

## Summary of Articles

### **Street–Maintenance Expense Coverage in Nagoya City, before and after Implementation of the City Planning Law**

KOBAYASHI, Keisuke

This paper examines how Nagoya City covered street maintenance expenses in Nagoya City, including both the particularities of and background to its approach. The paper’s focus is on the expense burden borne by the beneficiary.

Prior to the implementation of the City Planning Law, street maintenance costs in Nagoya City were mainly covered by local land–owners and leading families. This approach to covering expenses reached a turning point at about the same time the City Planning Law came into effect. Nagoya’s population had grown significantly, and social infrastructure costs had seen steady increases. Compared to other big cities, Nagoya City’s finances were vulnerable. As a result, along with increases in government bond issuance, a new method was introduced for covering street maintenance costs, resting on the beneficiaries of that maintenance rather than on local landowners and elites.

In Nagoya’s urban areas, the burden imposed on companies was in effect a beneficiary charge on operating profits, and that on land owners a beneficiary charge on the rise in land prices. These proved unstable sources of revenue, however.

Meanwhile, however, the suburbs adopted land consolidation and readjustment approaches that functioned well. Through these means, landowners required less capital for improvements and were able to avoid the burdens of the user fee system. To benefit from rising land prices, residents had to carry out land consolidation and land readjustment by establishing unions for the purpose. Nagoya was able to provide free street–use at hardly any cost, which was an advantage given the significant spending required in urban areas.

Under Nagoya City’s street maintenance system, each entity undertaking construction was responsible for interpreting “benefit,” and beneficiaries were charged their particular cost burdens accordingly. Nagoya City’s approach resulted in a multi–layered system that allotted different cost burdens to different beneficiaries. The practice of placing the burden on companies and residents became widespread under the Urban Planning Law, which had a significant impact on the city and its residents.

### **The Colonial Trade Expansion in Japan after the Russo–Japanese War : The Growth of Salt Imports from Kwantung under the Salt Monopoly**

MAEDA, Kiyotaka

This paper examines the causes of the increase in salt imports to the home islands of Japan from the leased territory of Kwantung, in the Liaodong Peninsula, after the Russo–Japanese War. First, we analyze how the Japanese government failed to negotiate the Agreement on Export of Salt from Kwantung to China. Subsequently, we examine the process that led to the growth in salt imports from Kwantung to the home islands of Japan after the failure of the trade negotiations.

This paper shows that both the Governor–General of Kwantung and the Dongsan Province were willing to impose a tax on the exports of salt from Kwantung to increase their own tax revenues. However, the Governor–General of Kwantung did not allow the Dongsan Province to impose a tax on the salt exports to the foreign countries, including the home islands of Japan. The introduction of such tax would have increased the price of salt from Kwantung in the foreign markets, causing a contraction in salt exports and a subsequent reduction of the salt tax revenues for Kwantung. However, the episode led to a breakdown in the negotiations. After that, the Ministry of Finance in Japan designated Kwantung as the supply center of salt under the salt monopoly, introducing a regime intended to increase tax revenues. The production cost of salt in Kwantung was lower than in the home islands of Japan : even if both the home government and the Governor–General of Kwantung imposed taxes on salt trade, the salt from Kwantung was still cheaper than domestic salt. Thus, the Japanese government promoted imports from Kwantung to

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increase tax revenues of both the home government and the Governor-General of Kwantung.

Studies of the history of colonial trade in pre-war Japan have argued that the Japanese government promoted colonial trade expansion to reduce the outflow of specie money under the gold standard system. In contrast, we suggest that the government may have promoted colonial trade expansion to increase its tax revenue. Towards the turn of the twentieth century, Japan's fiscal condition was aggravated by the expansion of its colonies. The Japanese government promoted stronger interdependency between the home islands and the colonial economies to improve its public finance by imposing double taxation. Thus, the deteriorating fiscal conditions following the Japanese colonial expansion promoted the growth of colonial trade in Japan.

## **Franco-German Negotiations on the Saar Statute in the Treaty of Versailles and the Impact on the Reconstruction of Germany's Post-War Economy : Focusing on the Tariff-Free Import Clause**

IMAKUBO, Sachio

The Annex Chapter II, §31-4 of the Saar Statute in the Treaty of Versailles, stipulated that articles imported from Germany into the Saar Basin region for local consumption should be free of import duties for a period of five years from the effective date of the Statute.

The negotiations between Germany and France on this statute affected the recovery of the autonomous trade order in Germany's west border areas, as well as the potential strength and longevity of German trade with the Saar area. Both were preconditions for the revival of the post-war German economy.

In the negotiations, France adopted restrictive interpretations of the Statute, expanding the scope of its regulation of import tariff exemptions. Germany was unable to counter these measures on its own.

It was not until 1924 that Germany was finally able to make a breakthrough in the situation, through the intervention of the League of Nations Council where England's strategy against France held sway. In addition, with the lifting of the occupation of Germany's western regions, Germany was able to recover its autonomy over customs administration and thereby mostly to close the "Loch im Westen (Hole in the Western region)," including the Saar region.

In practice, however, French restrictions on §31-4 remained almost until the end of the five-year transition period. Germany was therefore unable to take advantage of the temporarily favorable terms of trade to reconstruct a Saar-Basin trade order strong enough to pave the way for German economic reconstruction as a whole, as had been intended.

It was assumed that trade between Germany and the Saar Basin would greatly decrease after the transition period, because France and Germany would each impose high import duties on products moving in and out of Saar. It was also expected that France would lose the privilege of free imports of Alsace-Lorraine products into Germany and simultaneously lose the German market as a whole, as Germany recovered its autonomy over trade and customs policy. The interests of the two countries led them to enter into negotiations on the German-French trade agreement in August 1924. But the transition period came to an end without conclusion of an agreement. The Saar Basin was completely incorporated into the French tariff system, and Germany had to seek anew to develop a Saar trade order within that new framework.