

## Financial Structure of the Sumitomo Zaibatsu, 1920-1945

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This is one of my serial research papers on the Sumitomo Zaibatsu as seen from its financial aspect. The purpose of this paper is to clarify the mutual dependence between enterprises and financial institutions within the Sumitomo Zaibatsu. When viewed from the side of enterprises, it means to analyse particularly their deposits and borrowing. No papers on the history of Zaibatsu have tried to deal with the problem from this point of view.

This paper covers the period beginning at the establishment of the Sumitomo Goshigaisha (limited partnership) and ending at the end of World War II. The following are the conclusion drawn from this study :

### (A) The Period between the two World Wars

Of the total balance of the Sumitomo Bank, those received from the Sumitomo-affiliated enterprises had accounted for 1—2% during the period between 1927 and 1933, but because of no data ratio was unknown during the other time. Of the total balance of money trusts of the Sumitomo Trust Company, those entrusted by the Sumitomo-affiliated enterprises had constituted 0—0.2% between 1926 and 1935, and the ratio rose up to 0.4% in 1936. The entrusted money consisted of non-working funds of Sumitomo financial institutions.

Meanwhile, of the total balance of loans of the Sumitomo-affiliated financial institutions (Bank, Trust, Life and Non-Life Insurances), the weight occupied by the Sumitomo-affiliated enterprises is estimated to have been 0—4% in the 1921-1936 period.

### (B) The Period of the Wartime Economy

Of the total balance of deposits of the Sumitomo Bank during this period, the weight of those accepted from the Sumitomo-affiliated enterprises rose up to 2—3%. On the other hand, of the total balance of money trusts in the Sumitomo Trust Company, the portion of entrusted money from the Sumitomo-affiliated enterprises rose further and reached 1—2%.

Meanwhile, of the total loans of the Sumitomo-affiliated financial institutions, the weight of the loans to the Sumitomo-affiliated enterprises reached 9—10% in

the 1941-42 owing to the enlargement of production in war industries.

In conclusion, I would like to indicate the following three point : (a) The deposits of the Sumitomo-affiliated financial institutions did not depend mostly on the funds deposited from within the Zaibatsu. (b) In the period of the wartime, the financial institutions raised the majority of their funds as deposits from outside the Zaibatsu and employed most of them as loans to the enterprises within the Zaibatsu. And the Sumitomo-affiliated enterprises borrowed funds also from outside the Zaibatsu. And (c) All above ratios in the Sumitomo Zaibatsu were extremely lower than those in the Mitsubishi Zaibatsu.