

Summary of Articles**Japan's Export-Promotion Policy in the Interwar Period : An Analysis of Export Agencies**

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This paper aims to clarify the prewar development and operation of Japan's export agencies, which were established essentially to obtain trade and economic information valuable for promoting exports. While large enterprises rarely made use of it, small and medium-sized commercial and industrial firms, which could not easily obtain information about overseas markets on their own, took advantage of the information provided by such agencies. The proportion of these small and medium-sized firms in exports was significant in pre-war Japan. Thus, one can conclude that export agencies contributed to Japan's exports before the war.

This paper focuses particularly on the following three areas : (1) The development of export agencies during the interwar period ; (2) the relationship between the government and local administrative organizations concerning the export agency and the procurement of trade and economic information ; and (3) the wartime development of the agencies and changes in their functions.

The results of this research show that local governments actively utilized export agencies in the 1920s and 1930s. Earlier research had focused mainly on the development of the agencies by the central government (Ministry of Foreign Affairs, Ministry of Commerce and Industry). The present analysis shows that during the interwar period, Japan's central and local governments built complex information network spread throughout the world. At the same time, the local governments tried to promote exports using the networks created by the central government. The local governments then gradually became more independent of the central government and its agencies, creating export opportunities of their own.

This paper also examines the government export agencies during the war years. It suggests that the national and local governments pursued export promotion in different ways. The central government's aim was to acquire foreign currency and it therefore established export agencies outside the yen bloc. Local governments, by contrast, sought export markets within the Japanese empire, and so they established agencies within the yen bloc. As the war spread and the wartime control economy took hold, the central government addressed the divergence by shutting down the local government agencies. After the war, the functions of the export agencies were concentrated in the central government and handed over to JETRO (the Japan External Trade Organization), which retains control of these functions to this day.

Were Banknotes Deposited? Or Did Deposits Bear Banknotes? : The Bank of England's Earliest Banknotes Suggest that the Theory of an Exogenous Money Supply is Untenable

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Expansionary monetary policies (policies for increasing the money supply) are often adopted when the economy is in a slump. However, a fundamental issue in monetary policy is whether a central bank can control the money supply by manipulating the monetary base. As is well known, this question has effectively divided the field of economics into two schools. The exogenous and endogenous money theories have offered conflicting views on money supply since the mid-18th century, and even today's application of econometric methods to the question has ended in fruitless debate. This perhaps means that we should look beyond econometric approaches to settle the dispute. This paper argues that an examination of banknotes from a historical perspective might bring about the resolution of the longstanding debate.

From its foundation in 1694, the Bank of England issued pieces of paper (running cash notes) as receipts in exchange for deposits, and these pieces of paper gradually began to circulate. This is how the Bank of England's notes came into being. Originally they acted simply as notes that the Bank of England promised to repay to the depositors or bearers ; they were entered as debts in the book of outstanding banknotes, known as the "Clearer." The Bank of England also issued its notes in other banking

activities such as discount drafts and loans. The notes with their varying written amounts ultimately evolved into notes with printed denominations.

As suggested above, banknotes came into existence only when a credit relationship was established, and they expired with the expiry of that credit relationship. Since a banknote went from the bank of issue into the real economy only when a credit transaction was conducted, the bank of issue could not control quantity of banknotes in circulation. As previous studies have shown, goldsmith bankers had by the end of the 17th century constructed a payment and settlement system that used transfers of deposit monies. Banknotes became a means for adding or withdrawing money from one's balance.

In summary, it was not banknotes that enabled the settlement of payments by allowing the transfer of deposits, but rather that the settlement of payments through the transfer of deposits gave rise to banknotes. Banknotes were a product of the credit system. In other words, a bank of issue can not increase or reduce deposits or banknotes arbitrarily. Should we therefore recognize that both deposits and banknotes are born endogenously?

Capital Accumulation among the Nobility from the Post-Russo-Japanese War to the Showa Depression : The Case of Asset Formation and Industrial Investment of Former Iwakuni Lord Kikkawa

MIURA, Sou

This paper analyzes the process of asset accumulation in the nobility -- a class composed of former *daimyo* lords -- from 1910 to 1930. The specific focus is on the Kikkawa family, descendants of the lords of the Iwakuni domain.

The Kikkawa family's total assets increased steadily on a foundation of long-term increases in stock holdings, and then surged after World War I. The increase in stock value was particularly notable, with World War I having an extremely large effect on the increase in Kikkawa assets. In principle, the family procured its investment capital from internally generated funds, first from profits and second through the disposal of assets in its possession. When, in the course of rapid capital accumulation, it was short of capital for investment, the family supplemented its own funds by taking short-term loans.

The Kikkawa family holdings of both local and non-local securities were acquired on a "non-anonymous" basis, at par or near-par value, either on the founding of a company or when its stocks were issued. Additional investments, in the case of major stocks, were made through "non-market" means : directly underwriting the new shares based on its holdings of old ones ; underwriting them by the face value of the increase in shares ; or making additional payments by installment. With this two-stage capital accumulation pattern, the family was able to generate "stable and significant" profits from non-local stocks, such that its capital formation became largely tied to dividend income from "central," or non-local, stocks.

The most profitable of its stock holdings were its equity in the manufacturing and electrical industries. The family procured much of its income not only from dividends but from intermittent gains made on sales, from free share issues, and from gains on the issuance of securities at the time of purchase, all of which together amounted to a high degree of capital accumulation. By contrast, the annual rate of return on local stocks was low, at 2.8%, compared to the 13.3% return on non-local stocks. This paper demonstrates that the Kikkawas took seriously the need to discuss stock acquisition opportunities with the Mori family and former Iwakuni clansmen, and examines their relationship with the building of corporate competitiveness.

訃報

本年9月17日、理事・評議員として長く本学会にご貢献いただいております尾崎芳治先生が逝去されました。謹んで哀悼の意を表します。