

ment ordinance establishing the naval stations, their duties were defined as follows:

Naval stations shall be located in military ports, shall command a battle fleet and other auxiliary vessels, shall undertake the training of sailors and shipyard workers, shall oversee the storage and distribution of weapons, ammunition, coal and other supplies, shall supervise all affairs relating to the construction and repair of vessels and, moreover, shall be responsible for the supervision and defense of the harbors in which they are located.

In order for the naval stations to fulfill all these functions, a shipyard, barracks, arsenal, warehouses, hospital, military court and prison were placed under their jurisdiction. The stations were located in military ports, with all essential naval facilities. The waters around Japan were divided into five naval districts, and the Yokosuka Naval Station was given responsibility for the First Naval District, which comprised the coastline and waters from the provinces of Mutsu (Aomori Prefecture) and Rikuchū (Iwate Prefecture) to the province of Kii (Wakayama Prefecture) as well as the waters around the Ogasawara Islands. The Yokosuka Shipyard, of course, came under the authority of the Yokosuka Naval Station and in 1903 (Meiji 36) its name was changed to the Yokosuka Naval Arsenal. From this time on, a number of battleships would be constructed here which would strike fear into the heart of the world as the advance guard of Japanese imperialism.

As the Yokosuka Shipyard grew into the Yokosuka Naval Station, Yokosuka itself received an influx of new population second only to Yokohama. Aside from the officers and sailors coming to man the naval station, the vast majority of this new population was comprised of poor wage-laborers. Because they were newly arrived, they were not bound by the guild-like master-journeyman relations that had existed since the Edo period, but were modern industrial workers. In July 1892 (Meiji 25), 5,150 workers in the shipyards of the Naval Arsenal went on strike, protesting the strict new working regulations that had been laid down by the new commandant of the arsenal. This was the first modern strike at the Naval Arsenal to be recorded in the *Kanagawa Kenshi Nempyō* (Chronological Table of the History of Kanagawa Prefecture).

There had, however, been a similar incident even prior to this strike action: in 1878 (Meiji 11), before the Yokosuka Shipyard became the Naval Arsenal, over two hundred stonemasons from the Kansai region had been brought in to cut stone for use in construction of Dock No. 2 at Yokosuka under the direct supervision of the government at the quarries in the Izu peninsula. When their demands for a rise in wages had gone unheeded, however, many of them fled the worksite and returned to their homes in the Kansai.

### Official trade associations and workers' unions

Kanagawa's rapid modernization led to an influx of labor from outside the prefecture, the formation of a working class, and the first stirrings of a modern working-class consciousness. The government was alert to these developments, and as early as 1884 (Meiji 17) issued "Regulations for Trade Associations" (*dōgyō kumiai junsoku*) and had labor foremen (*oyakata*) establish model unions officially recognized by the governor of each prefecture. These associations were established on the basis of agreements between the foremen and the workers as to wages, working hours and the like. Among the official associations founded at this time were the Yokohama Carpenters' and Construction Workers' Association, the Yokohama Printers' Association, the Yokohama Restaurant Association, the Yokohama Photographers' Association, the Yokosuka Garment Merchants' and Manufacturers' Association, and the Ashigara Carpenters' Association. During the Taishō period (1912–1926), construction laborers, shipbuilding metalworkers, export textile workers, wooden pattern makers, cabinetmakers, electricians, gardeners (all in Yokohama), blacksmiths (in eastern Yokohama), construction workers (in Hiratsuka) and construction laborers (in Kuraki) were also organized, and when the Kanagawa Association of Commerce and Industry was founded in 1928 (Shōwa 3), 125 of these official associations joined it.

The official associations played a part in organizing workers in both traditional and modern industry, but in the late Meiji period, amid a succession of labor disputes, they fragmented into industrial associations (*gyō kumiai*) composed of shop foremen and masters, and trade unions (*shoku kumiai*) composed of regular workers and laborers. The first of these trade unions was the Steelworkers' Union,

organized among workers in what was the most advanced and modern industrial sector in Meiji Japan.

In April 1897 (Meiji 30), Takano Fusatarō returned from years of work and study in the United States and held a meeting in Tokyo where he appealed for the formation of labor unions in Japan. With the support of 47 associates, including Shimada Saburō, Katayama Sen and Sakuma Teiichi, the Association for the Formation of Labor Unions (*Rōdō kumiai kisei kai*) was formed, and in December the Steelworkers' Union was founded in the Seinen Kaikan in the Kanda district of Tokyo. Over one thousand steelworkers from the Army Artillery Arsenal, the Ōmiya factory of the National Railways and other factories participated in this inaugural meeting. Among them were 185 steelworkers from Yokohama who contributed nearly half the funds for setting up the union and occupied important posts within the organization. The union soon expanded to include workers in Yokosuka and Uruga, and organizations of workers from other branches of industry began to affiliate with it.

For example, more than thirty members of the Yokohama Federation of Cabinetmakers were organized in the course of a movement for higher wages and later joined the Steelworkers' Union, becoming Local 41, while at the Ishikawajima branch factory in Uruga, workers organized Local 42. By the end of 1898 (Meiji 31), the Steelworkers' Union had 32 locals with a total of 2,712 members. The union was particularly strong in Yokohama and Yokosuka.

Faced with this autonomous and independent union movement on the part of the workers, the authorities responded by issuing the Public Order and Police Law (*Chian keisatsu hō*) in 1900 (Meiji 33), aimed at the suppression of the movement. The act gave police officers the authority to ban or to dissolve political organizations, meetings, marches and speeches, and placed limitations on the rights to organize and to strike. The authorities were firmly and directly opposed to a labor movement led by the workers themselves.

Despite this, the union movement grew stronger and continued its struggle. In July 1904 (Meiji 37), Arahata Kanson, a worker at the Yokosuka Naval Arsenal, together with his comrades Suzuki Hideo and Hattori Hamaji, held a meeting at the restaurant Wakayagitei in Yokohama's Hagoromo-chō and established the Yokohama Heiminsha (Yokohama Society of Commoners). The Heiminsha sold

copies of the *Heimin Shimbun* in front of Yokohama station; this newspaper took a strong stand against the growing fervor for a war with Russia and invited figures such as the socialist Kōtoku Shūsui to come and speak in Yokohama. Coming under pressure from the authorities, the Heiminsha changed its name to the Yokohama Akebonokai (Yokohama Society of the Dawn) and continued its activities.

### A rising tide of labor disputes

Japan was victorious in the Sino-Japanese and Russo-Japanese wars, but in both cases the victories were followed by the winds of economic recession, and labor disputes occurred with great frequency. According to Aoki Kōji's *Nihon rōdō undō shi nempyō* (A Chronological Survey of the Japanese Labor Movement), in 1894 (Meiji 27) there were only eight labor disputes nationwide and eleven the following year, but with the end of the Sino-Japanese War, there were 108 such incidents in 1897 (Meiji 30), 79 of which culminated in strikes. In Kanagawa Prefecture, there was a strike at the Japan Silk and Cotton Spinning Company (Nihon Kenmensei Bōseki) in January 1897; a strike by subcontract workers at the Yokohama branch of the Tokyo Construction Company (Tokyo Tatemono Kaisha) in April; and the rest of the first half of the year was rounded out with a strike by the porters and grooms of the Yokohama Freight Carriage Union, plans for a strike by workers at the steel plant at the Yokohama Docks, demands for wage raises by the Yokohama Federation of Cabinetmakers and by Yokohama stonemasons, and a strike by subcontract longshoremen working for a British trading house. In the latter half of the year, there arose a series of strike actions: a strike by the Kanagawa Ship's Carpenters' Union; strikes at the Shipbuilding Division of the Yokosuka Shipyard, Kotobukiura Ordinance Factory and at the Yokohama Docks; a strike by construction navvies from the Yokohama Waterworks; plans for a strike by the head clerks of trading houses in Yokohama; and a strike by barge captains on the Tokyo-Yokohama run. Disputes of this sort began to taper off in the following year and by 1904 (Meiji 37) there were only twenty or thirty incidents nationwide, seven of which culminated in strikes. In 1907 (Meiji 40), after the war with Russia had ended, there was yet another outbreak of



Image of Amida Nyorai sculpted by Uchiyama Gudō.  
(Rinsenji Temple, Hakone Township)

labor disputes. In the meantime, however, the Public Order and Police Law had been put into effect and this new wave of disputes was severely repressed.

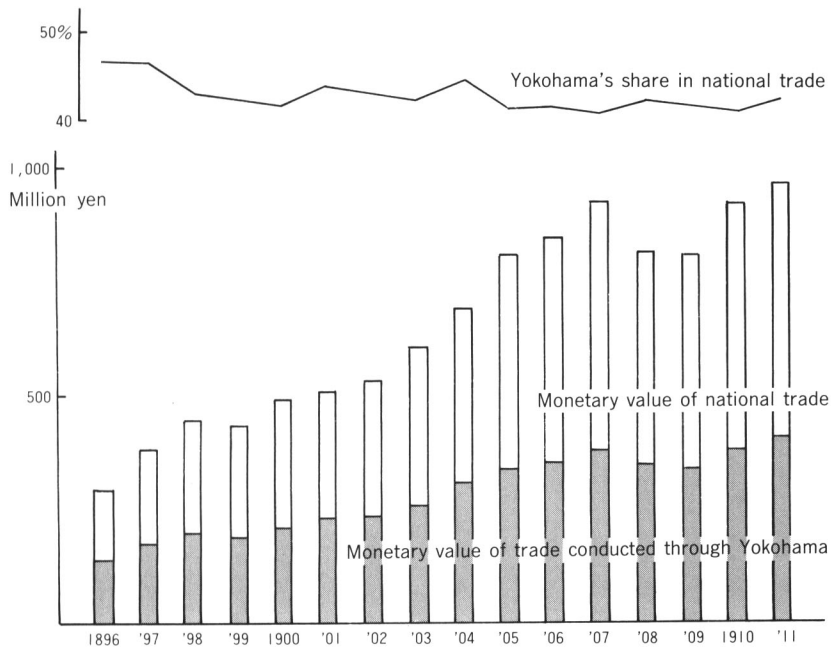
That same year, one of the strongest advocates of the suppression of popular movements, Yamagata Aritomo, was enjoying himself in Odawara in the villa “Kokian” given to him by *zaibatsu* interests, while not far away Kōtoku Shūsui and his associates frequented the Rinsenji Temple in Hakone, visiting its chief priest, Uchiyama Gudō. The Great Treason Incident (*Taigyaku jiken*) in which Kōtoku and his friends were implicated and which would bring such a startling close to the final years of the Meiji period was not far in the future.

## 6. Yokohama's Emergence as the King of International Trade

### Treaty revision and Kanagawa Prefecture

The successful revision of the unequal treaties with the Western powers in 1899 (Meiji 32) had a major impact on Kanagawa Prefecture, containing as it did the major port of Yokohama, as well as a sizeable foreign settlement.

The most important result of treaty revision was the development of free trade. International trade at Yokohama had grown steadily since the beginning of the Meiji era. In 1877 (Meiji 10), exports from Yokohama stood at a value of ¥15,920,000; by 1895 (Meiji 28), they



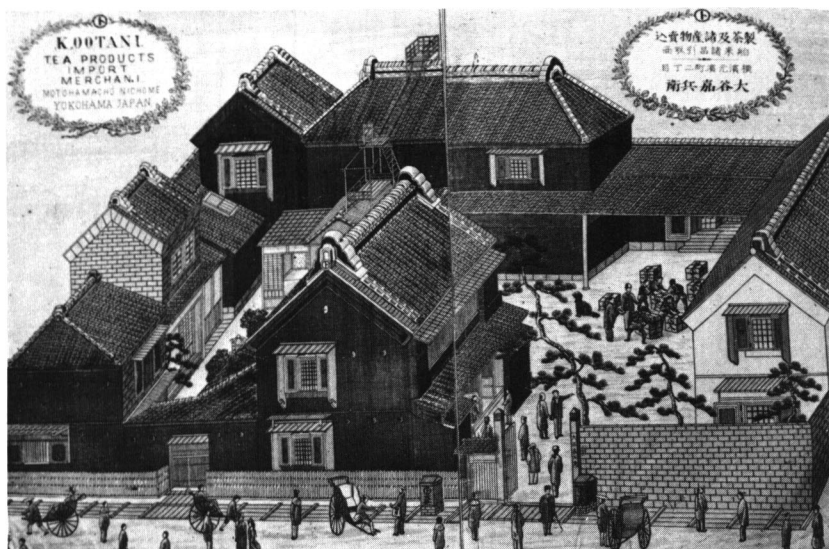
Total national trade and Yokohama's share, 1896-1911.

had risen to ¥84,790,000. Imports in 1877 amounted to ¥20,030,000; in 1895 they stood at a value of ¥56,000,000. In other words, between 1877 and 1895, exports from Yokohama had shown a more than fivefold increase, and imports had increased by nearly threefold.

Though the volume of trade rose and fell during this period due to economic conditions at home and abroad, this was certainly a phenomenal rate of growth. By this time, Yokohama already occupied first place in Japan as an export port, and was second only to the port of Kobe in its role as an importer.

External trade at Yokohama was largely carried out through the foreign trading houses which had established their offices in the Yokohama foreign settlement. In 1877 (Meiji 10), of the merchants handling foreign trade, 96.4 percent of the exporters were foreign nationals, as opposed to 1.5 percent of Japanese nationality; 96.2 percent of importers were foreigners, while Japanese import firms stood at a mere 1.3 percent. Even by 1896 (Meiji 29), Japanese firms handled only 25.1 percent of the export trade and 29.8 percent of all imports. Most Japanese merchants served only as suppliers of export goods (*urikomishō*) or buyers of imports from the foreign trading firms (*hikitorishō*)—for them there was little, if any, room to actively break into the direct export-import trade. As a result, highly successful Japanese merchants were something of a rarity, though Kōshūya Chūemon, a wealthy farmer-merchant from Higashiaburakawa village in the Yatsushiro district of Kōshū (now Yamanashi Prefecture), stands as an example of one of the more successful.

Chūemon had originally attempted to open a trading office for the sale of Kōshū products (Kōshū Bussan Kaisho) in Yokohama as a jointly financed enterprise with a group of wealthy farmers from his region, but the scheme failed, and he was left to struggle along by himself as an independent merchant. At first he was plagued by a lack of capital—the situation was so bad that he instructed his eldest son, who had remained behind in the village, to pawn the family's clothing in order to raise funds. However, before too long, he succeeded in canvassing for the sale of raw silk, spun cotton, and silk-worm eggs, and building up adequate capital. From this he branched out into operations which included the purchase of imported dyes,



Ōtani Kahei's business establishment. (Kanagawa Prefecture Museum)

and the management of inns, moneychangers, and pawnshops. Maintaining close connections with his home village, which was located in a region known for its production of raw silk, cotton, and silkworm eggs, he began buying up such regional products, acting as his own shipper, and marketing them to the foreign traders in Yokohama, realizing considerable profits in the process. With the end of the silkworm egg boom Chūemon went bankrupt, but there were a number of other Japanese merchants who also achieved success as export suppliers.

The raw silk suppliers Izutsuya (Ono) Zenzaburō, Kameya (Hara) Zenzaburō, Nozawaya (Mogi) Sōbei, Yoshimuraya (Yoshida) Kōbei, Hashimotoya (Kogure) Yahei, and Itoya (Tanaka) Heihachi; and the tea suppliers Chaya (Nakajō) Junnosuke, Ōtani Kahei, and Okanoya (Okano) Rihei are some examples of the merchants active in this type of trade. From among their ranks, in later years, would develop the enormous merchant houses called the Yokohama *zaibatsu*.

During the early Meiji period, the principal export goods were led by raw silk, tea, and silkworm eggs, followed by marine products



such as seaweed (*kombu*), dried abalone, and dried cuttlefish. To these were added certain other goods such as copper, laquerware, and pottery. However, beginning in 1878 (Meiji 11), woven silks began to make significant inroads into the export market, followed by cotton textiles from 1880 (Meiji 13), and silk handkerchiefs from about 1887 (Meiji 20) onward. In contrast, silkworm eggs, which had been one of the three major export items earlier on, virtually disappeared from the export market after 1886 (Meiji 19), while copper exports grew rapidly after 1884 (Meiji 17), climbing to third place among all export goods. Raw silk and tea, however, remained as before in first and second place respectively. This was the reason that the raw silk and tea suppliers were able to amass considerable fortunes.

The primary import items of the early Meiji period were led by cotton thread, followed by cotton textiles, woolens, and sugar. However, the portion of the import trade represented by heavy industrial and chemical products such as steel, machinery, pharmaceuticals, and by raw cotton grew increasingly in importance, while cotton textiles and thread declined. This was a significant change, for until 1880 (Meiji 13) the cotton thread imported at Yokohama had made up as much as 90 percent of Japan's total imports.

These changes in the structure of trade were a direct reflection, in the case of exports, of the prevailing conditions in foreign markets; and in the case of imports, of the development of domestic industry in Japan. In either case, the activity of the Japanese merchants acting as suppliers of exports (*urikomishō*) and distributors of imported goods (*hikitorishō*) was of crucial importance.

The restoration to Japan of full and autonomous trading rights which came with treaty revision made it possible for Japanese trading companies to engage directly in the export-import trade, and the foreign trading houses which had established themselves in the foreign settlements gradually disappeared. In 1880 (Meiji 13), the Yokohama Specie Bank (Yokohama Shōkin Ginkō) was founded in order to promote the development of Japanese trade in competition with foreign banks and trading companies, and provided strong support and backing for the growth of independent Japanese trading companies. A government decree regarding the Yokohama Specie

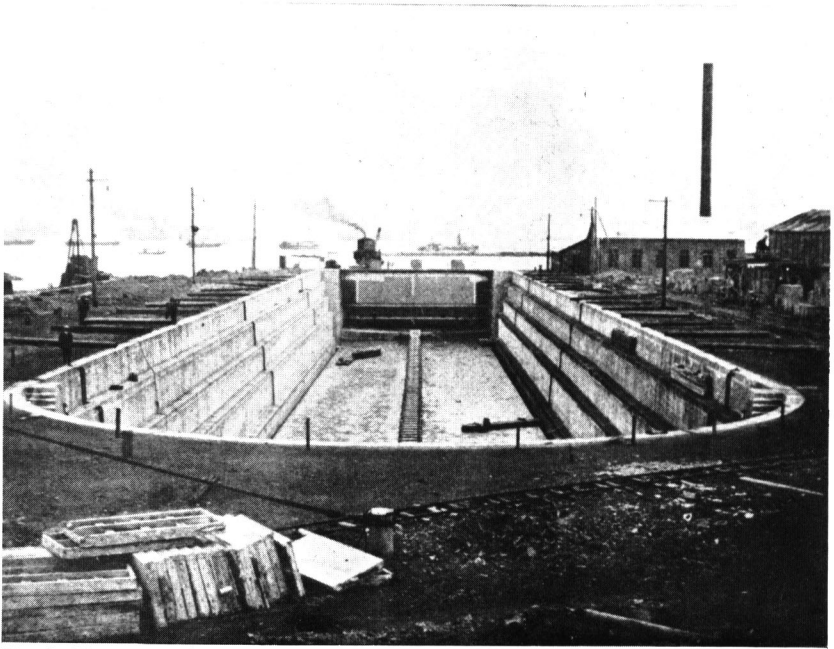
Bank went into effect as of July 7, 1887. This bank was the forerunner of today's Bank of Tokyo (Tokyo Ginkō).

### **The blossoming of trade-related industries**

In 1877 (Meiji 10), per capita production of silkworm cocoons in Kanagawa Prefecture was above the national average, but raw silk production fell below it. The development of the raw silk export trade at Yokohama, however, had an enormous impact on the region, leading to a rapid increase in the volume of raw silk production. By 1887 (Meiji 20), the amount of raw silk being produced in Kanagawa had grown 7.7 times over the amount produced in 1877. In Tsukui district, production increased 36 times. The three districts of Tsukui, Aikō, and Kōza accounted for 93 percent of raw silk production in the prefecture, but the wave of increased production was also beginning to reach the districts of Ōsumi and Ashigarakami.

The majority of this raw silk was produced by small farmers as a form of by-employment in the off-seasons. Small manufacturing establishments, though still in the minority, grew up as well, hiring anywhere from several to twenty or thirty or more workers and equipped with simple machinery. Silk-reeling factories were also constructed in Naka, Kōza, and Kamakura districts, and much of the Sagami-Musashi Plateau was quickly planted with mulberry (the prime food source for silkworms).

When silk handkerchiefs came into demand as an export item, dyeing plants began to grow up along the Katabira and Ōoka rivers on the outskirts of Yokohama, and the hemstitching of handkerchiefs came to be done both at small factories and as a sideline for housewives. Near the mouth of the Tama River, the Yokohama Sugar Company (Yokohama Seitō Kaisha) established a plant for refining raw sugar imported from Taiwan and Java. Once the import of finished cotton goods began to decline in importance, there were a number of years in which raw sugar occupied first place among the items imported through Yokohama. In Kanagawa Prefecture, silk stockings were manufactured for export to Shanghai and India, and the knitting industry also developed. In the area around Tajima in Kawasaki, factories were built to produce braided jute tapes and straw plaits, thus creating goods for export. By the end of the Meiji period (1912), of 813 factories in Kanagawa Prefecture, 417 were



Dock No. 3 at the Yokohama Docks.

dye works, 52 machine works, 24 chemical plants, and of the rest 288 were factories involved in some form of spinning or reeling for textile manufacture. Most of these factories were located in rural areas.

In the city of Yokohama itself, a variety of industries sprang up which catered primarily to the foreign market and the resident foreign population. Laquerware, tea caddies, cloisonné ware, and fireworks were produced for export, while the daily needs of the resident foreigners were met by printers, shoemakers, and manufacturers of matches, soap, and beer, to name but a few. The manufacture of tobacco, in which the Hadano region had been an important producer since the Edo period, grew with particular rapidity, and a processing industry for the production of cut tobacco grew up on the spot. Tobacco factories were also built in Yokohama itself.

Eventually, as these trade-related industries matured, they also

came to produce goods aimed at the domestic market. One example of this was the silk textile manufacturers in Tsukui district who organized the Northern Sagami Textile Manufacturers' Federation, splitting off from the Hachiōji Textile Manufacturers' Federation. Using Kōshū and Sagami silk as raw materials, they produced silk gauzes and cloth for floor cushions, shipping these materials to Hachiōji and Uenohara. Other manufacturers of various kinds also gradually grew into producers for the domestic market.

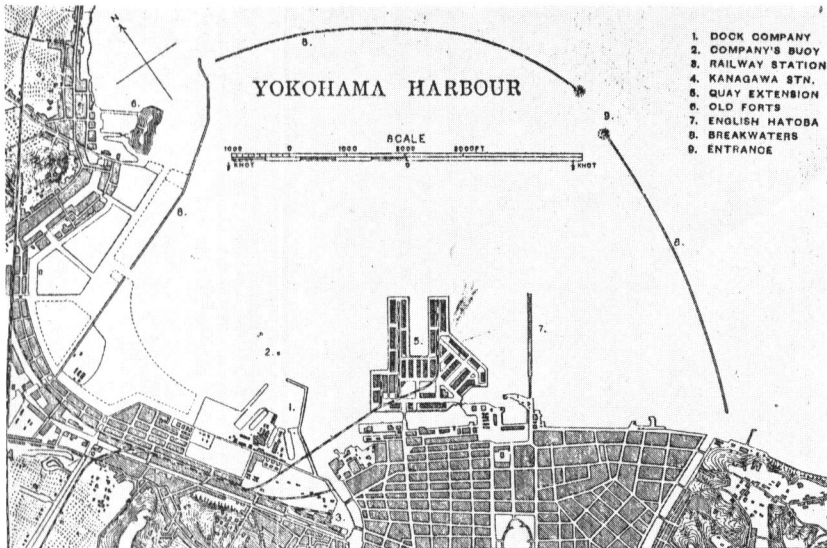
The shipbuilding industry also grew at a rapid pace in conjunction with the development of foreign trade. Shipbuilding in Kanagawa Prefecture dates back to the late Edo period, when factories were opened under the management of the Tokugawa shogunate in response to the naval defense problems of the era. After the Meiji Restoration, one of these factories, the Yokohama Steelworks, was leased to a man named Hirano Tomiji, who employed an English engineer, Archibald King, as his chief technician and set about the manufacture of ship's engines and other machinery, as well as other items such as safes for banks. In 1884 (Meiji 17), with the permission of the Navy Ministry, this factory was merged with the Ishikawajima Shipyard in the Tsukiji section of Tokyo and relocated to that site. Most of the machine tools owned by the Yokohama Steelworks were made in Holland, the United States, Great Britain, and France, and their relocation greatly increased the productivity of the Ishikawajima Shipyard. The year after the relocation took place, the Navy Ministry placed an order with the shipyard for the construction of an 824-ton gunboat, the *Chōkai*. At the same time, Ishikawajima was responsible for the construction of an iron bridge, the Ōe Bridge, near the port of Yokohama, and another iron bridge for use by both pedestrians and vehicles, the Azuma Bridge in Tokyo. In 1875 (Meiji 8), the president of the Mitsubishi Steamship Company, Iwasaki Yatarō, bought up a shipbuilding machine works then under construction on the shore road in Yokohama, named it the Mitsubishi Steelworks, and turned it into a business specializing in ship's repairs. Since Yokohama was the port of origin for the major shipping routes, such a repair factory was sorely needed. At first it was jointly managed in cooperation with foreign entrepreneurs, but in 1879 (Meiji 12) it became independent of foreign management, and grew until it rivaled in size the Ishikawajima Steelworks of Yoko-

hama. In 1885 (Meiji 18) the Mitsubishi Steamship Company merged with the Kyōdō Transport Company to form Nippon Yūsen (NYK Lines), and the Mitsubishi Steelworks was renamed the Yokohama Steelworks of the NYK Lines.

In 1891 (Meiji 24), a group of Yokohama *zaibatsu* led by Hara Zenzaburō and Mōgi Sōbei, in cooperation with a Tokyo group led by Shibusawa Ei'ichi and Masuda Takashi founded the Yokohama Dock Company, and bought up the Yokohama Steelworks of the NYK Lines. The Yokohama Dock Company began actual operations in 1898 (Meiji 31). There were many difficulties to be faced in the founding of these heavy industrial concerns, since they involved enormous amounts of capital and the latest technology, but eventually Japan built a position for itself as a major maritime nation, meanwhile laying the foundations for the industrial belt which stretches today between Tokyo and Yokohama—the Keihin industrial district.

### **The growth of international shipping lines to and from Yokohama**

At first, it was foreign ships that carried the dramatically increasing volume of Japanese imports and exports to and from the other countries of the world. Of particular importance was America's Pacific Mail and Shipping Company, which had been operating a San Francisco–Shanghai route since the closing days of the Tokugawa regime, and which in 1870 (Meiji 3) had established a regular Yokohama–Kobe–Nagasaki–Shanghai service. This company had come to dominate the very busy Yokohama–Kobe freight and passenger run. In 1874 (Meiji 7), when the Meiji government undertook a military expedition against Taiwan, it tried to enlist the services of the Pacific Mail and Shipping Company to transport troops and supplies, but since the United States had proclaimed its neutrality in the affair, this proved impossible. The Meiji government rushed to find a solution to the problem, buying up 13 foreign-made vessels and then entrusting their operation to Mitsubishi. After the Taiwan expedition, the Mitsubishi Steamship Company exploited this as the basis for fierce competition with the Pacific Mail and Shipping Company, and finally succeeded in driving this American company off the Shanghai route. This route to Shanghai was Japan's first



Yokohama harbor and the Yokohama Dock Co., Ltd., in 1909.

regular overseas shipping line. With the retreat of the American shipping company from the scene, there emerged as a new challenger the P. & O. Steamship Company, one of Great Britain's major carriers, who monopolized the transport of ever-increasing Indian cotton exports. But once again, after bitter competition, it too was forced to give up the Shanghai run in 1876 (Meiji 9).

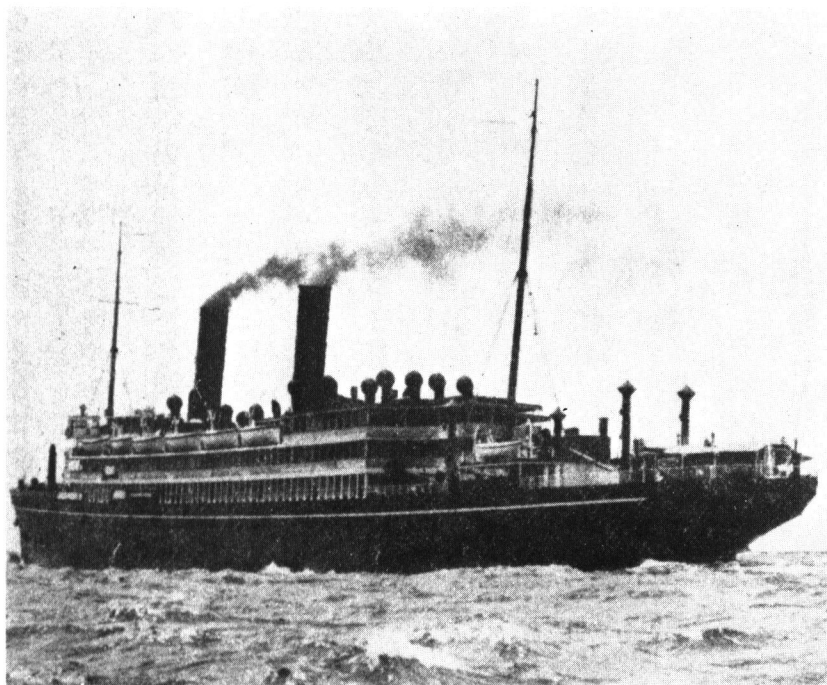
The same year, the Meiji government designated six official shipping routes. In addition to the Yokohama-Shanghai route, the following regular lines were established: Keihin-Hanshin, Yokohama-Hakodate, Yokohama-Niigata, Yokohama-Yokkaichi, Nagasaki-Pusan. Of the six official routes, five originated in Yokohama; thus Yokohama, the port for foreign trade, also became the center of domestic shipping routes. The Mitsubishi Steamship Company, which monopolized the Japanese foreign and domestic routes, unfairly jacked up freight and passenger charges, forcing its customers to pay monopoly prices. In response to this, the largest Japanese trading house, Mitsui, teamed up with Shinagawa Yajirō and others to establish the Kyōdō Transport Company, and began to compete fiercely with Mitsubishi. The result was that both

companies suffered massive losses and it looked for a time as if both might go under. Consequently, the two firms were merged at a government order in 1885 (Meiji 18), becoming the Nippon Yūsen (NYK Lines). The company concentrated its energies on domestic coastal shipping, and its foreign lines were limited to the relatively short Shanghai and Vladivostok routes, which were operated at the order of the government. This was because long-distance routes had already been rigorously mapped out and divided up among a consortium of major shippers from the advanced industrial countries of the West, and to challenge this established order was risky.

This consortium of Western shippers, by agreement, charged monopoly rates for freight and passengers, causing their customers to suffer. For example, transport of the growing Indian cotton trade was monopolized by P. & O. and two other companies, and the high rates they charged were painful both to the Indians trying to export cotton and the Japanese textile manufacturers trying to import it. Finally, as a result of talks between Indian raw cotton merchants and the Japanese in 1891 (Meiji 24), the NYK Lines vessel *Hiroshima-maru* departed from Kobe for Bombay in 1893 (Meiji 26). This was the first step in the establishment of long-distance shipping routes by the Japanese. The government designated the Bombay route as a special shipping route, changed its port of origin from Kobe to Yokohama, and placed one vessel every month in service on the route.

This was followed in 1896 (Meiji 29) by the first Japanese vessel to sail the European line, the *Tosa-maru*, which departed for Antwerp from the largest pier at Yokohama Harbor. At first, this route was sailed once a month, but eventually the number of departures was increased to one a week.

In 1896 (Meiji 29), the first North American service, a Hong Kong–Kobe–Yokohama–Seattle route, was opened. The main purpose of opening this route was to pick up raw cotton, normally exported from San Francisco. But as its transport was controlled by two American companies, one of which was the Pacific Mail and Shipping Company, an agreement was made with an American railroad company to bring the cotton to Seattle, thus making it the final port of call on the route. The first ship to make the run was the *Miike-maru*, sailing out of Kobe. The same year, the Japanese government designated a Yokohama–Adelaide route to Australia as a special



The *Ten'yō-maru* (From *Nippon Yūsen Kabushiki Kaisha 50-nen shi*)

subsidized route, and the first ship to sail this line, the *Yamashiro-maru*, departed from Yokohama. The transport of Japanese immigrants to Australia was the primary purpose of opening this line, but due to the “White Australia” policies of the time, it was not a success, and the ships on the route often stopped at intermediate ports such as Manila in the Philippines to take on cargo.

In 1896 (Meiji 29), Asano Sōichirō, along with leading Japanese financiers such as Shibusawa Ei'ichi, Hara Zenzaburō, and Ōkura Kihachirō, founded the Tōyō Steamship Company. From the beginning, its goal was to operate on the long-distance sea lanes, and a Kobe–Yokohama–San Francisco route was instituted as its first North American line. The company had three world-class luxury passenger liners, the *Ten'yō-maru*, the *Chiyō-maru*, and the *Shun'yō-maru* (each 13,500 tons gross), built by the Mitsubishi Shipyards,



and put them into service on the North American route. In 1905 (Meiji 38), its passenger service was further extended to the west coast of South America, reaching Chile via Hong Kong, Kobe, and the United States, while the Osaka Shōsen Kaisha (now Mitsui O.S.K. Lines, Ltd.) opened another North American route, linking Hong Kong, Shanghai, Kobe, and Yokohama with Seattle and Tacoma.

All of these sea lanes either originated in Yokohama or used it as a port of call, and the port of Yokohama grew even more prosperous than before.

### **The growth of the banking system**

It has been noted in an earlier chapter that institutions similar to banks were established in rural areas during the turmoil of the recession touched off by the Matsukata deflation. But these were financial institutions of a distinctly premodern, usurious nature, and soon became the target of farmers' protests and demonstrations. In 1893 (Meiji 26), the government issued a Banking Act, the *Ginkō Jōrei*, aimed at the establishment of a modern banking system. Within this framework, and with the boom which followed the Sino-Japanese War as background, many new banks were founded. By 1901 (Meiji 34), there were 1,867 banks throughout the country. Given the growth of trade-related industries in the region, Kanagawa Prefecture was no exception to this trend.

In 1893 (Meiji 26), the following banks were founded in Kanagawa: the Bank of Odawara, the Wakao Bank in Yokohama (which served as the house bank for the Wakao family, which had extensive commercial interests in the raw silk trade, silk reeling, and a range of other enterprises), and the Sōyō Bank. These were followed in 1895 (Meiji 28) by the Commercial Bank of Yokohama (founded as a service bank for the Yokohama Cotton and Metal Stock Exchange, which had been established by the textile merchant Kimura Rie-mon, the copper and steel merchant Satō Seigorō, and their associates); the Sōda Bank (the investment bank of the Sōda family); the Mogi Bank (the house bank of Mogi & Company, an export supplier of raw silk); the Matsuda Bank; the Kanagawa Bank (founded by the rice, salt, and grain wholesaler Katō Hachirōemon, the rice and grain merchant Mizuhashi Tahei, the liquor dealer Itō Yoemon, and



The Wakao Bank.

the rice, grain, and fertilizer merchant Watanabe Kihachirō); the Hiratsuka Bank (chaired by Imai Seibei, head of a branch house of the prosperous merchant establishment Inamotoya in Fujisawa); the Commercial Bank of Musashi (organized by the tea export dealer Ōtani Kōbei and the rice wholesalers Kurobe Yohachi and Inagaki Yosaburō); the Silk Yarn Bank of Yokohama (the official bank of the Yokohama Silk Exchange); and the Trading Bank of Yokohama (founded by the raw silk export dealers Kaneko Masaichi, Hara Tomitarō and others as a finance institution catering to the raw silk trade).

Most of the banks listed above were located in Yokohama, but from about 1897 (Meiji 30) onward, a large number of banks began to be founded in other parts of Kanagawa Prefecture: the Sakata Bank in Sakata village, Ashigarakami district (now Kaisei Town-