

Note

1. See Nihon Doro Kyokai, *Nihon dōro shi* (History of Japanese roads) (Nihon Doro Kyokai, 1977), pp. 1365–1368.

Inland Shipping

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Inland Shipping during the Occupation

Japan's defeat in the Pacific War in August 1945 precipitated a new era for inland shipping, with vessels drastically reduced and operations now placed under the control of SCAP rather than the central government.

With 6 million gross tons of registered ships before World War II, Japan could boast of being the world's third-largest shipping nation. But, at the end of the war, the crippled merchant fleet was down to about 1.5 million gross tons, 70 per cent of which was standard wartime ships of inferior performance and the remaining 30 per cent were prewar ships of an average age of 22 years. The result was a greatly reduced transport power. In 1945, Japanese inland shipping carried only 24,756,000 tons of cargo and made a cumulative 997,000 entries into the nation's ports. That is only 24 per cent of the tons transported and 13.6 per cent of the port entries for 1940. This downward trend continued, so that by 1946 cargo tonnage had fallen to 17,551,000 tons and port entries had dropped to 961,000, which, relative to the 1940 figures, gave percentages of 17 and 13, respectively. The figures show how badly the Pacific War had decimated Japan's ships.

The deterioration in inland shipping came not just from ship losses but also from American air attacks on port and harbour facilities – sheds, warehouses, barges, buoys – and from mines laid in ports, harbours, and shipping routes. At the end of the war, the Bureau of Merchant Marine Supervision, which had been temporarily installed in Imperial Headquarters, was abolished, and the responsibility for merchant marine affairs was given to the Transportation Ministry and the Civilian Merchant Marine Committee. Under SCAP Order No. 1 of 2 September 1945, the movement of Japanese ships was prohibited, and the next year, Order No. 2 placed all commercial vessels of 100 gross tons or more under SCAP control and immediately under the direction of the commander of the US Pacific Fleet. In October 1946, SCAP transferred the supervision and control of shipping to SCAJAP.¹ The Civilian Merchant Marine Committee was an organization under SCAJAP and its task was to unify the operation and administration of ships used by the national government, a role that it continued until the peace treaty was signed in 1952.

In view of the military role merchant shipping had played under Japanese government protection, SCAP laid down strict guidelines for its control. It was that military role that gave the occupation one of its reasons for initially

prohibiting the tonnage of Japanese-owned ships to less than 1.5 million gross tons. But as east-west tension grew and the international situation changed, SCAP gradually loosened the reins. In 1949 it abolished the restrictions on ship ownership, and in 1950 it permitted Japanese ships to embark on foreign routes, which opened the way for scheduled overseas shipping.

The Civilian Merchant Marine Committee continued the task of building a system to unify state-operated shipping from the end of the war in 1945 to the resumption of Japanese overseas shipping in 1950. The only shipping allowed was coastal and inland shipping; but here, too, the industry had a difficult time recovering from the devastation of war. During the war, the railroads had transported much of the freight that would normally have been carried on water, and this situation continued on into the postwar period. It was contributory to much of the disorder in railroad freight hauling at the time, and to ease the situation a plan was instituted in December 1946 to get much of the railroad freight back onto ships and boats. Another plus for coastal shipping at this time was the restart made in scheduled ferry connections between Hokkaido, the Tokyo-Yokohama area, the Osaka-Kobe area, the Shimonoseki-Moji area, and Niigata. An initial move undertaken to get transportation back into private hands was the release of small passenger vessels and auxiliary-powered sailing-ships from state hands in April 1946. The privatization of inland shipping was aided by a SCAP memorandum on new methods of managing commercial shipping, which mandated on 1 April 1949 a shift over to scheduled shipping in order to continue the release of ships from government operation. This was followed in August by SCAP's placing into private hands small ships of less than 800 gross tons, which was intended to help reduce government operating costs. On 1 April 1950, ships of 800 gross tons or more operating on scheduled runs were given back to private owners, thus privatizing all Japanese shipping and drawing to a close the Civilian Merchant Marine Committee's unified control of state-operated ships that had been in place since 1942.

The transfer of state-operated ships to private control was completed in April 1950, which ended the many years of state control over merchant shipping. However, the rebuilding of merchant shipping in private corporate form was very difficult under the Dodge Line deflation policy and the adverse conditions due to excess ship tonnage. In June 1950, the government adopted regulations – based on the Ship Navigation Control Ordinance – concerning subsidies for ships in moorage. In August, it enacted and put into effect the Law for the Purchase of Low-Performance Ships, which was aimed at buying and disposing of ships 30 years or older or poorly performing ships, particularly the wartime standard ships, as a thorough measure to eliminate the excess in ship tonnage.

Effects of the Korean War

The Korean War, which erupted on 25 June 1950, provided the stimulus for activating the Japanese merchant shipping industry and the entire economy.

The "special demand" rose to the giant sum of \$600 million in fiscal 1951 and over \$800 million in both fiscal 1952 and 1953. The trade in repaired arms and material for UN forces in Korea and the increased exports, which reflected the international mood of arms expansion, poured a vitality into the Japanese economy that rapidly put it on its own two feet. This is clearly shown in what happened after the Law for the Purchase of Low-Performance Ships went into effect. At first, owner applications for purchase by the government amounted to 154 ships (270,000 gross tons). But as the merchant-shipping market began to recover, many applications were withdrawn, and only 97 (130,000 gross tons), or 48 per cent, of the ships originally proposed for purchase were actually bought up. The law never achieved the objectives for which it had been designed.

Recovery in inland shipping came slowly after Japan's surrender in 1945, but the rapid recovery from 1950 on spurred on by the Korean War can be seen through the number of ship entries into all ports in the nation and the increase in the volume of transport. Inland shipping ebbed to its lowest point in 1946, making 961,000 cumulative ship entries and transporting 17,551,000 tons. After that there is a gradual increase to 1,262,000 cumulative ship entries in 1947, 2,728,000 in 1948, 3,551,000 in 1949, and 4,766,000 in 1950. The pace picks up quickly in the next year, with 7,284,000 cumulative entries in 1951, a recovery to the 1940 level of 7,316,000. The same trend can be seen in number of tons transported: 29,902,000 tons in 1947, 42,235,000 tons in 1948, 40,787,000 tons in 1949, 49,282,000 tons in 1950, and 64,243,000 tons in 1951. But, the increases indicated by these figures do not necessarily stand for real progress. Although the figures for 1948 are 2.4 times those for 1946, marine transport charges were high, twice those of land transport, and, as a result of the Dodge Line deflation policy, the volume for 1949 dropped relative to 1948. Thus, the number of cumulative

Table 9. Number of port entries for inland shipping (1946-1955)

Year	Number of of ships (1,000)	Gross tons (1,000)
1946	961	37,022
1947	1,262	50,927
1948	2,728	182,487
1949	3,551	240,455
1950	4,766	282,409
1951	7,284	394,731
1952	8,303	415,032
1953	8,983	459,183
1954	9,097	468,075
1955	9,287	509,418

Source: *Shōwa kokusei sōran* (Survey of Showa Japan), vol. 1, p. 441, 7-24, "Zen-koku oyobi rokudai kōwan e no nyūkō sempaku" (Number of ships entering Japan's six major ports and all Japanese ports).

Table 10. Number of tons transported by means of transportation (1936-1945) (1,000 tons)

Fiscal year	Motor vehicle	Railroad		Inland shipping
		National Railways	Private railroads	
1936	180,372	97,600	32,075	79,260
1937	182,280	106,450	34,446	94,656
1938	186,144	118,054	37,309	95,604
1939	190,872	131,419	42,476	101,700
1940	234,588	145,746	45,979	102,864
1941	191,544	151,694	47,610	99,180
1942	185,496	158,040	50,818	81,312
1943	155,064	178,177	50,136	60,096
1944	126,108	161,064	35,499	44,796
1945	122,712	81,469	22,360	24,756

Source: *Shōwa kokusei sōran* (Survey of Showa Japan), vol. 1, p. 417, 7-3, "Yusō kikan betsu no kamotsu yusō" (Freight transport by means of transport).

and 69,882,000 tons in 1956. Compared to the increase, albeit gradual, in port entries, the gradual recovery in tonnage after the drastic 1952 decline meant that it was not until 1956 that prewar tonnage levels were reached. In February 1952, the government partially revised the Law on Ports and Harbours and designated 56 ports as important ports and 7 as exceptionally important ports (see figure 2).

The Problem of Excess Ships

The lack of balance between cumulative port entries and transported tonnage in 1952–1956 indicates more than anything else the excess in ship tonnage that became a problem about this time. At the end of fiscal 1952, there were 640,000 gross tons of inland freighters, of which 75 per cent, or 480,000 tons, represented ships of low performance, particularly the war-time standard ships. The problem could have been prevented if the August 1950 Law for the Purchase of Low-Performance Ships had been properly implemented, but, as we have seen, the need to ship, by any means available, materials produced for the Korean War prevented the law from working as it should have. As long as this situation remained, it was very difficult to get rid of the excess tonnage and to end the recession in inland shipping. In order to stimulate a reduction in the number of low-performance ships, the construction of more high-performance ocean-going ships, and an upgrading in the quality of merchant ships, the Provisional Law to Subsidize Interest on Aid to Improve Ship Quality was enacted in August 1953. This law was for ocean-going ships constructed in fiscal 1953 under the ninth shipbuilding plan, which led to the scrapping of 74 low-performance ships (70,000 gross tons) and the partial elimination of excess ship tonnage.² But since this law would not eliminate all excess ships, another law, the Provisional Ship Construction Adjustment Law, was enacted, going into effect also in August. This law set up a system of licensed permission for the construction of steel ships of 500 gross tons or more and was thus intended as a means to curb the trend toward an excess of tonnage, but it was not successful.

Though hit by an 80 per cent loss in its assets in the war, having 75 per cent of its ships categorized as low performance, and hurt by the excess in ship tonnage, inland shipping gradually recovered to the prewar levels in the 1945–1955 period. Due to the losses in steel ships caused by the war, auxiliary-powered sailing-ships held a large share in shipping during this time. Auxiliary-powered sailing-ships made up 70 per cent of inland shipping in 1946, 60 per cent in 1950, 54 per cent in 1955, and 49 per cent in 1959. As for the relative shares of major products carried by inland shipping, 38–42 per cent was coal, 9–10 per cent was gravel and stones, 8 per cent was steel, and 9–11 per cent was non-ferrous metals. From the figures for shipments in the northern Kyushu area, we can see how important coal was as an energy source.³ However, shipments of crude oil were gradually increasing, from 2.6 per cent in 1946 to 7.3 per cent in 1956. The ratio of

Table 11. Volume of cargo transported by inland ship type (1946-1955) (1,000 tons)

Fiscal year	Total	Steamship	Auxiliary-powered sailing-ship	Oil-tanker	Coastal tanker
1946	17,551	4,460	12,294	431	366
1947	29,902	8,091	19,689	1,046	1,076
1948	42,235	11,869	27,302	1,122	1,942
1949	40,787	14,243	23,721	877	1,946
1950	49,282	16,447	29,349	1,171	2,315
1951	64,243	19,241	40,154	1,647	3,201
1952	49,271	17,429	28,135	2,001	1,706
1953	49,590	17,455	27,678	2,687	1,770
1954	51,577	18,908	27,821	2,826	2,022
1955	59,152	21,501	31,653	3,742	2,256

Source: *Showa kokusei sōran*, vol. 1, p. 440, 7-22, "Naikō sempaku yusōryō" (Volume of inland shipping transport).

steel to wooden (coastal) tankers in crude-oil transport was 54:46 in 1946 and 70:30 in 1956; the shift from auxiliary-powered wooden sailing-ships to steel ships had already begun.⁴ Thus, inland shipping had almost recovered to its prewar levels, ship quality was being improved, and shipping had now reached a point where it could be relied upon to take a pivotal role in Japan's economic growth in the next period.

Notes

1. SCAJAP stands for US Naval Shipping Control Authority for the Japanese Merchant Marine.
2. *Un'yushō sanjū-nen shi* (Thirty-year history of the Ministry of Transport) (Un'yu Keizai Kenkyu Senta, 1980), p. 119.
3. *Nihon yusō shi* (History of Japanese transport) (Nihon Hyoron Sha, 1971), pp. 444–453.
4. *Ibid.*, pp. 446–449.