Germany if she became an ally, but it was clearer as regards England. The Viceroys of the Yangste-Kiang Valley province are old and infirm, and, in the course of nature, must soon give place to new officials. It would be difficult, indeed, to hope that they will be as great friends to England as the present Viceroys, more especially as their appointment will depend largely upon whichever nation is most powerful at Pekin at that time. An inimical Viceroy would be a serious menace to the British sphere of influence, and such an appointment might lead to serious consequences. If this should happen, Japan argued that England would not be any the less able to cope with troubles there, be they Boxer risings or other

complications, if she could call upon a compact, immediately mobilisable army of trained men a few hours from Shanghai.

With these considerations in mind, Marquis Ito sounded not only the British, but also the Russian and the German Governments. Although the Kaiser was most friendly, the relations between Russia and Germany were such as to preclude any alliance being arranged. In England, however, Marquis Ito met with much greater success, although, at one time, it seemed as if the infant treaty was on the point of death owing to the apathy of the British Government. However, on January 30, 1902, the treaty of alliance, defensive and offensive, was signed by Lord Lansdowne and Baron Hayashi, and the isolation of both Britain and Japan was ended.

# APPENDIX

## THE ANGLO-JAPANESE TREATY OF ALLIANCE

*Agreement between Great Britain and Japan, signed at London, January* 30, 1902.

THE Governments of Great Britain and Japan, actuated solely by a desire to maintain the *status quo* and general peace in the extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Corea, and in securing equal opportunities in those countries for the commerce and industry of all nations, hereby agree as follows:—

### ARTICLE I.

The High Contracting Parties, having mutually recognised the independence of China and of Corea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politically, as well as commercially and industrially, in Corea, the High Contracting Parties recognise that it will

be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests if threatened either by the aggressive action of any other Power, or by disturbances arising in China or Corea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

ARTICLE II.

If either Great Britain or Japan, in the defence of their respective interests as above described, should become involved in war with another Power, the other High Contracting Party will maintain a strict neutrality, and use its efforts to prevent other Powers from joining in hostilities against its ally.

ARTICLE III.

If in the above event any other Power or Powers should join in hostilities against that ally, the other High Contracting Party will come to its assistance, and will conduct the war in common, and make peace in mutual agreement with it.

ARTICLE IV.

The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the interests above described.

ARTICLE V.

Whenever, in the opinion of either Great Britain or

Japan, the above-mentioned interests are in jeopardy, the two Governments will communicate with one another fully and frankly.

ARTICLE VI.

The present agreement shall come into effect immediately after the date of its signature, and remain in force for five years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said five years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue until peace is concluded.

In faith whereof, the Undersigned, duly authorised by their respective Governments, have signed this Agreement, and have affixed hereto their seals.

Done in duplicate at London, the 30th January 1902.

(L.S.) (Signed) LANSDOWNE, His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

(L.S.) (Signed) HAYASHI, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St James.

# Appendix

With this treaty as published (Japan 11/902) appeared the following explanatory letter from Lord Lansdowne to Sir Claude Macdonald, British Minister in Tokyo :—

## The Marquis of Lansdowne to Sir C. Macdonald.

FOREIGN OFFICE, *January* 30, 1902.

SIR, — I have signed to-day, with the Japanese Minister, an Agreement between Great Britain and Japan, of which a copy is enclosed in this despatch.

This Agreement may be regarded as the outcome of the events which have taken place during the last two years in the Far East, and of the part taken by Great Britain and Japan in dealing with them.

Throughout the troubles and complications which arose in China consequent upon the Boxer outbreak and the attack upon the Peking Legations, the two Powers have been in close and uninterrupted communication, and have been actuated by similar views.

We have each of us desired that the integrity and independence of the Chinese Empire should be preserved, that there should be no disturbance of the territorial *status quo*

either in China or in the adjoining regions, that all nations should, within those regions, as well as within the limits of the Chinese Empire, be afforded equal opportunities for the development of their commerce and industry, and that peace should not only be restored, but should, for the future, be maintained.

From the frequent exchanges of views which have taken place between the two Governments, and from the discovery that their Far Eastern policy was identical, it has resulted that each side has expressed the desire that their common policy should find expression in an international contract of binding validity.

We have thought it desirable to record in the Preamble of that instrument the main objects of our common policy in the Far East to which I have already referred, and in the first Article we join in entirely disclaiming any aggressive tendencies either in China or Corea. We have, however, thought it necessary also to place on record the view entertained by both the High Contracting Parties that, should their interests as above described be endangered, it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those

interests, and words have been added which will render it clear that such precautionary measures might become necessary and might be legitimately taken, not only in the case of aggressive action or of an actual attack by some other Power, but in the event of disturbances arising of a character to necessitate the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

The principal obligations undertaken mutually by the High Contracting Parties are those of maintaining a strict neutrality in the event of either of them becoming involved in war, and of coming to one another's assistance in the event of either of them being confronted by the opposition of more than one hostile Power. Under the remaining provisions of the Agreement, the High Contracting Parties undertake that neither of them will, without consultation with the other, enter into separate arrangements with another Power to the prejudice of the interests described in the Agreement, and that whenever those interests are in jeopardy they will communicate with one another fully and frankly.

The concluding Article has reference to the

duration of the Agreement, which, after five years, is terminable by either of the High Contracting Parties at one year's notice.

His Majesty's Government have been largely influenced in their decision to enter into this important contract by the conviction that it contains no provisions which can be regarded as an indication of aggressive or self-seeking tendencies in the regions to which it applies. It has been concluded purely as a measure of precaution, to be invoked, should occasion arise, in the defence of important British interests. It in no way threatens the present position or the legitimate interests of other Powers. On the contrary, that part of it which renders either of the High Contracting Parties liable to be called upon by the other for assistance can operate only when one of the allies has found himself obliged to go to war in defence of interests which are common to both, when the circumstances in which he has taken this step are such as to establish that the quarrel has not been of his own seeking, and when, being engaged in his own defence, he finds himself threatened, not by a single Power, but by a hostile coalition.

His Majesty's Government trust that the Agreement may be found of mutual advantage

to the two countries, that it will make for the preservation of peace, and that, should peace unfortunately be broken, it will have the effect of restricting the area of hostilities.—I am, etc., LANSDOWNE.

This treaty was received with universal enthusiasm in Japan. In England, although there are some misgivings, it is hoped that it marks the first step towards a stable British policy in the Far East.

# INDEX

# Index

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