

BANKING DEBATE IN 1871 AND NATIONAL BANK SYSTEM IN JAPAN

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《SUMMARY》

In this paper we empirically analyze the change of capital expenditure after Lehman Crisis by using panel data based on Non-consolidated and Consolidated financial information. We find that while capital expenditure measured by Non-consolidated financial information significantly decreases after Lehman Crisis, capital expenditure measured by Consolidated financial information significantly increases compared to the period of capital expenditure boom. The difference between Non-consolidated and Consolidated financial information indicates that most Japanese exporter have been increasing offshore capital expenditure after Lehman Crisis.

This paper aims at reexamining the debate in 1871 between Hirofumi Ito and Kiyonari Yoshida of the Ministry of Finance officials on whether newly established banks should be modeled after the Bank of England or the US national banks. By carefully reading related documents, we reached a counterview to the generally accepted one that the US national banks were adopted since Ito strongly argued the US model for the development of the Japanese economy. Rather, we found that it took much time to settle the debate since Yoshida repeatedly argued the adoption of the Bank of England model and that Kaoru Inoue, their senior officer, concluded the debate by adopting the US model and by placating Yoshida by promotion to a higher position.

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