

Prewar Tourism Promotion by Japanese Government Railways

Koichi Nakagawa

Japan's balance of payments in international tourism recorded the largest deficit in the world again in 1996; a far greater amount of yen was spent abroad by more than 16.5 million Japanese travellers than the money spent by visiting foreign tourists in Japan. Although Germany exceeds Japan in the amount of money spent by Germans abroad, its deficit in international tourism has been kept comparatively small because the country enjoys a relatively larger number of visiting foreign tourists.

In the 1990s, the number of tourists visiting Japan exceeded 3 million a year, mostly from East and Southeast Asia visiting Tokyo Disneyland and other theme parks. However, the income from these tourists was only a drop in the bucket when as many as one in seven Japanese travelled overseas during these years. As a result, Japan's 1996 deficit in international tourism offset 39.5% of the nation's trade surplus.

Foreign currency from tourists visiting Japan was a precious income for the country until overseas travel was deregulated for Japanese. Back in 1960, when the Japanese economy was on the brink of

high growth, the income from tourism was US\$116 million, ranking seventh in the country's foreign currency revenue. To understand the significance of this amount, 1960 steel exports ranked top, earning US\$388 million at the then exchange rate of \$1 to ¥360, and even exports of Japan's famed transistor radios earned US\$144 million, much the same as tourism income.

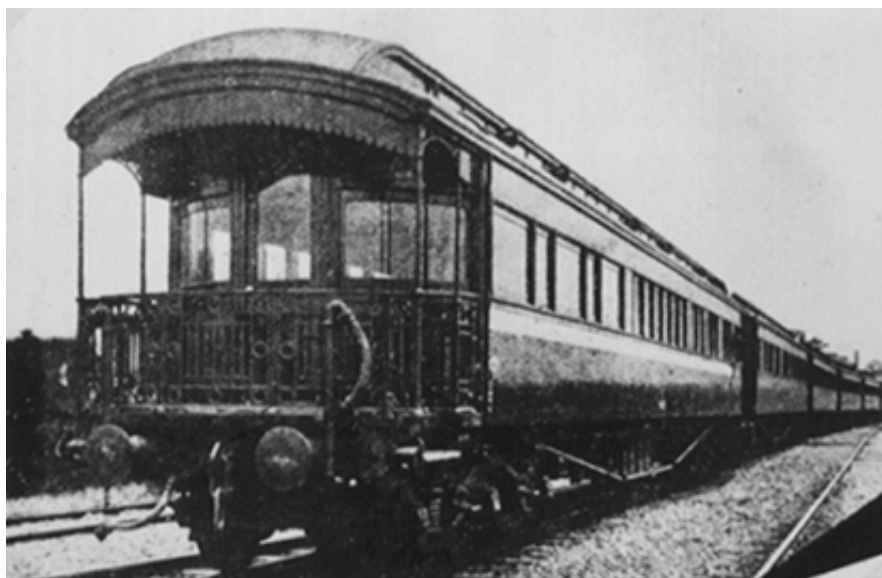
Tourism has long been considered an easy source of foreign currency and this policy is still adopted commonly by many developing countries. Japan was no exception until the 1950s, and railway operators were the first to take the lead in promoting international tourism.

Dawn of Tourism Promotion

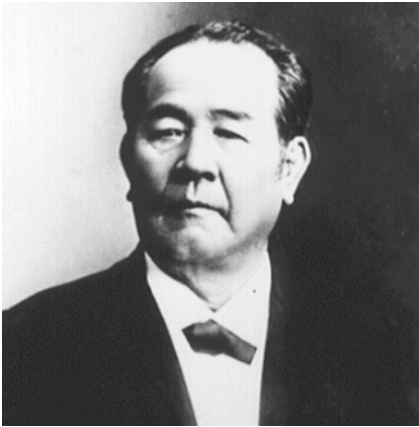
The idea of attracting foreign tourists to Japan for the sake of promoting national interests was first proposed in the early 1890s by concerned politicians and financiers. A fervent desire to correct existing unequal treaties—the most critical diplomatic problem in the Meiji Era (1868–1912)—was apparently behind the

proposal. There also was an intention to show visiting westerners that Japan was as civilized as the great western powers, not to mention that the incoming foreign currency would contribute to reinforcing the nation's wealth and military strength. In March 1893, a voluntary organization called Kihin-Kai (The Welcome Society of Japan), headquartered in Tokyo Shokokai (the predecessor of the present Tokyo Chamber of Commerce and Industry), was formed to promote foreign tourism. Eiichi Shibusawa, who is famous as the founding father of Japanese capitalism, was General Secretary; he was assisted by Takashi Masuda, regarded as the head of the Mitsui *zaibatsu* (industrial and financial combines). Masuda had visited Europe and believed that Paris flourished because the city had a successful system for attracting foreign tourists and encouraging them to spend money.

In those days, the estimated annual number of westerners visiting Japan was probably no more than 10,000, a more-than-obvious reason for establishing Kihin-Kai. Shibusawa and Masuda ardently tried to establish a system of tourism at the non-government level before the administration involved itself in the business. They were confident that a prospering tourism industry would contribute to national interests. They persuaded hotels and inns to improve their buildings and facilities, urged upgrading the quality of tour guides and interpreters, and arranged tours of noted and historic places. English guidebooks and maps were written and distributed to arouse foreigners' interest in visiting the country. Kihin-Kai was funded by donations from railways and international shipping companies, hotels and inns, department stores, profiting from foreign tourists. However, in 1906, all major railway companies were nationalized into government railways in line with the Railway Nationalization Bill (*JRTR* 4, pp 42–45), radically slashing the resources of Kihin-Kai and



Observation car of limited-express train running between Shimbashi and Shimonoseki in 1912
(Transportation Museum)



Eiichi Shibusawa (1840-1931)
—The founder of modern Japanese capitalism
(Shibusawa Memorial Museum)

disrupting its operation. However, the imminent collapse was averted by Yoshio Kinoshita, an enlightened government railway official. He had studied in Europe and was well aware of the necessity for promotion to attract foreign tourists. The Japan Tourist Bureau (predecessor of Japan Travel Bureau (JTB)) was founded in March 1912 under his leadership. JTB is now one of the three largest travel agents in the world.



Yoshio Kinoshita (1874-1922)
—The founder of the Japan Tourist Bureau (now JTB)
(Transportation Museum)

Establishment of Japan Tourist Bureau

The Japan Tourist Bureau was a semi-governmental organization founded to promote international tourism. It operated under the direction of the Japanese Government Railways, which managed the state-owned railways. The Bureau promoted tourism for the railways of Korea and Taiwan (Japanese colonies at that time), and the South Manchuria Railway (acquired under terms of Treaty of Portsmouth ending Russo-Japanese War (1904-1905)), and shipping lines, such as Nippon Yusen, and Toyo Kisen. It also assisted service facilities, such as the Imperial and Fujiya hotels, and the Mitsukoshi and Takashimaya department stores.

The Bureau's establishment was supported by Takashi Hara, Interior Minister and President of the Japanese Government Railways. Seiji Hirai, Vice-President of the government railways, played a vital role in shaping the Bureau. Hirai had attended the International Railway Congress in 1910 and inspected the tourism systems and facilities of Switzerland, recognizing that provision of such facilities would contribute to Japan's national interests.

Behind the commitment of high-ranking government officials to promote tourism was a compelling need for foreign currency to redeem large amounts of foreign bonds issued to finance the Russo-Japanese War. No doubt the business of attracting foreign tourists was considered a vital source of hard currency.

It should also be noted that middle-management railway officials, who had been addressing the issue of promoting international tourism since the early 1900s, made efforts to persuade high-ranking officials to recognize the need for tourism promotion. Kinoshita was manager of the passenger services and he described the necessity for a semi-governmental orga-

nization to establish sound international tourism.

Until the Bureau was established, foreign tourists to Japan usually hired Japanese guides at their port of entry, and relied on the guides' itineraries. These guides increased the tourists' costs by demanding huge commissions from hoteliers, spoiling the impression of Japanese tourism. Consequently, eliminating the guides through public relations efforts by the Bureau was an urgent matter.

To assist foreign tourists and discourage malicious guides, English-speaking personnel were provided at major railway stations and on express trains. It was reasoned that this would limit hiring of guides to sightseeing at specific spots, thereby improving the image of Japanese tourism and defining a role for the Bureau.

Kinoshita's policy for promoting international tourism was based on his personal experiences during stays in America and Europe from 1904 to 1907.

International Railway Links

The Japanese Government Railways had another reason for being actively committed to international tourism.

The Treaty of Portsmouth mandated a partial transfer of Russia's railway rights in Manchuria, south of Changchun, to Japan. This gave birth to the South Manchuria Railway Company which provided links with Europe via the Russian railways.

During the Russo-Japanese War, the Japanese military had built supply railway lines through Korea, which permitted strengthened international links with Japan's domestic lines at the War's end.

These developments gave Japan's domestic railways the prospect to become a vital link in the around-the-world tourist route by establishing a connection with the transcontinental railroads in North America.

The domestic railways could also be in-

tegrated into the circular tour route around the Eurasian continent by connecting to the regular steamer services via the Indian Ocean and Suez Canal.

Talks between Japan and Russia for joint rail transport started in June 1907 at St. Petersburg. After a series of negotiations, joint through traffic started in April 1910 between the Japanese Government Railways and the Dongqing Railways (the Russian-controlled railways in North East China). In the following year, this linkage was extended, through the Trans-Siberian Railway, to other major Russian cities including Moscow and then Russian-controlled Warsaw.

Domestic Railways

The first limited express in Japan was introduced in 1912 with one train per day in each direction between Shimbashi (Tokyo) and Shimonoseki (Western tip of Honshu). The train was composed of second-class passenger coaches and sleepers, first-class sleepers, and a special saloon-cum-observation coach, all of which were luxuriously designed with foreign tourists in mind. All other Japanese passenger trains at the time had three classes of coaches, indicating the apparent aim of serving foreign tourists and wealthy Japanese travellers.

The crew of this limited express had completed an English course at the Central Training Institute which succeeded the English Conversation School for Railway Employees established earlier in September 1908.

The first limited express, nicknamed *Fuji* in 1929 after Mt. Fuji, maintained its two-class composition until 1933.

English-language Guidebooks

An official English guidebook is said to have been planned as early as 1908 to provide accurate and detailed travel information for foreign visitors, as well as to defeat dishonest, profiteering guides. Prior to this plan, some Englishmen living in Japan had planned a guidebook to Japan in the 1880s, later published as one of the famous series of Murray's guidebooks. In the 1900s, American editors also came to Japan to write a guidebook.

An Official Guide to Eastern Asia, 1910s

Since the official guidebook was to be a publication of the Japanese railways, it was determined that it should supersede previous guidebooks compiled by foreigners. Kinoshita's concept for the framework was grand and global. The four volumes included Manchuria and Korea, as well as the rest of China extending west beyond the Great Wall.

The series was called *An Official Guide*

to Eastern Asia and Volume 1 entitled *Manchuria & Chosen* (Korea) was published in February 1913. It contained many detailed city plans similar to *Baedeker's Guides* (the world's foremost guidebooks published in German, English, and French), but unlike Baedeker's, differentiated itself using many photographs. *The Times* (of London) praised it as 'an excellent guidebook for English speaking tourists'.

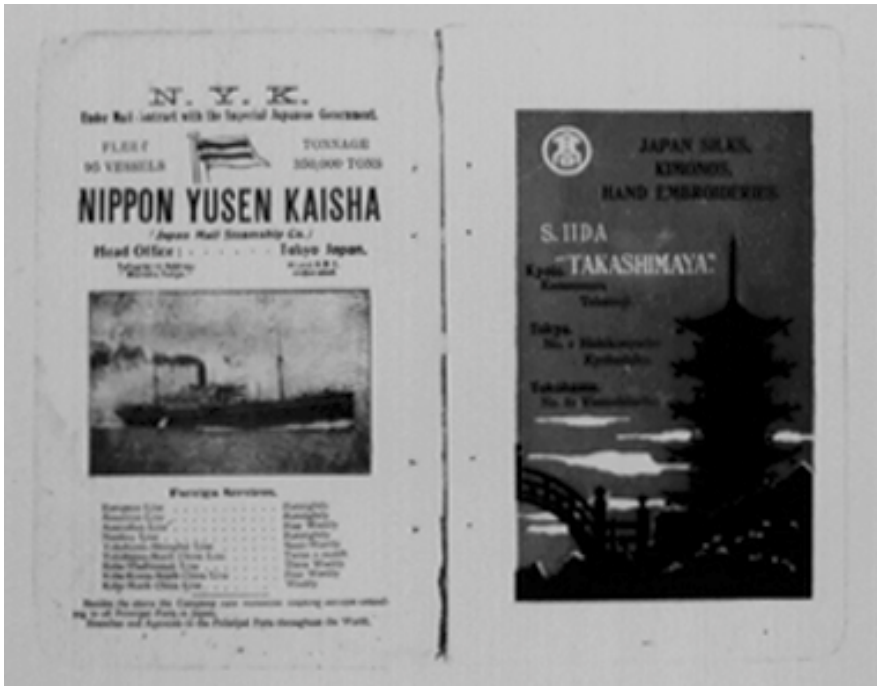
Volumes 2 and 3 were published in July 1914, covering northeast and southwest Japan, including Hokkaido, Honshu, Shikoku, and Kyushu. Volume 4 covering China was published in April 1915. A notable event preceding these publications was the introduction by the Japanese Government Railways of round-the-world and eastern-hemisphere excursion tickets on 15 September 1913.

The world drifted into WWI and although Japan sided with the Allies, its status remained more or less neutral and exports of industrial products, and shipping thrived. In the meantime, Southeast Asia (then known as Nanyo or the South Seas)



An Official Guide to Japan (JGR, 1933), and *A Guide Book for Tourists in Japan* (Kihin-Kai, 1910)

(Author)



Extensive advertising inside the front cover of *A Guide Book for Tourists in Japan* promoted shipping lines and department stores, etc. (Author)

and East Asia had become big markets for Japanese products.

Against this background, the Japanese Government Railways decided to include Southeast Asia in the guidebook project, and published a fifth volume covering the East Indies in 1917.

Revisions

Good guidebooks must be updated and revised continuously to provide the latest information, or risk becoming outdated. However, revision of *An Official Guide to Eastern Asia* did not go as planned. Revision started with the Volumes 1 and 4. The revised Volume 1 added Siberia to its original coverage of Manchuria and Korea. The revised fourth volume was renamed *Guide to China* and published as Volume D in April 1924; this guide was subtitled *With Land and Sea Routes Between the American and European Continents*, emphasizing the attraction of Japan to round-the-world tourists. The Great Kanto Earthquake of 1923 must

have caused enormous difficulties to then on-going revision work of Volume D.

The volume numbering was changed probably because it was assumed that the second and third volumes would become Volumes B and C, respectively. However, they would later be combined into one guidebook, published as *An Official Guide to Japan* in 1933.

Government Policy in 1930s

The policies on attracting foreign tourists in the 1910s were formulated by the Japanese Government Railways. However, in the 1930s, their tourism undertakings were made mainly in accordance with external requests and to counter the economic depression.

The government demanded measures to earn foreign currency at the 56th Imperial Diet (parliament) in 1929; the request apparently originated from the Japan Chamber of Commerce and Industry. As

a result, the government decided to create a department in charge of tourism promotion within the Japanese Government Railways.

The basic planning was conducted by the International Payment Improvement Council of the Hamaguchi Cabinet. The Council recommended stepped-up international propaganda, maintenance of scenic spots, and development of tourist resorts, accommodation facilities, and transportation.

Board of Tourist Industry

The Board of Tourist Industry was created in April 1930 within the Japanese Government Railways. At the start, the Board was a small organization composed of a director, two managers, two administrative clerks, 15 subordinate clerks, and three assistant engineers. The Board took charge of tourism promotion including revision of guidebooks, distribution of posters, etc. Overseas promotion offices were also set up by the Board in



Tourism promotion poster for Japanese Government Railways during 1930s (Japan National Railways: A Centennial Photo History)

major cities such as New York, Paris and London. However, the outbreak of WWII in 1939 and the cancellation of the scheduled 1940 Tokyo Olympics both adversely affected international tourism.

New Guidebook

An Official Guide to Japan (1933) only mentions the name of the Japanese Government Railways in its preface. It is not known whether it was published by the Passenger Department of the Transport Bureau, which edited a concise Japanese-language guidebook to Japan, or by the Board of Tourist Industry.

Japan, The Official Guide, 1941

In 1941, *An Official Guide to Japan* was revised and renamed *Japan, The Official Guide*, with the publisher clearly identified as the Board of Tourist Industry which by that time had doubled its staff.

The revised guidebook covered all territories then under Japanese rule, except the South Seas (Micronesia). Korea, which was not included in the earlier *An Official Guide to Japan*, was also covered. By this time, however, there was no longer any intention to include Japan's puppet state of Manchuria, China, and the South Seas in this revised guidebook.

Development of Tourist Hotels

As previously described, the Hamaguchi Cabinet took the initiative in attracting foreign tourists as a vital source of hard currency. However, due to serious budgetary constraints, the government could not carry out the initial recommendations made by the International Payment Improvement Council. Consequently, the government had to join forces with the private sector to form the Japan Tourist Association, a semi-government organization to execute the work.



Gamagori Hotel in Aichi Prefecture

(Japan Hotel Guide, 1959)

This Association first carried out the aforementioned 1930 survey of hotels, the results of which indicated that there were only a very few hotels capable of accommodating foreign tourists and a marked shortage of resort hotels suitable for attracting them. Nevertheless, no action was taken to improve the situation because it was determined to be commer-

cially unprofitable. Also the depression forbade the government subsidizing the project.

However, a breakthrough was made, when the City of Osaka obtained a long-term, low-interest loan from the Finance Ministry to build a tourist hotel, and lease it to a private enterprise for management. In January 1935, the Board of Tourist In-



Kamikochi Imperial Hotel in Nagano Prefecture

(Japan Hotel Guide, 1959)

dustry began arranging financing using state funds for construction of hotels by local governments for leasing, successfully completing 14 new hotels throughout the country. This was an unprecedented accomplishment. The vicious inflation following the end of WWII made it easy to pay back these long-term, low-interest loans. After the war, these hotels were eventually sold to private enterprises. The long-standing resort hotels still operating today at Gamagori in Aichi Prefecture, Kamikochi in Nagano Prefecture, and Lake Biwa in Shiga Prefecture were started by railway operators before WWII, but they can no longer serve their original purpose and are in the red, because most foreign tourists are absorbed in metropolitan areas and theme parks.

Postwar Development

After WWII, railway operators again made efforts to promote Japan's tourism; new train coaches were built or modified especially for foreign visitors. Industry was in ruins, agricultural output was down, and people were hungry, but the attractive mountains and rivers remained as they had always been. The countryside and surviving historic Shinto shrines and Buddhist temples were a precious tourism resource for earning the foreign currency needed to rebuild the country. The prewar experience of the railway operators in preparing English guidebooks and travel literature as well as constructing and managing resort hotels proved useful in reviving tourism.

However, the Korean War (1950–53) hit efforts to promote international tourism, but the resultant military procurement boom made the rapidly-recovering manufacturing industries leading foreign-currency earners. Nevertheless, the tourism industry was still a major source of foreign currency because overseas travel restrictions for Japanese had not been lifted.



Lake Biwa Hotel in Shiga Prefecture

(Japan Hotel Guide, 1959)

In today's age of travel, it seems only a matter of time until the number of Japanese travelling overseas reaches 20 million a year, which will in due course offset most of the current trade surplus.

A tourism deficit will not be such a burden if Japan's trade surplus continues to grow but the manufacturing sector is suffering severe competition from newly-industrializing economies. Furthermore, the so-called hollowing out of Japanese industry by overseas transfer of manufacturing facilities is creating worries and insecurity about unemployment. There is no guarantee that the manufacturing sector can continue generating the huge trade surplus.

Today, many leaflets advertizing JR-organized overseas trips can be found at

every JR station. The JRs now run travel agencies as part of their business diversification. This may be necessary to make more profits, but is overseas travel the business of domestic railway operators? Instead of adversely affecting the country's balance of payments in international tourism, perhaps the JRs should make more effort to attract foreign tourists to Japan. ■



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