Dawn of Japanese National Railways

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War's End and Railways

After fighting with Germany and Italy against the USA, Great Britain and other Allies, Japan accepted the Allied Potsdam Declaration and surrendered unconditionally on 15 August 1945.

During the war, coastal shipping carrying coal and other goods was diverted to military use and these commodities were handled by railways. The Kanmon underwater tunnel was built to connect the coal mines of Kyushu with mainland Honshu, illustrating the heavy dependence on railways for shipment of domestic cargo. Japan imported all its petroleum, and gasoline for private automobiles was severely rationed with most diverted to military use. Motor transportation was almost entirely destroyed toward the war’s end and was substituted by railways. Railways monopolized domestic transportation in wartime Japan, while profits were used by the military. Other than minimum measures to cope with increased cargo, the facilities and cars were unmaintained and not renewed. Lines were heavily bombed toward the end, although trains were kept running by the strong commitment of employees. Air raids killed 4,403 employees, and killed or injured 1,494 passengers. These figures do not include deaths or injuries caused by the atomic bombs because the numbers are unknown. People’s morale was boosted even on 15 August by being able to say, ‘The trains are running’.

MacArthur's Letter and Start of Japanese National Railways

The Japanese Government Railways were reorganized as a public corporation called Japanese National Railways (JNR) on 1 June 1949. This was a major change in the history of Japan’s railways, and is as important as the nationalization in 1906-7 and the privatization in 1987. Postwar Japan was run by the Allied Occupation Forces from General Headquarters (GHQ). Democratic reforms included dissolution of financial cliques (zaibatsu) and land reforms aimed at ending the landlord system. The railway was no exception; a letter from General MacArthur dated 22 July 1948 instructed the Japanese government to turn the Japanese Government Railways into a public corporation. The letter was written as a move to suppress the growing leftwing labour movement, which was thriving in the middle of the inflation-driven economic confusion, and the growth of communism. It instructed the government to reorganize the Japanese Government Railways and other state monopolies into public corporations, leading to the births of JNR, Nippon Telegraph and Telephone Public Corporation, and the Japan Tobacco and Salt Public Corporation. The latter two included ‘public corporation’ in their titles, but JNR did not due to resistance from bureaucrats, who were reluctant to change the state railway business to a public corporation, isolated from the government. In talks with GHQ, they claimed that labour disputes could be settled by measures other than changing to a public corporation, opposing the idea of the war-damaged railway facilities being restored by anyone except the government. Japan at that time was indirectly administered by GHQ, meaning that its instructions were implemented by the Japanese government. Naturally, GHQ instructions carried absolute power, and MacArthur’s letter had serious significance.

Public Corporation

The public corporation concept was new to railway bureaucrats, and they studied it from examples such as the Tennessee Valley Authority (TVA), London Transport, and other public corporations. The concept was not easily adaptable to the Japanese tradition of centralized administration. GHQ itself did not fully understand public corporations and could not present a model that was suitable for postwar Japan.

Today, we know from the history of public corporations in the UK and Germany,
that the ambiguity of the term created several difficult problems. In the case of the JNR, the ambiguity was coupled to the fact that JNR was not fully autonomous, meaning that management was not given the right to determine fares (the basic unit of income) and wages (the basic unit of expenditure).

The Teito Rapid Transit Authority, established during the war as a subway system in Tokyo, was actually a good example of a public corporation, but it went unnoticed. Public corporations were first established in many countries between World War I and World War II. The Teito Rapid Transit Authority was one, but because it was formed under the wartime regime, it was not viewed as a public corporation that was part of the democratization measures.

Conversion to public corporations in areas such as the railways, telegraph and telephones, tobacco and salt, was followed by electric utilities and steel mills. Electric utilities were formed into regional private companies. They were under attack by labour, and regionalization aimed to weaken the leftists by dividing a single large labour organization into several unions. This measure was recognized by the reformists as a good example when JNR was privatized into several companies in 1987.

Personnel Cuts

During the war, the Japanese Government Railways hired employees to replace those going to fight. After the war ended, the total number doubled from 300,000 in 1939 to over 600,000 in 1947 and 1948 as soldiers returned from battlefields, and as railway employees returned from the ex-colonies of Manchuria and Korea.

In May 1949, the government passed a law to reduce the number of personnel as a tool to reduce the number of public servants including those in the government railways. A personnel cut was executed under the new law to reduce the number by 95,000 and the plan was completed by July.

The MacArthur letter prohibited strikes by public servants while rejecting collective bargaining. The National Railways Workers' Union had been organized in March 1946 as a confederation and was later reorganized as a single organization in June of that year. Internally, the union was divided into two or three camps of leftists and rightists. An opposition movement was organized by the leftist executive of the union against the MacArthur letter and the personnel cuts, but all the leftist executives were fired for leading an unlawful strike. The dismissal was followed by the 'Red Purge', and the leftists lost power.

On 1 June 1949, the Japanese Government Railways was reorganized as JNR. The cuts in personnel were enforced on the same day and the first cut was announced on 4 July. On 5 July, Mr Shimoyama, the new JNR president was
found dead under suspicious circumstances. A second personnel cut was announced on 12 July, and it was followed by a series of accidents; a railcar went out of control at Mitaka Station on 15 July, and a train derailed near Matsukawa Station on 17 July. Neither of these accidents was solved but they were reported by the media as if they were the work of leftists, who lost public support. The start of the Korean War, and Cold War changed GHQ policy from disarmament and democratization to reconstructing Japan as a member of the Western bloc.

**Restoration of Railways**

Railway operation in postwar Japan faced a serious dilemma between the fast-growing need for transportation, and a capacity that had fallen to less than 30% of the pre-war level. Transportation demand rose rapidly as people flocked to trains; soldiers returning from Manchuria, Korea, etc., schoolchildren evacuees returning from the countryside, GIs, foreigners, and hungry people going to farming villages in search of food. A heavy burden was placed upon railways because motor and coastal transportation was still unrestored. The burden was made even graver because railways had been unmaintained during the war. A series of bad accidents, including a train fire at Sakuragicho Station, resulted from worn-out facilities and lack of funds to maintain them. However, despite the burden, the railway authorities did all they could to restore services and modernize. They resumed limited express train operations and introduced electric and diesel trains.

The first 5-year plan in 1957 initiated serious investment in railway facilities. The start of the Korean War in 1950 turned Japan into a UN military base. Demand for transport of military supplies increased sharply, leading to rapid economic growth. As the economy gained momentum, the capacity of the Tokaido Line soon reached its limit. The Tokaido Line was (and still is) the most important traffic market in Japan ever since its completion in 1889. In 1950, it represented only 3% of total route kilometers, but accounted for about 24% of transport volume. The completion of the long-awaited electrification in 1956 between Tokyo and Osaka to improve capacity did not solve the problems and, so in 1958, the Japanese government and JNR agreed to construct the Tokaido Shinkansen on the international standard gauge (1435 mm). The project was started with financing from the World Bank and was completed 6 years later in 1964. The project had been first envisaged in 1938 before the war when it was called the Bullet Train Project. It was supposed to lay new international-standard tracks from Tokyo to Osaka and Shimonoseki, with an undersea tunnel between Japan and the Korean Peninsula connecting Japan, Korea and Manchuria. The Project was actual-
Sadanori Shimoyama became the first President of JNR when it was founded in June 1949. Born in 1901, he studied mechanical engineering at the University of Tokyo and joined the Ministry of Railways immediately after graduation in 1925. After serving as a high-ranking railway engineer during WWII, he became Administrative Vice-Minister of Transport in April 1948 and prepared for the birth of JNR. His first task as President was reducing the workforce which expanded sharply after the war as railway employees returned from battlefronts and overseas railways. The government’s proposal to cut the workforce caused serious unrest, and Shimoyama was under strong pressure from the Occupation Forces, the Japanese government, and the protesting trade unions. He disappeared suddenly on 5 July 1949 and was found dead the following day on a main-line railway track near Tokyo. It was never clear whether his death was suicide or murder.

Yukio Kagayama became JNR’s Acting President immediately after Shimoyama’s death, and was appointed President officially in September 1949. Born in 1902, he read law at the University of Tokyo and joined the Ministry of Railways in 1927. As President, he faced a number of difficulties including the mysterious train accidents at Mitaka and Matsukawa. He was forced to resign in August 1951 after 106 passengers were killed by a train fire at Sakuragicho Station in Yokohama.

Sonosuke Nagasaki succeeded Kagayama as JNR President. Born in 1896, he studied law at the University of Tokyo and joined the Ministry of Railways in 1920. He was purged from public duty shortly after the war, because he served as a top civil servant under the War Cabinet. After his return to public life as JNR President, he tried hard to reconstruct the ruined railways, but he was also forced to resign in May 1955, after a railway ferry sank in the Inland Sea of Japan killing 168 people. The tragedies of these three JNR presidents symbolize the severe post-war conditions of the railways.

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In a way, the Tokaido Shinkansen was seen as the resumption of the prewar Bullet Train Project. After completion, it produced a much greater economic effect than ever anticipated, deflecting ridicule and disproving the notion in advanced countries that the railway was declining.

Inaugural Run of Tsubame after Full Electrification of Tokaido Line in 1956

(Transportation Museum)