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PACIFIC AFFAIRS VOLX NO 2 (June 1937) \$201-207 CONQUEST AND POPULATION

APANESE capitalistic expansion and continental conquest have been regarded, by foreign observers at least, as unsound ways to solve the Japanese population problem. In the March issue of Pacific Affairs, Freda Utley, in her article Population and Conquest, has also concurred in this view, emphasizing the fact that feudalistic remnants in the Japanese agrarian system are the fundamental obstacles to the solution of that problem. Although in the last sentence of the article she says "the rider must be added that Japan's present policies are designed to aggravate rather than to ameliorate its 'population problem,'" she has dwelt in her article upon the non-amelioration, without describing the aggravation. This aggravation is not insignificant, and merits some attention. Should conquest make the population problem worse confounded, it can only mean that the recent capitalistic expansion in Japan, rather than doing away with the precapitalistic relations in Japanese agrarian economy, is preserving and, in some cases, intensifying them. It must be remembered that during the World War and up to the time of the world-wide capitalistic depression, the standard of living in Japan was on the upgrade, while after the Manchurian incident it began to show a downward trend. One cannot, therefore, ascribe the present difficulty in solving the Japanese population problem altogether to precapitalistic exploitation. The general capitalistic crisis in Japan, which was mainly responsible for the Manchurian incident and the recent continental conquest, has unmistakably wrought great havoc on the Japanese petty merchants and industrialists. On the peasantry, which forms a little over half of the total population in Japan proper, its effect has been especially severe. (201)

It is true that the Japanese adventure on the Asiatic continent, which began with the Manchurian incident, did suddenly aid the export industry, especially those branches dealing with building materials and machinery destined for Manchuria. This, combined with the general Japanese trade expansion in the South Seas, gave Japanese business a temporary boom. But it is also apparent that the policy of conquest, which purported to relieve the capitalistic crisis, not only left the old contradictions unresolved, but also created new ones. The increase in conflict between city and country, and between landlord and peasant, was aggravated by the conflict between old industrial and business interests and those newly created after 1931. ZoZ

These newly-created industrial and business interests have as their kernel military expenditure and munitions enterprises. Of course many of the old plutocrats have some interest in them, but powerful new plutocrats have also arisen on the strength of financing munitions industries. The government budget has been directly responsible for the rise of these new plutocrats. The Japanese budget last year reached a high-water mark, and this has been surpassed by a one-third increase in the present budget. Nearly half of the budget has been allotted to the Army and Navy. Of this the larger half is to be used for the purchase of munitions and war supplies; and 32 per cent of the Army budget is to be spent in Manchuria. According to M. Suzuki, an authority on the history of Japanese plutocrats, the Army and Navy in 1935 spent 410,000,000 Yen on purchases from private munitions and warsupply factories, and 21,500,000 Yen on purchases of rice, wheat and other foodstuffs.1 202

Because of the policy of conquest and the consequent increase in the lopsidedness of the country's economy, sharp conflicts have arisen between the group composed of munitions capitalists, bankers who are connected with them, a few large landlords who also have an interest in the munitions industry, and a majority of the importers whose business it is to bring in raw materials for this industry, on the one hand; and the group composed of light-industry capitalists,2 chiefly those engaged in the textile industry, bankers essentially connected with them, the

¹ Cf. Chuo Koron, Tokyo, August, 1936, p. 82.
² Between 1929 and 1932 light and heavy industries in Japan developed at about the same rate. Since then, however, the tempo of light industry has been much slower. A noted Japanese author on current political problems, H. Yamakawa, has pointed out, in Chuo Koron, March 1937, p. 136, that one of the chief tasks for the Hayashi Cabinet is to restore a balance between war industries and those producing every-day necessities.(202)

majority of landlords and also the majority of export merchants, on the wher hand. Needless to say the Army authorities are on the side of the former group.3 Some of them think that if the military and naval budgets were cut by half, there would be serious industrial collapse. It must seem quite convincing to those whose interests are involved, that the armament industry is the main factor sustaining Japanese prosperity.

Although these conflicts—such as were betrayed in the coup d'etat of February 1936, and the downfall of the Hirota Cabinet one year laternecessarily affect the whole country, they need not be described in detail. It is more important, in a discussion of Japan's population problem, to examine the total effect of the conquest policy. Perhaps the best index of this is to be found in the taxation figures. 203

TN 1930 the average tax per family for national and local purposes was 1 99.9 Yen, but it increased in 1935 to 114.4 Yen. Should we figure on the basis of five persons to one family, then the per capita tax increased from 20 to 23 Yen, or by 15 per cent, within the brief period of five years. Yet this tax represents only part of the burden, for up to the present governmental financing has centered chiefly in the issuance of bonds. According to the 1933 investigations of the Japanese Imperial Agricultural Association, the tax burden of the industrialists amounted to, on the average, 17 per cent of their incomes; that of the merchants, to 14 per cent; that of peasants cultivating their own land, to 25 per cent; and that of landlords, to 54 per cent. Since most of the industrialists and merchants are located in the city and the landlords can shift their tax to tenants in the form of rent, it is not difficult to infer that an increase in taxes must result in greater distress in rural districts. Another straw is added to the burden of five and a half million tenant

In the past few years, in spite of the rent increase, the general tendency has been for the number of tenants also to increase. Indeed, this increase has itself been a basic cause of rent increase. The rise in the number of land-owning peasants was only a temporary phenomenon, as for instance in the year 1925 when there was an increase of 154,809 families owning

¹ The Navy authorities do not support the former group actively, because the Japanese Navy has more government factories than the Army; because it gives out less orders than the Army to the small private factories in the new munitions industry; and, above all, because it is less aggressive, owing to Japan's relation to the other naval powers. (203)

67,390 cho.4 This was made possible through the governmental policy which in total cost 125,000,000 Yen. 204

In a recent article in Chuo Koron, December 1936, a noted writer on Japanese agrarian questions, T. Inomata, brought out the fact that from 1922 until 1929 tenant families decreased by 67,000, but from 1929 to 1935 they increased by 40,000, and at the same time many more were forced to become hired laborers. The decrease of wholly land-owning families from 1929 to 1935 was said by Inomata to be 5,000. 204

If we compare the six years from 1914 to 1920 with the six years from 1929 to 1935, a great difference is apparent in Japanese internal migration. In the former six years the trend was towards the city and the factories, but during the latter six years this was reversed. During the upward grade of capitalistic expansion in Japan, the number of industrial workers increased very fast; there was a 64 per cent increase from 1914 to 1920.5 S. Watanabe once investigated 19,571 factories and found that there were 450,000 new workers enrolled during the three years 1914 to 1917. Out of this number 176,000, or 39.1 per cent, were directly from the peasantry. A large proportion of the remainder were originally also from the villages but had had an interim period of some other employment or unemployment.6 It was also during this period that numerous peasants entered mining and transportation, and migrated to Hokkaido and overseas. The peasants flocked into the cities of the several prefectures of Hiroshima, Okayama, Fukuoka, Aichi, Hyogo and Osaka. But because Japanese agrarian economy is shackled by feudalistic survivals, the cultivated areas in these prefectures were not increased during this period. The only exception was in the environs of the great city of Osaka where, owing to the growing demands of the urban population, truck gardening was rapidly developed.7 204

In the past few years the trend back to the land has become increasingly noticeable. According to the statistics of the Social Bureau of the Japanese Ministry of Home Affairs, there was after 1927 an average annual dismissal of 600,000 workers from factories with 50 or more employees. Of these at least 200,000 returned directly to the villages. The movement back to the land was temporarily arrested in 1931 owing to the war boom, but since 1934, the year marking a further degree

⁴ A cho equals 2.45 acres.

⁶ Cf. A. Kinoshita in Nippon Hyoron, Tokyo, February 1937, p. 136.

^o Cf. The Future Prospect of Japanese Agriculture, compiled by the Agrarian Research Society, Tokyo, 1921, pp. 157-160.

⁷ Cf. Research on the Tenants' Disputes, compiled by the Agricultural Bureau of

the Ministry of Agriculture and Forestry, Tokyo, 1922. (204)

of agrarian crisis, the trend must have been stronger. Since then, within one year, as many as 20,000 miners have gone back to the villages. 205

The general policy of economic nationalism which has been responsible for increased mining exploitation on the continent and curtailment at home, combined with the capitalistic program of rationalization, has drastically reduced the number of miners in Japan. This rationalization in mining as well as in other industries increased the productivity but relatively decreased the number of workers. Professor Minoguchi of the Commercial College in Nagoya calculated that, during the period of 1920 to 1931, the number of miners in Japan decreased by 54 per cent, while mining productivity increased by one per cent; and the number of factory workers increased by 7 per cent while productivity increased by 68 per cent. Within this period of ten years, factory productivity increased by 57.6 per cent per worker, and that of the mining industry by 119.9 per cent per miner. Rationalization has certainly reduced employment and quickened the back-to-the-land movement. 205

TNEMPLOYMENT is not only a problem of the cities, but has also be-Come a serious problem in agriculture. In the silk prefecture of Nagano, out of 32,800 unemployed in November 1933, no less than 22,000 were agricultural workers originally; and 6,000 out of the 22,000 had been hired laborers.8 In the meantime the decrease in agricultural wages was drastic. According to the official statistics of the Tokyo Ministry of Agriculture and Forestry, based upon an investigation of twelve prefectures, the agricultural wage indices were as follows in 1934, taking the average from 1921-1933 as 100: 205

Annual Laborer Season Laborer Day Laborer Women....

This drop in agricultural wages, which was as much as 40 to 48 per cent in a ten-year period, was accompanied by a drop in factory wages, both nominal and real, in the period 1929-1935. 205

In the midst of business depression and agrarian crisis, during which the people flock back into rural districts, the competition for leases on land is bound to become more keen. Disputes in tenancy therefore have become more and more frequent. In 1920 there were only 408 cases, according to official statistics, but in 1930 these had increased to

⁸ Cf. A. Kinoshita in Nippon Hyoron, Tokyo, February 1937, p. 147. (205)

2,478 and in 1935 to 5,512. During the first six months of 1936 there had already been 3,704. Whereas in 1925 only 7.8 per cent of the cases related to the right of tenancy, not to rent disputes, in 1936 there were 66.8 per cent in the first category. Most of the tenancy disputes took place in Tohoku, the northeastern part of the main island. The number of conflicts in Miyagi prefecture was 258 during 1935, of which 85 per cent were tenancy disputes; and in the first half of 1936 there were 288 cases, of which 92 per cent were of this nature. 206

In the former period during which the peasants migrated to the cities (1914-1920), they often abruptly deserted the land, thereby breaking leases and causing disputes. In the recent period, however, most of the conflicts were due to evictions. The prevailing reason for this reversal was the desire of the landlords to raise more rent by giving the land to a new tenant. In many cases the middle and small landlords wished to cultivate the land themselves in order to meet increasing taxation. When they took back the land either for cultivation by themselves or for sale, they pressed for rent arrears. After the sale of land, new landlords were in a position to exact an increased rent. These facts furnished the cause for an increasing number of rent disputes. 206

Aside from such phenomena as the above, which only intensify the precapitalistic relations in Japanese agrarian economy, general observations show that capitalism in Japanese agriculture is not making much headway. The number of hired agricultural laborers increased 29 per cent in a ten-year period, from 1924 to 1933,9 but they do not yet form a large proportion of the agricultural population. Since that period many agricultural laborers, as in Nagano, have become unemployed. Agricultural unemployment has increased either because of a change in production itself, as in the case of tea production in Shizuoka, where black tea supplanted green; or because of a change in the method of production, as in the case of silk farming after the recent introduction of the electric incubator and electric fan for the cultivation of silk worms. According to Kinsohita, in the period 1920 to 1935, when peasant families increased by 37,500, the cultivated area actually decreased by 89,000 cho. 266

Among 5,600,000 peasant families in Japan, perhaps not more than 30,000 are maintaining any sort of capitalistic farming, and very little of that is rice farming, although rice is the dominant agricultural product in Japan. Today, owing to the pressure of taxation and price manipulation, the future of even the well-to-do peasant is dark. From 1913 to

° Cf. Y. Ishibashi's investigation for the Imperial Agricultural Association, Tokyo1936, generally speaking, the price received for grain has barely doubled,
whereas that of industrial products has increased three and a ball in

whereas that of industrial products has increased three and a half times. An investigation of 334 families of the middle and well-to-do peasants carried out by the Tokyo Ministry of Agriculture and Forestry has brought out the fact that the income of these well-to-do families declined from 1,150 Yen per family in 1929 to 726 Yen in 1933. What is more significant is that the food item, which made up 40 per cent of the total budget in 1929, had risen to 44 per cent in 1933, though accompanied by a drop in food prices during this period. 267

The apparent decline in the standard of living of the Japanese, as a result of the capitalistic crisis, has been further accentuated by enormous unproductive war expenditures, a mounting burden of taxation, and a thinly veiled inflationalist tendency, which threatens to precipitate a new crisis. Thus military expansion, undertaken in an effort to escape from the effects of the crisis, has in fact aggravated the very conditions it was supposed to correct. If Japan has indeed a population problem, the policy of conquest has only made that problem more acute. 207

CHEN HAN-SENG New York, March 1937