

Further effects of the earthquake were more acute. Imports of materials for the reconstruction of Tokyo and Yokohama and exemption of such materials from customs duty, swelled the excess of imports to enormous figures, steadily decreased the specie abroad and caused a big drop in foreign exchange. The Government, apprehensive of this situation, attempted various means to prevent the further fall of foreign exchange. But popular criticism against the Government's attempts at "artificial" bolstering up of the foreign exchange became so loud that the Government was eventually forced to let the matter take its own course. The foreign exchange rate thereafter further declined until the Yokohama Specie Bank announced \$ 8.

The panic swept over the country with lightning speed. Banks in Tokyo as the enter began to announce temporary closures, and when the Bank of Taiwan, the Omi Bank and the 15th Bank which was reputed as one of the "big five," followed the others and closed their doors, the situation became serious. The Government instructed the Bank of Japan to resort to emergency loans, declared a moratorium for three weeks and was able to check further disastrous developments, but the credit of

industrial and economic circles suffered almost irreparable damage from the situation in so much that it was no longer able to relieve the Suzuki and the Kawasaki Dockyards, the leading firms in the country, when they were desperately looking for succour.

This is a bird's-eye view of the Japanese industrial world of recent years. From the zenith of golden age to the bottom of depression pit—never before have Japanese experienced in any circle, industrial, financial, economic—so kaleidoscopic a life in so short a period as this.

Men who have dealings with the industrial and economic view the whole situation as hopeless. But they are wrong.

The panic was deplorable, but it was bound to come sooner or later. If by this panic the troublesome "cancer" could be radically cured, it would signify the dawn of a real, substantial prosperity. The industrial circles, after the panic, are striving for rationalization of industries and improvements in all quarters are being visibly carried out.

There is not doubt that the industrial circles in Japan hereafter both in their relations which abroad and at home are facing a new-born era, full of hope and life.

Political Status of Japan

Manhood Suffrage What Has It Taught Us?

"The waves of democracy are beating up against the ancient institution and customs of Japan. Manhood suffrage is now the law of the land, and the last Diet elected under the old limited franchise has just been dissolved, after a tenuous existence long drawn out. The electorate to which the parties now have to make their appeal is swollen the three times its former size; it numbers ten millions represent a very wide range of interests and ambitions, dreams and discontents. The suddenness of the transition to a broader suffrage almost suggests an epoch-making crisis; yet there is no note of crisis in the comments that reach us on the new situation. Our own correspondent, an experienced observer, expresses the opinion that the extension of the franchise will not—at any rate for the present—lead to any appreciable change in the political system that now prevails in Japan. The calculation is that the elections will be managed, more or less, as heretofore: that the party in power will retain and exercise its traditional advantage; and that the comparative strength of the parties in the new House will be very much the same as it was in the Parliament just dissolved."

We quote the above passages from the Times, London, which had treated of Japan in transition. What has the general election under manhood first suffrage decided? The nine million new voters have had nothing very new to say. The instability and uncertainty of the last Diet are not merely continued but intensified. Yet if we ask why the election has taken place and observe what has taken place, we shall have little difficulty in answering the question. The Diet was dissolved because the Cabinet could not be sure of defeating the vote of no confidence which the Opposition had introduced. The Seiyukai has gained 26 or 27 new members and the Minseito lost four. Nevertheless the Government is still in a minority and it does not appear that it can make a combination which would give it a majority. Labor has returned eight members. The Kakushin Club and the Business Party

have all but disappeared. They number four and four as against 26 and nine in the last Diet, fate of those parties seems to show that there is no longer room in Japanese politics for small, indeterminate groups. Their leaders can still exercise an influence in politics through their ability but they must enlist in the big battalions. The Independents have done very badly considering the number of candidates who adopted that convenient label; of 140 candidates only some 14 have been elected. They numbered 15 in the last Diet. It is the disappearance of the Kakushin Club and the Jitsugyo Doshikai that gives the poll its decisive character. A tentative analysis of the probable relations of the smaller groups with the historical parties shows that the Kakushin's four, Labor's eight or nine and six of the Independents may be expected to side with the Minseito. If the Business Party's four and the remaining eight or nine Independents gave their votes to the Seiyukai, the Government would still be in a minority of ten or twelve. The Minseito cannot be expected to crumble immediately after an election. Labor will not lift a finger to support the Seiyukai. Those two parties will apparently command an absolute majority of the House.

Again several paragraphs of the London Times are extracted in connection with the election. Japan is quickly changing, it says. "The mystic element in the government of the nation is losing its appeal, though there is no apparent diminution of loyalty or national spirit. The race of Elder Statesmen who guided the destinies of Japan during the modernizing Meiji Era, is dying out; of those chosen pilots Prince Saionji alone is left. Greater stress has inevitably been laid, in the practice of government, upon those modern institution against which administrative safeguards were so carefully provided and so long maintained. An alternative to the old system, in the shape of democracy, is coming slowly into its own. Modern ideas in a thousand subtle ways are penetrating into the social structure of Japan. No kind of mental