

majority in the Diet the Liberals have supported the Government, and Count Itagaki has entered the Cabinet as Home Minister, while another Liberal leader is the new Minister to Washington. So far as one may judge, the fundamental contention of the Liberals has triumphed, and the voice of the people as expressed by the Diet is accepted in the council of the emperor.

*The Finances.*—Peace pays the bills of war. Japan, too, learns the price of glory. The imperial budget before the war was, say, \$90,000,000 silver, and this year it has more than doubled, being \$193,000,000 silver, perhaps something more than \$100,000,000 in United States gold. That means a large increase in taxation, and with it an increase in the cost of living, another weary step, introducing Japan to the conditions of modern industrial and economic strife. Thanks to Liberal support, budget and taxes went through the Diet with little difficulty.

This large expenditure means a new navy by and by, purposed to be strong enough to measure conclusions with Russia or other European power. It means an immense increase in the army—500,000 men ready for war, making the empire impregnable at home. It means also, and to the credit of the other side of the account, the building of new railway lines with like internal improvements. Pity it is that the incoming of Christian civilization imposes such heavy burdens chiefly that the nation may be prepared to slaughter men in the most approved way.

*The Civil Code.*—The Diet adopted the new Civil Code. It marks another important stage in the onward march. It also prepares the way for the full control by the Japanese courts of all foreigners in the empire, instead of the present system of foreign laws and courts. Two years ago the Code was defeated under the pressure of anti-foreign sentiment; but now it is adopted in a somewhat amended form. There were other indications in the Diet that the exaggerated dislike to foreigners manifested offensively in recent years has disappeared, and that the nation is no longer hostile in its attitude. The change is partly due to the removal of the cause by the revision of the treaties, and partly because of the new consciousness that the nation has proved its right to equality. Nowhere is there evidence of the prophesied increase of self-importance and swagger; but, to the contrary, there is more of self-restraint and friendliness.

*Korea and Formosa.*—The Government has not fared well in Korea. Its plans for reform have succeeded only very partially, and there is prospect that the last state may be worse than the first. Most lamentable of all is the fact that the Japanese Minister was implicated in the murder of the queen. He was recalled, tried, and acquitted; but there is a widespread feeling that the verdict was a miscarriage of justice.

Certainly Japan has suffered in influence, power, and reputation. Russia is the gainer. It gathers the fruits of Japan's campaigns in China and in Korea. So at least for the present, for what the future is to unfold