

“The hustle and bustle of Suruga-cho/Formation of the national banking system” (painted by Hiroshige III, 1874)



*(Collection of the Currency Museum, Institute for Monetary and Economic Studies, Bank of Japan)*

This nishikie (woodblock print) depicts the hustle and bustle of Suruga-cho (present-day Nihonbashi Hongoku-cho, Tokyo) around the time the modern banking system was established in Japan, following the promulgation of the National Bank Act in December 1872. With the Imperial Palace (former Edo Castle) standing in the background and Mt. Fuji visible in the distance, the buildings of the Echigoya Kimono and Drapery Store (with noren shop curtains representing Mitsukoshi) appear in the foreground on either side of the street. In the background of the right frame is a Western-style building belonging to the Mitsui-gumi Exchange Bank (completed in 1874).

The stone walls of the outer moat of Edo Castle are visible at the far end of the street. On the right side in front of the stone walls is the site of a Kinza gold mint run by the Edo Shogunate. The Bank of Japan head office was built in 1896 at the old site, where it stands to this day. The center frame depicts the wonderful view of Mt. Fuji that could be seen from this spot. The name of the area where stood Mt. Fuji was at the time called Suruga (present day Shizuoka Prefecture), which is why the name for this district was Suruga-cho until 1932.

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Hirobumi Ito, a minister of the Ministry of Finance, suggested introducing a bank-of-issue system modeled on the US national banking system. Accepting the suggestion, the Meiji government enacted the National Bank Act in 1872, inaugurating a banking system in which authorized banks could issue specie-convertible national banknotes reserved by government bond certificates.

The act resulted in the creation of four national banks. One, the Dai-Ichi (“First”) National Bank, opened for business in 1873, taking over the office building of Mitsui-gumi House in Kaiunbashi (now Kabuto-cho).

Meanwhile, Mitsui-gumi completed a Western-style new building in Suruga-cho, where

it had been active in currency exchange and trade in kimono fabrics since the Edo period (1603-1867). Mitsui-gumi intended to establish the headquarters for its future bank.

The 1876 revision of the National Bank Act permitted the issue of nonconvertible notes and prompted a move to establish national banks. By the end of 1879, as many as 153 had opened and were operating. The elimination of nonconvertible notes – the original purpose of this banking system – was postponed. Moreover, the need to finance the Seinan Civil War strengthened inflationary pressures. The Bank of Japan was established in October 1882 to meet such a serious situation.