CONTENTS

	PAGE
Preface	5
CHAPTER I	
Introduction	
I. The object of this survey	13
2. General economic background	
3. Japanese monetary system	22
4. Japanese banking system	29
5. Foreign exchange markets	
6. Financing foreign trade	44
CHAPTER II	
YEN EXCHANGE BEFORE 1914	46
CHAPTER III	
YEN EXCHANGE AND THE BALANCE OF PAYMENTS DURING	
THE WAR, 1914-1918	
1. The history of yen exchange classified into three periods	53
2. Economic conditions up to July, 1914	
3. Changes brought by the War in the balance of payments	
4. Japanese-British exchange	
5. Japanese-French exchange	
6. Japanese-Russian exchange	
7. Japanese-American exchange	
8. Japanese-Chinese exchange	
9. Japanese-Indian exchange	86
10. Problems of financing foreign trade	
II. Summary	97
CHAPTER IV	
YEN EXCHANGE AND THE BALANCE OF PAYMENTS AFTER THE WAR, 1919–1923	
1. General outlook after the War	100
2. Rise in prices	
7	101

	PAGE
3. Unfavorable balance of payments	112
4. Exchange movements	119
5. Failure of exchange policy	127
6. Summary	134
CHAPTER V	
YEN Exchange and the Balance of Payments After the Great Earthquake, 1924–1927	
1. Real economic effects of the great earthquake	136
2. Great exchange slumps of 1924 and its rapid recovery during	-
1925-27	138
3. Great excess of commodity imports	141
4. Capital imports	143
5. Pegging and sale of gold funds	145
6. Causes of exchange slumps of 1924	148
7. Reasons for recovery	150
8. Bank failures of April, 1927	151
9. Summary	154
CHAPTER VI	
CHARACTERISTICS OF YEN EXCHANGE FLUCTUATIONS AND	
THEIR CORRECTIVES	
1. Characteristics of yen exchange fluctuations	156
2. Defects in exchange banking	
3. Effects of yen exchange fluctuations	
4. Reform of exchange banking	
5. Correctives for yen exchange fluctuations	164
CHAPTER VII	·
Test of Various Foreign Exchange Theories	
1. Theories of foreign exchange	177
2. Cassel's purchasing power parity theory	181
3. Keynes' revision	188
4. Various opposite theories	
5. Conclusion	197
APPENDIX A	
BIBLIOGRAPHY	
DIBMOGRAFAI	204

LIST OF TABLES

CHAPT		PAGE
	General	
I	Growth of factories in Japan	19
I	Average daily wages of laborers	20
I	Means of payments in Japan	23
I	Mint pars of exchange	24
I	Relative amount of reserve for note-issue, 1807-1924	28
I	Growth of Special Banks	35
I	Development of Mutual Societies	36
I	Growth of deposits of Postal Savings	37
I	Bank amalgamation in Japan, 1913-1926	38
I	Development of Ordinary Banks	39
I	Standings of so-called first-rate banks in Japan	41
		7-
	Before 1914	
H	Movement of trade before 1914	46
II	Japan's foreign borrowing before 1914	47
H	Japan's stock of gold before 1914	49
H	Amount of gold abroad utilized for note issue	51
	Desire H. W.	
	During the War	
III	Japan's commodity trade during the War	57
III	Japan's imports and exports of gold and silver during the War	58
III	Japan's commodity trade according to countries during the	
	War	60
Ш	Japan's invisible trade during the War	62
III	Capital movement during the War	64
111	Outstanding amounts of foreign investments in Japan, 1914-	
	1918	65
III	Balance of international payments, 1914-1918	66
III	Japanese-British trade during the War	71
III	Japanese and French prices during the War	72
III	Japanese-French trade during the War	72
III	Exchange rates on Russia	74
III	American foreign trade during the War	76
III	Japan's trade with U. S. A. during the War	78
III	Gold movement with U. S. A	78
III	Demand rates on New York in 1918	79
III	Index numbers and exchange rates in 1918	79 80
III	Japan's trade with China during the War	82
III	Gold and silver movement with China	
III	Prices of silver and tael during the War	82
111	Tires of shirer and fact during the Mat	83

		PAGE
III	World's production of silver during the War	
III	Japan's trade with India during the War	
III	Japan's imports of India raw cotton during the War	87
III	Specie movement with India	87
Ш	Rates of exchange on Bombay during the War	89
III	Loans of the Bank of Japan during the War	
	After the War	
IV	Japan's gold imports after the War	101
ΙV	Gold reserves of the principal countries after the War	102
ΙV	Increase of government's fractional paper	
ΙV	Expansion of bank credit in Japan	
IV	Relative increase of volume of trade	104
ΙV	Cotton-yarn production after the War	
ΙV	State revenue and expenditure, 1909-1923	
ĪV	Local governments' expenditures, 1912-1923	107
IV	Increase of tax burden after the War	107
ΙV	Increase of government's internal loans	108
īV	Increase of local governments' loans	108
ĪV	Dishonored bills after the War	100
ĪV	Capital for promotion and extension of all companies	110
īv	Wholesale price index on gold basis, 1919-1923	
īv	Visible trade after the War	112
īV	Japan's commodity trade according to the countries after the	112
- •	War	
IV	Japan's invisible trade after the War	
īV	Capital movement after the War	
īV	Outstanding amounts of foreign investments in Japan, 1919	11/
1 4	1922 · · · · · · · · · · · · · · · · · ·	-
ΙV	Balance of international payments, 1919-1923	117
IV	Japan's trade with China after the War	119
IV	World's production of silver after the War	
IV	Trade with India after the War	
IV	Japan's gold funds held abroad after 1920	
IV	Increase in the stock of gold at home, 1919-1923	
TA	increase in the stock of gold at home, 1919-1923	131
	After the Earthquake	
V	Japan's commodity trade after the Earthquake	
V	Specie movement after the Earthquake	
V	Japan's visible trade after the Earthquake	
V	Japan's invisible trade after the Earthquake	
V	Japan's trade balance after the Earthquake	
V	Capital movement after the Earthquake	
v	Japan's balance of international payments, 1924-1926	
VI	Japan's investments in China, the South Seas and Russia	170

LIST OF CHARTS

CHART		PAGE
I	Tokio, London and New York wholesale prices during the	
	War	59
II	Exchange on London, New York and Shanghai during the	60
III	Purchasing power parities, balance of trade and exchanges during the War	98
IV	London, Tokio and New York wholesale prices after the	110
37		
	Prices, notes, trade and exchanges after the War	113
1V	Exchanges on London, New York and Shanghai after the War	110
VII	Japan-London and New York-London exchanges after the	•
	War	120
7III	Purchasing power parity, balance of trade and and actual	
	exchanges after the War	123
IX	Exchanges on London, New York and Shanghai after the	
	Earthquake	139
X	Tokio, London and New York wholesale prices after the	-5.
	Earthquake	130
Χī	Purchasing power parity, exchange and balance of trade	0.
	after the great Earthquake	149
	II	•