

FROM THE FAR EAST YEAR BOOK,  
1941 (Page 249)

## THE RECENT SITUATION

## GENERAL REMARKS

The military outbreak in Manchuria in 1931 marked the first turning point in the financial policy of the Japanese Government. The change had to be made to meet the emergency conditions brought about by the country's advance on the continent. The new state born in Manchuria had to be financially aided. For her defense Japan assumed full responsibility. Manchuria's natural resources had to be developed at a high tempo to supply raw material for the expanding needs of Japan's heavy industries. All these and other undertakings involved heavy capital outlays. Japan's financial operations rapidly expanded, and the situation was met almost entirely by means of public borrowing. There was a definite departure from the deflationist policy rigidly enforced by Finance Minister Inouye under the Hamaguchi administration. But this period of stringent economics and low costs had laid the foundations for the period of productive expansion that was to follow under the so-called "semi-wartime conditions" of the country and that continues under the full wartime conditions imposed on the country by the undeclared war with China. The growing financial requirements were also met in good part by extending trade activities abroad.

## SECOND TURNING POINT

The second turning point in the financial policy of the country was seen in the period of which the now historic "incident on February 26," 1930, was the most outstanding landmark. With the rise of military influence, emphasis was laid upon the defense adjustment of the country. Under the policy of Finance Minister Baba the growing state expenditures were met partly by increased taxation and partly by borrowing. The plan, however, of extensively managed economics which he was to have embarked upon proved unpopular. Finance Minister Yuki who followed him chiefly directed his policy to "the expansion of productive capacity."

## THIRD TURNING POINT

The third turning point was noted after July, 1937 when the undeclared war broke out with China. Under the wartime conditions now imposed on the country the popular legislature met and approved the fiscal program involving an increase of taxes and further public borrowings. A total of ¥2,500 million was voted as was expenses for the period July, 1937 to January, 1938. The wartime financial policy of the country was now based on three fundamental principles, namely, "expansion of productive power," "the maintenance of the country's international payment balance," and "the adjustment of supply and demand of commodities."

## FOURTH TURNING POINT

The fourth and last turning point came when on January 16, 1938, the Japanese Government declared that "it would no longer deal with Chiang Kai-shek or his Government." In plain language this statement meant two things: first, that Japan had definitely broken diplomatic relations with the Nationalist regime of China; and second, that Japan was to prepare herself for any "long term resistance" that China might offer. Under these wartime conditions the Government had to re-examine its financial policy and reshape it. The Imperial Diet, meeting in session in January, 1938, approved a number of legislative measures involving sweeping changes in the fields of state economy, corporate finance, foreign trade, industries and labor.



### PREVENTION OF INFLATION

Next, emphasis is laid on the prevention of inflationary developments, which are thought likely, and even inevitable in some quarters, as a result of heavy bonded borrowings. One of the first steps taken in the same direction is the encouraging of savings. This was made definite when ex-Finance Minister Kaya spoke at the meeting of savings banks in April, 1938 shortly after the conclusion of the Diet session. He said that the savings made annually through the financial institutions amounted to something like ¥2,500 million. This amount should be raised to ¥7,000 and even to ¥8,000 million for 1938. He gave the annual income of the nation at approximately ¥15,000 million. Popular savings are also to be encouraged, a special bureau being established for this purpose with an independent budgetary appropriation of ¥1 million.

### ECONOMIES IN CONSUMPTION

Since any undue inflation of the circulation is to be avoided, the official policy is now chiefly directed toward rigid economies in consumption. The restriction of imports is now leading to the control of consumption in the country, as seen in the cases of cotton goods, rubber, petroleum, etc. The investment of capital reserves in any lines outside the province of wartime industries has been checked under the revised law for regulation on capital, effective since January, 1938. Capital payment and debenture issuance are also now subject to strict control. At the same time the corporations capitalized at over half a million were one and all required to report their capitalization schemes for 1938 by the middle of February, 1938. The operations of capital reserves held by the life insurance companies were placed by Imperial Ordinance, issued on January 11, 1938 under the joint supervision of the three Ministers of Commerce-Industry, Finance and Welfare. This system practically enforces on the insurance companies the duty of purchasing national bonds.



## 板東年鑑

一九四一年（第二四九頁）目リ

## 最近ノ情勢

## 總論

一九三一年、滿洲ニ起ツタ軍事的騷擾ハ日本政府ノ財政方策ヲ轉換サ  
 セタ最初ノモノデアアル。日本が大詔へ進出シタタメニモタラサレタ危  
 急状態ニ適應スルヨウナ變革ガナサレネバナラナカツタ。滿洲ニ新シ  
 ク生レタ國家ハ財政的援助ヲ必要トシ滿洲防衛ノ全責任ハ日本ニアツ  
 タノデアアル。滿洲ノ天然資源ヲ日本重工業原料ノ擴大シツツアル需要  
 ヲ充タスタメニ急速ニ開發スル必要ガアツタ。コノタメ、又其ノ他ノ  
 事業ノタメニハ、多額ノ資本ノ支出ガ必要デアツタ。日本ノ財政運用  
 ハ急ニ擴張サレ、ソレハ殆ンド全部公債ヲモツテ辯ゼラレタノデアアル  
 「濱口」内閣當時井上茂相ノ固持シタ「デフレーション」政策トハハ  
 ツキリ手ヲ切ツテマツタ。シカシコノ切迫シタ經濟ト抵諒ナ物價ノ  
 時代ハ、次ノイハユル「準戰時體制」下更ニ中國ニ對スル無宣戰ノ戰  
 争ニヨク惹起サレタ正戰時體制下ニオケル、生産擴充時代ノ基礎ヲ築イ  
 イタ。コノ増大スル財政要求ハ、大部分海外貿易活動ヲ擴大スルコト



ニヨツテマカナハレタ。

### 第二ノ轉換點

日本ノ財政方策ニオケル第二ノ轉換點ノ認めラレル時代ノ最モ顯著ナ  
境界標トモナルベキモノハ、今ハ歴史的事件トナツタ一九三〇年ノ「  
二、二六事件」デアル。軍部ノ勢力擡頭ト共ニ國防ガ強調セラレレル日  
ウニナツタ、馬場藏相ノ政策ニヨリ増大スル國庫ノ支出ハ一部ハ増税又  
ハ一部ハ國債ヲモツテコレニ當テタ。シカシナガラ彼ガ廣範圍ニワタ  
リ行ハントシタ經濟計畫ハ評判ガ悪カツタ。彼ニ次イダ結城藏相ハ彼  
ノ政策ヲ主トシテ「生産能力ノ擴大」ニ向ケタ。

### 第三ノ轉換點

第三ノ轉換點ハ中國ニ對スル無宣戰々争ノ勃發シタ一九三七年七月以  
降ニ認めラレル。日本ガ余孽ナクサレタ戰時體制ノ下デ議會が開カレ  
増税ト國債増額ヲ含ム財政案ヲ通過サセタ一九三七年七月カラ一九三  
八年一月迄ノ支出全額トシテ二五億圓ガ可決サレタ。日本ノ戰時財政



方等ガ、今左ノ三原則ノ上ニ樹立サレタ。即チ「生産力ノ擴充」「國際支拂ノ均等」及ビ「物資ノ需給調整」デアアル。

#### 第四ノ轉換點

第四且ツ是後ノ轉換點ハ一九三八年一月十六日、即チ日本政府ガ蔣介石ヲハソノ政府トノ交渉ヲ打切ルト宣言シタ時ニヤツテ來タ。平易ヲ語テイヘバコノ宣言ハ二ツノ事ヲ意味シタ。第一ニ、日本ハ中國々民黨政府トノ外交關係ヲ打切ツタコト、第二ハ、日本ハ中國ガ挑ンデクレバ如何ナル長期戦ニモ對處スル準備ヲスルコトデアツタ。コノヨウナ戦時體制下ニ政府ハソノ財政方策ヲ再檢討シ再計畫セネバナラナカツタ。一九三八年一月ニ開カレタ帝國議會ハ國家財政會社經理、外國貿易、殖産業及労働等ノ分野ニオイテ徹底的大變化ヲモタラス多クノ法策ヲ通過サセタノデアアル。

#### 通貨膨脹ノ豫防

次ニ、通貨膨脹ノ進捗豫防ニ重點カオカレテキル。通貨膨脹ハ過大ナ公債發行ノ結果トシテハ、可能性ガ豫想セラレテキルシ、或ル分野ニ



オイテハ不可避デアルトサヘ考ヘラレテキル。ヨノ目的デトラレタ  
 第一ノ手段ノ一ハ貯蓄奨励デアル。コノ事ハ議會閉會後聞モナク一  
 九三八年四月？（不明）日ニ賀屋元藏相ガ貯蓄、銀行會議デ明白ニ  
 語ツテ申ル。彼ハ毎年金融機關ヲ通ジテ行ハレル貯蓄ハ凡ソニ五億程  
 ニ上ゲラルベキデアルト述ベタ。彼ハ國民所得ノ年額大體一五〇億  
 ト見積ツタ。國民一般ノ貯金モ又奨励スベク、ソノ爲ニ百万圓ノ經營  
 ヲ豫算ニ入レテ特別ナ一局ガ設置サレタ。

消費經濟

通貨ノ甚ダシイ膨張ヲ避ケルタメニ政府ノ方針ハ今更トシテ嚴格ナ  
 消費經濟ノ方向ニ向ツタ。輸入ノ制限ノタメ、今綿製品、ゴム、石油  
 等ノ場合ニ見エルヨウニ、國內ニオケル消費ガ統制サレルヨウニナツ  
 タ。戰時產業以外ヘノ投資ハ、一九三八年一月以迄有效ノ改正資本統  
 制法ニヨリ一切抑止サレタ。資本ノ支拂、及社債發行モ嚴重ナ統制ノ  
 下ニ置カレタ。同時ニ五十万圓以上ノ資本ヲ有スル會社ハ悉ク一九三  
 八年二月中旬迄ニ、一九三八年度ノ融資計畫ヲ報告セネバナラナカツ



タ。生命保險會社ニヨル積立資本ノ運用ハ一九三八年一月十一日發布  
サレタ勅令ニヨリ商工、大藏及厚生ノ三大臣ノ合同管理ノ下ニオカレ  
タ。ヨノ組織ハ實際上保險會社ニ國債ヲ購入スル義務ヲ負ハセル事ニ  
ナツタ。