

Economy and Society

Wartime Economic Opportunity

- WWI brought an business opportunity to Japan, while it brought an unprecedented disaster to Europe.
- The increasing demand gave a huge boost to Japanese economy, and raised its exports.
- But prices increased faster than wages.
- People suffered from the inflation.

Narikin

- The social emblem of this boom was the emergence of *nouveau riche*.
- *Narikin* was caricatured in cartoons (A narikin is lighting a room with his money).
- The good times continued only briefly. The boom was terminated by a stock market crash in 1920.



The Great Kanto Earthquake

- The economy showed a sign of temporary recovery in 1922.
- But the earthquake attacked Tokyo in 1923.
- Tokyo was distinctive in its mixture of residential, commercial, and industrial districts, vulnerable to fire.
- The disaster was unprecedented.

Crisis to Crisis

- Again there was a temporary recovery boost by the reconstruction boom.
- But the fundamental problem of the economy due to the overvalued currency, was unresolved.
- In 1927 a banking sector problem resulted in a major crisis.
- Banks had delayed writing off failed loans of the immediate postwar depression.

Bank Runs

- Bank of Taiwan, a colonial financial institution, expanded loans to speculative ventures of Japanese firms in Taiwan.
- Suzuki Trading Company, its large borrower, was reported insolvent in 1927.
- The event sparked a panicky chain reaction of depositor runs on domestic banks, followed by a three-week “banking moratorium.”

Zaibatsu

- The monopolistic corporate groups across industries (Mitsui, Mitsubishi, Sumitomo, and Yasuda) extended control over the economy.
- Zaibatsu opened wallets to support political parties in the Diet on one hand, while they strengthened their ties to military and bureaucratic elites on the other hand.

Rural Life

- The welfare of tenant farmers had been much improved along the economic development.
- The better nutrition raised the average height of newly conscript young soldiers from 1890s to 1900s.
- Agricultural income declined relative to that of other industries, which increased political tension.

Tenants and Landlords

- Farming wealth was concentrated to landlords.
- Economic condition on tenants was harsh.
- The relatively stable relationship between within farming villages was maintained by landlords' customary gestures of benevolence.
- Landlords occasionally contributed to village festivals, reduced rents in bad times, and paid doctor's bills when a tenant farmer fell ill.
- In 1920s the benevolence was seen less often. Landlords lived in cities as capitalists (or absentee landlords), dispatching estate overseers who might treat tenants in an impersonal fashion, which caused disputes between them.

City Life

- Owners of tiny business rather than wage earners gave a measure of stability, community, and vitality in urban life.
- In Tokyo in 1908, the category of “merchants and tradesmen” accounted for 41% of all employed population.
- They are fishmongers, rice dealers, tofu or vegetable sellers, bath-house proprietors, booksellers, barbers and hairdressers, charcoal dealers, toy store and photo shop owners, etc.