

POVERTY IN RURAL JAPAN.

The Tokio Asahi paints a dismal picture of the conditions prevailing among the agriculturists of Japan. It says: "Debt, hunger and destitution seem to prevail almost universally, and this is aggravated, it is declared, by the taxes imposed by an ambitious government. It is easy to understand why the Japanese emigrate to any shore where they can obtain a footing. The Japanese economists are seriously engaged in considering the farm problems of the country. Agriculture has hitherto been the staple industry of Japan, but farm labor has been so largely drained away by the growth of manufactures, not to speak of the demand for men for the army and navy, as seriously to cripple agricultural enterprise. The consequence is the decay of rural life, and many a "deserted village" is to be met with in the central sections of Nippon. The attractions of town life, contrasted with the hardships met with on many of the farms, make a condition of things which is rapidly breaking up rural society.

The Asahi gives a statement of the income of the tenant farmer, the backbone of agriculture in Japan, showing that in unfavorable seasons the paddy-fields yield only a loss. To quote:—

"When crops are bad the peasant obtains per half-acre only about five bushels of rice, worth about \$12, while the cost of production is \$18. Thus the loss is \$6. When the crop is good he loses only \$15 on the raising of his whole crop of grain. Sometimes in an exceptionally good year he may clear the small margin of 75 cents profit per half-acre. While it is hard to see how the farmer can continue to live on what appears to be a continual loss, it is probable that he makes it up by other manual work. We have tried to conduct personally our investigations among the farmers, and though obliged to restrict our enquiries to one district, we have consulted the customary reports of the government and found little difference between our and the government returns for the conclusions respecting one locality."

Raising truck pays better than raising grain. The article continues:

"The various truck crops, such as beans, buckwheat, millet, potatoes, carrots, etc., are raised with an annual profit of about \$5.50 per acre. Thus the fact is revealed that rice and wheat, the staple crops, yield little or no profit, while the less important pay better."

But the man living in the country has, of course, other resources in a nation which weaves so much silk. Nevertheless the Japanese peasant farmer lives in a state of semi-destitution. The Asahi says—

"As Japan abounds in mulberry plantations, a good profit is made on these, the expenses being \$24 per acre, and the profit about \$30 pre acre. Yet as the average family of the tenant farmer amounts to seven persons—the man and his wife, four children, and one parent-in-law—his financial position must needs be desperate. Including the average profit from rice-field, his dry farm and the woodland where he obtains his fuel, the income from a year's hard labor amounts to only \$123.

"When compared with that of the rest of the people it shows the lowest return, being twenty per cent. lower than what the artisan receives. Farm life is the cheapest to maintain, and yet our readers will be amazed to see the farmer subsisting on such a pittance. Of course, he can not, in many instances, meet his expenses; he is consequently heavily laden

with debt, and in due course, unless he pays his debts, his mortgaged lands are confiscated. Handicapped by the physical disabilities produced by the harassing cares of insolvency, he flies to the town, and thus the class upon which the village depends for its prosperity is dying out."

The farmers, declares the Asahi, suffered more severely than any other class from the Russo-Japanese War. Eighty-five per cent. are in debt, their liabilities ranging from \$100 to \$150 each. Other men of business, we are told, contract debts, but the money is used for productive purposes, while the farmer is compelled to borrow in order to live.

THOUGHTS ON CONSOLS.

The London Economist says it is not at all surprising that the drop in gilt-edged securities in France, Germany, and Great Britain, as well as in Italy and Austria, should be arousing lively and anxious attention. We notice that Sir Felix Schuster, referring to the depreciation in the gilt-edged securities of the Union of London and Smiths Bank during the past half-year, which involved a loss of £100,000, ascribed half the loss to British Government stocks and half to Home Railway debenture stocks. Fluctuations in Consols this year have been unusually wide, for they have been above 70 and below 74. The fall between June 30, 1911, and June 30, 1912, amounted to 2 3/4 per cent., while German Government stocks fell 3 1/2 per cent., French 2 1/2 per cent., Belgian 7 per cent., Austrian 3 per cent., Russian 2 1/2 per cent., and Italian 6 per cent. in the same period. We may add that Swedish, Danish and Dutch 3 per cent. Government securities fell respectively 3, 8 and 4 points in the same twelve months. There is no necessity, therefore, for the Governor of the Bank of England or any other scientifically-minded person, whose position requires caution and impartiality, to discover any strange and awful portents which should account for the extraordinary fall in Consols. And the reason why there is no such necessity is, as Sir Felix Schuster points out, that there has been a similar fall in other countries. Of course, it is true that every country has its own special causes, which contribute to check or increase the force of the general movement. For example, Italian credit has suffered by the war, although the Government has borrowed in the form of Treasury bonds. Several of the small countries have suffered by heavy borrowing. Germany cannot make both ends meet; for it has been compelled all along to finance its naval programme by means of loans. A correspondent wrote from Berlin a day or two ago:—

To the horror of the small investor in the Fatherland "Imperial Three per Cents" have now dropped below 80. Explanations of the fall, and suggestions for improvement are rife. To-day the *Berliner Tageblatt*, Germany's most widely read paper, even gives up its front page to a leading article on the subject. The most recent downward movement is ascribed to the present activity of trade. Fresh capital is needed everywhere, and money, which has been lying by quietly in Government bonds, is now taken out to be applied to more profitable uses. But although this may be only a passing phenomenon, the *Tageblatt* feels that the fall will continue unless some definite step is taken. Nothing, it says, can be expected until the Government, instead of buying in on the open market, is willing to redeem at par, as is done for