

Transportation in the Postwar Recovery Period (1946–1954)

Policy

Katsumasa Harada

Transportation Policy under the Occupation

By the time of Japan's defeat in the Pacific War, every transportation sector – the railroads, motor vehicles, sea, and air transport – had been sapped of its vital energies. But the ensuing decade was one of almost miraculous economic recovery, a recovery that breathed life into every area of transportation.

War damage was greatest in shipping, with 80 per cent of all vessels sunk, and a yearly operating average of just barely one million gross tons. These levels are almost equal to those prevailing in the first half of the 1910s and represent an enormous drop from the 6.09 million tons operating on the eve of the Pacific War. The average tonnage of ships had declined, too, from 3,100 tons to 1,700 tons. Many ships were in need of repairs, many were old, and many were wartime models that had not been built with the proper materials and workmanship – all of which reduced the operating rate for registered ships to less than 70 per cent.

The Occupation forces adopted strict controls over merchant shipping. The Supreme Commander for the Allied Powers (SCAP) set up the Shipping Control Authority for the Japanese Merchant Marine (SCAJAP) to oversee the allocation of routes, and the operation, reconstruction, and repair of ships of 100 tons or more. Under SCAJAP, the Civilian Merchant Marine Committee (CMMC) was created, an updated version of the former Japanese Merchant Marine Commission but under the direction of SCAP and charged with administrative duties. These controls were part of the policy of eliminating any military capability as called for by the Potsdam Declaration, but they were also a major obstacle to the recovery in transport power needed at that time.

One ship type that SCAP did not place under its control was auxiliary-powered sailing-ships, and in 1946 it restored the system of owner-operated ships, but general shipping was not put back into private hands until March 1950. In April 1950, all ships were restored to their owners, which allowed them to be independently operated. Before this, however, in order to help make up for the shortage in shipping, scheduled construction of ships was continued, as was the reclamation of sunken ships and the reconstruction of inefficiently operating ships. Originally, the Occupation authorities restricted new ships to 5,000 tons and 15 knots, which meant that new ships could be used only in inland transport. Not until 1950 did any new vessels make their way onto the high seas.

In land transport, the severe fuel shortage prevented motor vehicles from operating adequately, just as during the war. Private bus and lorry operators had to use alternate fuels, including traditional charcoal and firewood, which reduced transport capabilities dramatically. Allied air raids on the main island had caused widespread damage to vehicles. Nippon Tsuun, the major freight transport company, had 1,227 lorries lost (18.1 per cent), and the shortage of fuel and parts reduced the operating rate for the remainder to around 50 per cent.

The postwar situation still meant that all goods had to be carried by rail rather than by other land routes or coastal shipping. Although the situation was similar to that during the war, its causes and significance were quite different. It also showed how important the railroads were in the transport picture.

Although air raid damage to railroads on the main islands was not quantitatively as high as it was to shipping, its concentration in high density transport areas, the urban and main trunk lines, drastically reduced transport potential.

The postwar repatriation of civilians and demobilized soldiers and sailors created a demand for passenger transport that exerted considerable strain. The need for the railroads to handle freight transferred from other land routes and coastal shipping further intensified the strain. However, in addition to the shortages of equipment, vehicles, and rolling-stock, the immediate postwar period was one of continually declining coal production, an important energy source at the time. Despite the end of weapons' and other wartime production, the supply of materials to restore or replace badly damaged or destroyed facilities and rolling-stock was scarce. The situation offered very few possibilities for a recovery in railroad transport power.

SCAP took charge of the railroads and requisitioned for its own use about 10 per cent of the existing rolling-stock, most of this portion being first and second class passenger coaches. It also ordered the National Railways to set aside at least 10 per cent of its freight carrying capabilities for incorporation into Occupation supplies. These losses further reduced an already depleted transportation capability.

In 1946, the railroads carried 33 per cent of all domestic freight. In 1936, it had been 22 per cent, the increase due in large part to the transfer of

goods from water-borne and motor-vehicle transport to the railroads. In terms of ton-kilometres, the figures for the railroads were 27 per cent in 1936 and 64 per cent in 1946, a 37 per cent increase. The average distance of goods transported in 1946 was 216 km, less than the 265 km in 1944, when most goods being transported were military and the railroads were carrying most of the freight.

To resurrect transport power, railroads rather than maritime transport would have to be restored first because the likelihood of rapid restoration was greater with the railroads. Almost at the same time that the war ended, the Transportation Ministry devised a five-year plan for railroad recovery that called for constructing 1,259 units of rolling-stock, reclaiming damaged cars, repairing damaged rails and roadbed, and actively constructing electrified railroad lines. However, a lack of materials prevented the plan from progressing satisfactorily. It was eventually redrawn and was to be started again in 1948. In that year, the railroads were earmarked as an important industry, their recovery given the same emphasis as coal, steel, and electric power, and plans were formulated for rolling-stock manufacture, track repair, and railroad electrification. Repairing roadbed and replacing worn rails were given emergency priority, because deteriorated rails were causing three times as many accidents as normal. Rails and roadbed had aged to such an extent that many sections, particularly on the trunk lines, had to be marked as caution zones and limits had to be placed on tonnage and speed. These restrictions obstructed recovery in transport power. Railroad electrification was one way to consume less coal and thus alleviate the coal shortage. The policy at the time called for most electricity to be hydroelectrically generated; thermoelectric power was only a secondary source. The use of hydroelectric power would thus aid the electrification of the railways and assuage the coal shortage.

Since the end of the First World War, Japanese railroad specialists had been advocating a plan that would replace the use of coal as an energy source through an active programme of railroad electrification. A plan was laid for large-scale electrification of the main trunk lines and mountain railroads. However, the armed forces, particularly the army, strongly opposed the plan, arguing that air raids during a war would destroy the power plants and transformers and thus put the railroads out of action. Consequently, the electrification of the railroads was limited to designated mountain areas and urban and suburban regions. None of the main trunk lines was electrified, with the exception of part of the Tokaido Main Line. There is symbolic significance in the fact that any active policy of railroad electrification had to wait until Japan had renounced war as a means of state policy.

However, the Occupation authorities put severe restrictions on the recovery plan. SCAP warned against pushing for progress in special sectors when domestic economic recovery was still insufficient. Part of the reason for SCAP's stance may have been its early opposition to Japan's rebuilding of heavy industries. Railroads were subject to the restrictions imposed on

heavy industry for the manufacture of new locomotives, and almost all projects for railroad electrification were prohibited.

What was in fact production of new steam locomotives was carried out under the guise of converting freight-hauling locomotives into passenger locomotives by changing the truck frames and boilers. Electrification projects were allowed between Fukushima and Yonezawa on the Ou Main Line, where sharp grades limited any increases in transport potential, and between Numazu and Hamamatsu on the Tokaido Main Line. Railroad lines could be electrified by only a short stretch at a time.

Economic Reconstruction and Changes in the Transportation System

Occupation policy began to undergo a shift around 1948. The economic policy that SCAP was carrying out was known as the Dodge Line, a policy of suppressing economic development to hold down inflation, one that called for a fiscal policy of a balanced budget. The United States had also begun to recognize the value of using Japan as a forward staging area in its growing confrontation with the Soviet Union. Occupation policy originally called for the dismantling of all plants and equipment that had been used in any way to produce war supplies and their sale to pay for war reparations. But in 1948, that policy was reversed, which would lead to a recovery in heavy industry and to a start in the construction of heavy ships.

Occupation policy continued to change direction with the increasing sense of crisis the United States felt toward the situation in Asia as forces under Mao Tse-tung came to power in China in 1949 to establish a socialist state and the United States withdrew from China. As if to give credence to these fears, war broke out in Korea in June 1950.

The Korean War was the decisive factor in restoring the Japanese capitalist system. In order to prosecute the war in Korea more economically, United Nations forces, chiefly those of the US, used Japan as their supply base. Rather than have replacements for war-damaged equipment sent 10,000 miles by ship, it was much cheaper to rely directly on Japanese productive and transport power for base construction, transportation, material replenishment, weapons and vehicle repair, and all kinds of rear echelon work. The orders for work Japanese companies received from the Occupation forces via the Japanese government gave them a chance to mobilize their capabilities and make an enormous profit in the process. This "special demand" was directly responsible for the postwar recovery of the Japanese economy. The *zaibatsu* dissolution is a very well known part of Occupation policy that sought to rid Japan of the financial-industrial groups that controlled the pre-1945 economy and were considered partially responsible for leading the country down the path of militarism. Despite the attempt, the policy never really succeeded, because these companies were an integral part of the economy and there was no way that they could be easily rooted out. Special demand, however, started the de facto recovery of the *zaiba-*

tsu. These large corporations were given the opportunity to resume the monopoly-capitalistic control over the Japanese economy that they had had before 1945.

This policy tack went full scale with the signing of the San Francisco Peace Treaty in 1952. The overall recovery in transportation began to move rapidly forward in every sector with the "special-demand"-induced economic recovery.

As the economy was being rebuilt, SCAP shifted its direction away from suppressing the restoration of ocean shipping toward the adoption of steps that would lead to a recovery of shipping in private hands freed from state control. Overseas shipping had become active even before the signing of the San Francisco treaty. In 1950, the route to South America was reopened; in 1951 the routes to Bangkok, India, Pakistan, Rangoon, New York, and Seattle were resumed; in 1952, those to Europe, Australia, and south-east Africa and, in 1953, to New Zealand, westward around the world, to the west coast of Central and South America, and eastward around the world were reactivated. In 1954, South Africa and the Middle East had active routes from Japan. Within the space of five years, Japan possessed routes to every country in the world with the exception of China.

Based on government plans, construction of ships of 500 tons or more started to rapidly increase from 1950. Shipbuilding was given a further boost with subsidized interest on shipbuilding loans through the 1953 enactment of the Law to Supplement Interest Payments and Indemnify Losses in Financing the Construction of Ships for Overseas Routes. The total number of commercial ships rose from 944 (1,711,000 gross tons) in 1950 to 1,919 (6,002,000 gross tons) in 1960, with increases in ocean-going ships from 82 (518,000 gross tons) to 641 (5,021,000 gross tons) being even more dramatic. In 1958, Japan became the fifth largest registry of vessels after Liberia, the United States, the United Kingdom, and Norway.

As shipping recovered, air transportation began to recover, too. The Occupation authorities abolished all postwar activities connected in any way with air transport, with the exception of facilities required for air safety, which it permitted to continue. Airlines from the United States and the United Kingdom began flying into Japan in 1947, and in 1950 SCAP proposed that overseas airlines take over domestic routes, a move the government strongly resisted.

In August 1951, the government formed Nihon Koku (Japan Airlines-JAL), and, although Japan was not permitted to own and operate aircraft, the company, through consignment to the US carrier Northwest Orient Airlines, inaugurated in October of that year scheduled domestic flights. Not long before the 1952 peace treaty, the right to control territorial airspace and to permit entry and exit of private overseas airlines reverted to Japan, and the prohibition on the production of aeroplanes was lifted.

Around the same time the peace treaty was being concluded, the government was examining guidelines for reconstructing civilian airlines, re-instituting domestic routes, and beginning international service. To enter international service, the government converted Japan Airlines into a semi-

governmental corporation in October 1953 and provided half the ¥2,000 million capital, gave subsidies, bond guarantees, and bond-issue limits, and offered treatment as a favoured corporation. To firm its base for beginning international air transport, the country joined the International Civil Aviation Organization in October 1953. In February 1954, JAL started its first routes, flying between Tokyo, Honolulu, and San Francisco and between Tokyo and Naha (Okinawa). By 1960, it was flying the polar route to Europe, as well as offering direct service to North America and Asia.

Local domestic routes to the east of Osaka were initially assigned to Nihon Herikoputa Yuso, while those to the west were handled by Kyokuto Koku. The two companies were amalgamated into Zen Nippon Kuyu (All Nippon Airways) in December 1957. Other local airlines started before 1960 were Aoki Koku (later Fujita Koku), Nihon Kanko Hiko Kyokai (later Nitto Koku), Kita Nihon Koku, Toa Koku, Fuji Koku, and Naka Nippon Koku.

Despite the decrease in motor vehicles (reportedly by at least 20 per cent) during the war, as the industry recovered, it first increased small three-wheeled motor vehicles, the numbers in 1948 surpassing those for 1940, and by the beginning of the 1950s, they had exceeded the prewar levels for all vehicle types. From 1951 on, progress in medium- and long-distance lorry hauling was dramatic, the number of transport lorries in 1952 already having exceeded prewar levels. Although lorries were not carrying as much in ton-kilometres as the National Railways in 1952, motor vehicles hauled 65 per cent of the tonnage (ton-kilometres was 12 per cent), another figure that surpasses any of the prewar levels. From then on, through the latter half of the 1950s and the 1960s, motor vehicles gradually took larger and larger chunks of the domestic transport volume.

Supporting these trends were strong highway-building and road-traffic policies such as the 1952 revision of the Road Law and motorway construction regulations adopted in the last half of the 1950s. But the overall road level remained low throughout the country, while the number of vehicles continued its rapid upward climb. This resulted in a growing imbalance between vehicles and roads that is undeniably one of the major reasons for the subsequent soaring number of traffic accidents and widespread environmental destruction. One factor in the growth in motor vehicles at this time was the change in energy source from coal and electricity to petrol; an energy system based on petrol was a fragile one, for no one could know when international political trends in petrol would cause it to collapse.

Railroads

Katsumasa Harada

Recovery in Railroad Transport Power

The road of railroad recovery was a hard one. The shortage of labour and materials during the war had brought rolling-stock and equipment to the