AS STATED IN CHAPTER 1, the present volume takes the Japanese case as the benchmark case for a comparative analysis of public goods provision in early modern times. In fact, parts 2, 3, and 4, dealing with poor relief, infrastructure, and forests, respectively, include at least one chapter on the Japanese case. (For a view of the Japanese Archipelago, see map 1.) Before delving into the individual issues, however, we devote this first part to a formulation of the frame of reference by investigating the structure of "public finance" in early modern Japan; we expect that this structure will generally reflect rulers' behavior toward public goods provision.

In this volume, we regard the Tokugawa regime (1603–1868) as the early modern period in Japan. During the Age of Civil Wars in the sixteenth century, there emerged prominent local lords with superior economic, as well as military, power. After winning the decisive battle at Sekigahara in 1600, the Tokugawa family acquired the power to rule over the entire Japanese archipelago and established a government called the Tokugawa shogunate in 1603. Their rule, which lasted for more than 250 years, came to an end in 1868. Although theoretically the Tokugawas were one among the many "feudal" lords, the Tokugawa shogunate behaved as a central government that monopolized diplomacy, coinage of specie, foreign trade,[1] and the authority to guarantee feudal lords (*daimyō*) the right to rule over a particular domain. It not only ruled the largest domain, worth six million *koku*,[2] and thus occupied one-fifth of the entire Japanese territory, but also benefited from monopolizing those aspects of power that fostered the rule of the shogunate. Under the shogunate reign, around 250 lords ruled domains, whose sizes varied from one million to ten thousand *koku*; there were also a certain number of direct vassals of the shogunate, the *hatamoto*, who ruled territories less than ten thousand *koku*.[3]

MAP 1. Japanese Archipelago

These lords and vassals had exclusive rights to impose levies on the lands they ruled, and maintained the autonomy to manage their revenue and expenditure, that is, "public" finance, as well as the jurisdictional power over residents in their domains. In return, each feudal lord was obliged to render "military duty" to the Tokugawa shogunate and had to stay at Edo (the capital, where the *shogun*—the head president of the shogunate—resided) every other year.[4]

There were two dimensions to the ruler-subordinate relationship in the Tokugawa regime. The first one was among the rulers, shogunate, and lords; the other was between the rulers and ordinary people. The ruling class comprised the lords and their vassals—the *samurai* (warriors)—who were based at the capital of each of the domains; the capitals were called castle towns (*jōka-machi*). This resulted in an urban concentration of the warrior class (*samurai*) and their families in the castle

towns; further, they made up a remarkable 6% to 7% of the population. In addition, the merchants and craftsmen, who were originally supposed to serve the warrior class, also moved to the castle towns. Edo, with a population of around one million in 1700, was the largest castle town in Japan; it was followed by Osaka, a distribution center providing merchandise to Edo and other towns, and Kyoto, an agglomeration of traditional craftsman.

In contrast, the ordinary people classified as peasants (*hyakushō*) constituted around 80% of the population and resided in the villages (*mura*) in the countryside. Peasants usually paid the land levy in kind (rice) to the office of each domain through the village, the formal unit responsible for transferring the land levy to lords. A certain percentage of the domains' revenue was distributed to vassals according to their ranks. It is noteworthy that the village had to assume responsibility for paying in full the levy imposed on the lands within its territory, even though the levy was officially imposed on an individual household basis. This administration method, known as *muraukesei*, worked as a significant factor in establishing the village as the formal governing body. Thus, in theory, the residential place of rulers and ordinary people (except that of merchants and craftsmen) was geographically remote. It is also worth noting that the local notables discussed in part 1 did not belong to the ruling warrior class; they were drawn from the ordinary people, mostly of *hyakushō* (peasant) status, residing outside the castle towns.

Overall, the Tokugawa regime was organized as an agricultural economy that was mainly based on rice cropping in the paddy fields equipped with an irrigation system. The peasant households comprising stem-family members with a single inheritance system played the central role in the agricultural production, which used family labour and labour-intensive technology. On the other hand, market transactions were intrinsically integrated within the Tokugawa system because the rulers sold the land levy, which was, in principle, paid in kind, to purchase necessities, as well as luxuries, for coins minted by the shogunate. The development of the market economy and the growth of commercial sectors and nonagrarian production in the latter half of the Tokugawa regime were remarkable developments; this led to an increase in their contribution to the entire economy. We should also keep this trend in mind when we consider the changing patterns in "public" finance of the shogunate and lords.

The first chapter by Masayuki Tanimoto (chapter 2) examines the relative size of the Tokugawa shogunate's as well as domains' public finance to evaluate the changing role of rulers in the latter half of Tokugawa era. The chapter goes on to discuss the role of the regional society in public goods provision and as an incubator of industrial development by focusing on the activities of local notables comprising wealthy farmers, land owners, brewers, and local merchants. Overall, the chapter evaluates the substitutable and complementary roles of "regional society" as a provider of "public goods" in early modern and modern Japan.

The next two chapters deal with the details of public finance, concentrating on the relationship between the rulers and the villages or local notables under them. The second chapter by Kenichiro Aratake (chapter 3) focuses on rulers, investigating the various data derived from several individual domains, such as Hiroshima, Okayama, and Sendai. The chapter looks into the composition of the administrative organization run by the lords' vassal band. The author also observes and evaluates the actual workings of the individual vassals in terms of governing ability. Based on these observations, the chapter emphasizes the limited role of lords and vassals in administering villages and providing public goods for regional society.

The third chapter by Kazuho Sakai (chapter 4) discusses the same issue from another angle. Focusing on a case in which a lord outsourced the fiscal management activities to local notables, the chapter reveals that the local notables reduced the lord's household expenses and created a fiscal surplus. This surplus was used not only to repay the debt to intradomain creditors, but also to create a fund that they expected to spend on civil engineering, building, or relief projects for the domain's inhabitants. In other words, the local notables diverted the lord's finances to establish a financial basis for providing public goods to local inhabitants. This diversion can be recognized as a contribution to the formation of local public finance that played a significant role in public goods provision, well into early-twentieth-century Japan.

Through these chapters, part 1 reveals that the formation of the centralized power of the Tokugawa shogunate did not necessarily entail an increase in the public goods provision by rulers. Further, it emphasizes the role of villages and regional societies as the entities creating the public social space for public goods provision, with local notables, who had emerged from *hyakushō* (peasant) status, as the leaders.

Masayuki Tanimoto

NOTES

1. The profit from the monopolization of foreign trade began to decline from the latter half of the seventeenth century, owing partly to the so-called seclusion policy that began in the 1640s and limited trade by Japanese traders to only their Dutch and Chinese counterparts, mainly because of the depletion of silver mines in the Japanese archipelago.

2. During the Tokugawa regime, the size of territories was expressed in terms of the formal estimate of the annual production of rice by volume. *Koku* is the unit of volume used to measure rice and one *koku* is equivalent to 180.39 liters.

3. Of the six million koku ruled by the shogunate, two million were delegated to *hatamoto*s.

4. Among the lords, there were variations in the duration of stay at Edo. For example, the lords in the Kanto area, which was the hinterland of Edo, stayed for around six months in Edo every year. The lord's family, wife, and underage children had to live in Edo all the time.