

Government Role in the Post-war Japanese Economy

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I

This article attempts to enumerate and examine various effects of the public investment, especially on the creating of productive capacity and on the stabilizing of trade cycles.

The greater part of the discussion is carried on with special reference to the Treasury Investment and Loans. It is important to note that Japan had lost one-fourth of her national wealth during the last war. It has taken about ten years to reach the pre-war level, for which the Treasury Investment and Loans has played a significant role.

As regards to the methods of the government which encourages the private investment, three types may be noticed; direct investment (e. g. public works), indirect investment and subsidies. The Treasury Investment and Loans are typical examples of indirect investment which was newly introduced into after the last war ended.

II

The amount of the government supply of industrial equipment funds is estimated roughly 50~60% of the Treasury Investment and Loans, and 25% of the private gross investment. Therefore, one-fourth of the private equipment investment is owing to the government action, these funds

are supplied through the several government financial institutions.

Let K and ΔK denote the fixed capital stock and gross investment respectively, $\Delta K/K$ is the rate of capital growth. As regards to K , we use the estimates of the Economic Planning Agency, the amount of the new supply of industrial equipment funds is used for ΔK which is estimated by the Bank of Japan.

Although the rate of capital growth was increasing during 1950-51, the movement classified by industry shows different directions during 1951-53. All industries have taken more or less downward move from 1953 to 1955, which had been brought about by deflationary policy. So long as the period of 1951-53, machinery, iron and steel, electric power industries belong to the upward group, and the downward group consists of the primary industry, textile, coal products, shipping industries etc.

According to our estimates by industry, the ratio of government funds supply to gross investment during 1950-57 is as follows: primary industry 41.4%, electric power 40.3%, shipping 38.4%, coal products 26.2%, textile 10.0%, machinery 9.9%, iron and steel 8.4%. But the ratio of coal products and iron-steel industry may show a higher value during 1946-50.

III

The above are formal consequences. We must next examine the degree of government contribution to creating capacity. Let I and I_g denote the gross investment and the supply of government funds, we can get I/K (the rate of capital growth) and I_g/I (the ratio of government funds supply to investment). If the supply of government funds play a capacity creating effect, it must show a plus-correlation between them. But in some industries, we get minus-correlations. Our statistical examination makes clear that the plus-effect group consists of iron and steel, primary industry(1950-53), machin-

ery (1950-53), but coal products and textile industry show adverse effects.

In general, at the early stage of her reconstruction, the government laid stress on the agriculture, coal products, shipping, electric power industry to which the most government funds had allocated. But as Japanese economy has recovered to the pre-war level, more funds have been supplied to other various industries.

The supply of Treasury Investment and Loans are expected to iron out the fluctuation of the trade cycles. According to our examination, the direct government investment has obtained the desired anti-cyclical effects, but as respects to the indirect government investment, its action has been coincident with that of the private investment, therefore it has not played as a stabilizer. We can recognize how the post-war Japan faced to the lack of capital, so the government's main aim was to make up for the private investment quantitatively.

IV

Lastly we did some case studies. Iron and steel industry as well as food manufacturing industry is selected to be examined. The former has received much funds from the Japan Development Bank (formerly called the Reconversion Finance Bank), to the latter industry, most of which are small and medium scale industries, Small-Business Finance Corporation has supplied with the funds. Both capacity creating effects and re-allocating effects on industrial structure were to be examined.

Southern Traits in Poe as Critic

Yūko Eguchi

The traditional view of Poe and his place in American literature is the view that he lived and wrote "out of space, out of time"; that he displayed scarcely any concern for the American scene, people, or the American problems of his time, that he made no attempt to glorify the history or civilization of his country, and further that scarcely anywhere in his imaginative writings did he leave the mark of being an American. It is, therefore, maintained that Poe stands alone, outside the main stream of the American literary tradition. There are, on the other hand, some scholars who hold that Poe was not so isolated a figure as has been believed, but that a more comprehensive examination of Poe's writings proves that he was considerably indebted to his age and environment. They maintain the view that he betrayed, in his more critical writings, not a little interest in things American and in the social and cultural conditions of his native country.

In the light of the latter view of Poe, and on the general assumption that very few writers transcend the regional, social and intellectual climate in which they live, I have attempted, in this essay, to discover any possible influence on Poe of the South of his time, especially of the Virginia where he spent most of his youth.

In spite of being born in Boston, Poe always claimed to be a Virginian; in fact, he was brought up and educated as a Southern gentleman. His appearance, his personal bearing, his speech, his temperament, his sensibility and imagination as well as his habits of thought showed distinct Southern traits. His chivalrous, sentimental attitude toward woman, and his ideals of womanhood are Southern. His proud, cavalierly manner, his moody, excitable temperament, his love of reverie, his sensibility to music and color, and besides all these his warm hospitality to friends and faithfulness to his family undoubtedly bore the mark of the South.

With regards to Poe's attitude toward the social and political conditions of his contemporary America, he also seems to have been a Southerner. His social and political views more or less reflected the opinions of the ruling classes of the ante-bellum South, to which he liked to think he belonged. As an intellectual aristocrat and a firm individualist, Poe showed antipathy to democracy and social reform, which seemed to him "to annihilate the individual by means of aiding the mass." He was too pessimistic to have faith in the doctrines of progress and of human perfectibility. He opposed feminism and the abolition movement. He was hostile to the rising industrialism and despised the American love of dollars as a degenerating expression of utilitarianism. It may be considered as well that Poe's suspicion of any radical change had its root in the resistance of the conservative South against the threatening influence of the North.