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Edited by the JSRSAI  
(Japan Section of Regional Science Association International)

*THE PROGRESS AND PERSPECTIVES OF  
REGIONAL SCIENCE IN JAPAN:  
THE GOLDEN 50TH ANNIVERSARY*

*Chapter 1 The State of the JSRSAI in its Early Years*

Hirotsada Kohno

Katsuyuki Kurashimo

At the Plenary Jubilee Session of Fiftieth Anniversary  
The 49<sup>th</sup> Annual Meeting of The JRSA & JS on the 6<sup>th</sup> of Oct., 2012: 3:00pm~4:00~  
at the Ishibashi Tanzan Memorial Hall of The Rissho University

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## ***Chap.1 Japan Regional Science Association in the Beginning***

Secretary to the board of directors at the foundation                      Hirotada Kohno

Secretary to the board of directors at the foundation      Katsuyuki Kurashimo

### ***Section 1 Just before or after the Foundation of the Japan Regional Science Association***

#### ***1-1 Prehistory***

##### ***1) Regional Science Association (RSA)***

The RSA has already been founded in the USA by Dr. Walter Isard (The University of Pennsylvania); the first Annual Meeting of which was held on December 27<sup>th</sup>–29<sup>th</sup>, 1954 (s. 29); the Business Meeting on 29<sup>th</sup>, the subjects was passed unanimously, here the RSA founded.

The Annual Report of the 1<sup>st</sup> Annual Meeting has been published as *Papers and Proceedings*, Volume one (Secretariat: The Warton School of the same University, early in 1955).

##### ***2) Request to set up a Section from Dr. Walter Isard to Prof. Fukushichi Uemura***

At the time when prof. F. Uemura visited to America in 1961 or so, he was requested to join the RSA, and set up a Japan Section; so, after returning to Japan., he met Hirotada Kohno of the Japan Highway Public Corporation, and asked Kohno a question of how can we found Japan Section of the RSA in Japan, and made a bid to exert himself toward the foundation.

Kohno's tentative reply was that the most hopeful and efficient action was to request both professors to achieve this aim, prof. Genpachiro Konno (University of Tokyo), leading authority in the motor transport policy, and prof. Yasuhiko Oishi (Univ. of Tokyo), young and energetic, theoretical economics.

Prof. Uemura thought highly of Kohno's advice and agreed to, and desired positive support from a big public organ such as the Japan Highway public Corporation, as a tentative Secretariat. Concerning this point, Prof. G konno had already been related to the JHPC as a councilor; so was effectual.

### **3) *Formal Approaches Toward Foundation from the RSA***

Apart from personal approaches from Prof. F. Uemura, as a formal route, Prof. Pitts (Oregon Univ. geography) came to Japan, taking the mission on behalf of Prof. W. Isard, and made formal proposal to set up Japan Section as the desire of the Regional Science Association to Prof. F. Uemura and Dr. Yoshikatsu Ogasawara, etc.

### **4) *The Talk of both Professors Pitts · Uemura and 3 Professors Konno, Kohbe, & Oishi***

Accepted this mission, Pitts & Uemura met Konno, Kohbe & Oishi to found the Japan Section on Feb. 14<sup>th</sup>, Wed., 1962 (s. 37). Prof. Susumu Kohbe was the chief of Production Research Institute (Prof. of Waseda Univ.).

### **5) *Meeting on the eve of Japan Section Setting up***

On March 9<sup>th</sup> Friday, 1962 (s. 37), Pitts, Konno, Kohbe, Oishi, Yoshikatsu Ogasawara (Chief of Land Measuring Department, the Geographical Survey Institute), and Tsuneichi Sasaki Researcher (Deputy-chief of Planning · Research Department, the Japan Highway Public Corporation) met at the meeting room of the JHPC to discuss the various problems such as a draft of Japan Section's constitution, a board of directors, annual meetings, our secretariat, etc.

\*) There memories. During Prof. Pitts's stay in Tokyo, Kohno took care of him; Once called him Prof. spitz by mistake; I was scolded "my name was Pitts, spitz was name of a dog."

## **1-2 *Establishment of the Japan Section of the RSA***

### **1) *Meeting of the Establishment Promoters of the Japan Section***

The meeting of the establishment promoters of the Japan Section was held on June 19<sup>th</sup>, 1962 (s. 37) at the University Old Boys' Association Hall (in Kanda), attended Konno, Suzuki, Ezawa, Kometani, Uemura, Ogasawara, Katahira, Oishi, etc.; Konno explained the Prospectus, a draft of Constitution, etc., and the following members were decided as candidates for the board of directors:

### **2) *The First Term Director's Members List***

chairman	Univ. of Tokyo, Faculty of Economics	Genpachiro Konno
Vice-Chairman	Univ. of Kyoto, Department of Engineering	Eiji Kometani
Director in charge of Accounts and General Affairs	Univ. of Tokyo, Faculty of Economics	Yasuhiko Oishi

Director	Kagawa Univ., Department of Economics	Fukushichi Uemura
Director	Senshu Univ., Department of Commercial & Economics	Joji Ezawa
Director	chief of Land Measuring Department, the Geographical Survey Institute	Yoshikatsu Ogasawara
Director	Director of the Meishin Expressway, the Japan Highway Public Corporation	Nobuki Katahira
Director	Waseda Univ., the Politics and Economics Department (Chief of Production Research Institute)	Susumu Kohbe
Director	Nihon University (Chief of Land Development Institute)	Masatsugu Susuki
Secretary in charge of the board of Directors	the Japan Highway Public Corporation	Hirotsada Kohno Katsuyuki Kurashimo

### ***3) General Business Meeting for the Foundation of the Japan Section of RSA***

The preparatory committee of the above members for founding Japan Section (on June 19<sup>th</sup>, 1962 (s. 37); at the University Old Boys' Association Hall in Kanda) approved resolutions of the setting up our Secretariat, rules, a draft of constitution, etc., and consecutively the general assembly was held.

The General Assembly approved resolutions under the attendance of 28 members, which had been approved by the preparatory committee; and nextly short words were delivered by each director, and self-introduction done by each member.

For the sake of this first meeting, Kohno himself made round 38 applicants for membership with the subscription book, and let them put the first annual membership fee for him. Whether we could took charge of membership fee of cash was the touchstone of checking earnestness degree, which was 28 members.

### ***4) Essence of The Japan Section and the Prospectus***

#### ***(1) Character***

The Japan Section is the Japan Section of the Regional Science Association, not a branch. This society has both characters of the Japan Regional Science Association in Japan and the Japan Section of the RSA, and has built up a closer cooperation with the

Headquarters of the RSA, and has concentrated research activities.

(2) *The following prospectus was distributed among relevant sources*

*Prospectus*

for the foundation of Japan Section of the RSA

In recent years the economic growth of Japan has achieved astonishingly, but meanwhile produced regional disparity; and there are many problems resulting from the growth to no small extent.

We strongly desire the balanced growth of Japanese economy in the future; in drawing up the policy plan to accelerate & promote such a balanced growth, no one can deny that the investigation & research of regional society will be indispensable.

Needless to say, it is not the first time that the importance of investigating the regional society is to be recognized.

As to the theoretical and practical problems brought up recently, the valuable & excellent results have been obtained so far by the able persons in each field of different disciplines. However, if we were to dare to say, making general survey of them, those solutions done were of allopathic treatments which are in the main to be met with the needs of the times and to be adapted to the characteristics of the regions.

Therefore, we are now convinced that men of ability all hang together, and should start to make comprehensive studies on the regional sciences which put together wide-ranging studies such as theoretical economics, transport policy, city-planning, location theory, geography, and civil engineering (last but not least).

we believe that the above, in itself, is the most powerful means which expand these field of studies.

Turning our eyes to abroad, in the western countries, the Regional Science has already been established as one independent field of study, and every country's regional science associations have formed international Regional Science Association, under closer cooperation and continue lively activities.

Here, we dare to address to men of integrity with observant eyes in every field the foundation of The Japan Regional Science Association which hold concurrently with the Japan Section of the RSA because the objective state of affairs mentioned the above are reflected. Could we ask you to consent to the purpose of founding our Association and join to the Japan Section and the JRSA ?

June 1<sup>st</sup>, 1962

The Preparatory Committee for Founding Japan Section      Representative  
Fukushichi Uemura  
Joji Ezawa  
Eiji Kometani  
Genpachiro Konno  
Masatsugu Suzuki  
(The Japanese syllabary order)

*5) The first time Meeting of the board of Directors (Dec. 6<sup>th</sup>, 1962) by Professors Konno, Kometani, Uemura, Ogasawara, Ezawa, Oishi, Kohbe.*

*Agenda*

①corporate members, ②inviting Prof. W. Isard ③the venue for the next annual meeting ④The Asia Foundation as a supporting member ⑤other managements of Association,    The above were discussed.

*6) The 1<sup>st</sup> Annual Meeting of the Japan Section (Dec. 7<sup>th</sup>, 1962 <s. 37> )*

In the 1<sup>st</sup> annual Meeting, the members of 50 were attended, which was held at the Univ. Old Boys' Association Hall (in Akamon = Red Gate of the Univ. of Tokyo). The following reports were present, and the lively discussions done.

In the business meeting, general affairs including the financial report and a course of activities were discussed; the publication of Annual Report was decided.

*The Program of the 1<sup>st</sup> Annual Meeting of the JRSA*

1. Econometric Method for the Regional Planning  
Ritsumeikan Univ.      Fujio Okazaki  
Aichi Univ.      Keisei Kaneko\*
2. Two Streams in the regional economic research  
the Economic Planning Agency      Koichi Baba
3. Form, Cause, Measure of the Regional Disparity  
Hitotsubashi Univ.      Jiro Sakamoto
4. Development of Shikoku Economy and Measurement of its Economic Effects  
Kyoto Univ.      Eiji Kometani  
Kyoto Univ.      Kazuhiro Yoshikawa\*

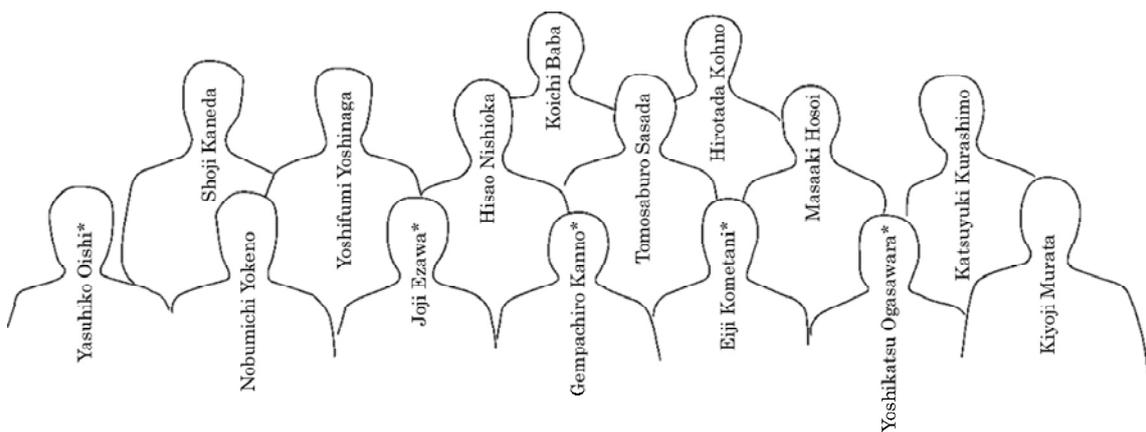
- Kyoto Univ.      Toshio Miura
5. Regional Science as it ought to be  
~Opinion from a Sociologist~
- Kanseigakuin Univ.      Yasujiro Daido
6. About Some Limits of Industrial Accumulation
- Aoyamagakuin Univ.      Hisao Nishioka
7. Method and Significance of the Regional Development in the Chukyo Area.
- Aichigakugei Univ.      Gohei Ito
8. Regional Economic Analysis and Appraisal of Highway Construction  
~Making Tinbergen Model to be the core~
- Univ. of Tokyo      Yasuhiko Oishi  
Japan Highway Public Corporation      Katsuyuku Kurashimo\*
9. Optimization of Scales of Location Industries in the Regional Development  
Planning Using Linear Programming
- Nihon Univ.      Masatsugu susuki  
Nihon Univ.      Yoneo Kawakita\*

(\*mark shows reporter)

Dinner party special Lecture      Kagawa Univ.      Fukushima Uemura

As the time has passed, the report of 8 is omitted.

Group photo of foundation assembly of JRSA



Note 1) \*mark shows member of the board of directors.

2) The photo of 15 members is a part of applicants of 28~38 for membership.

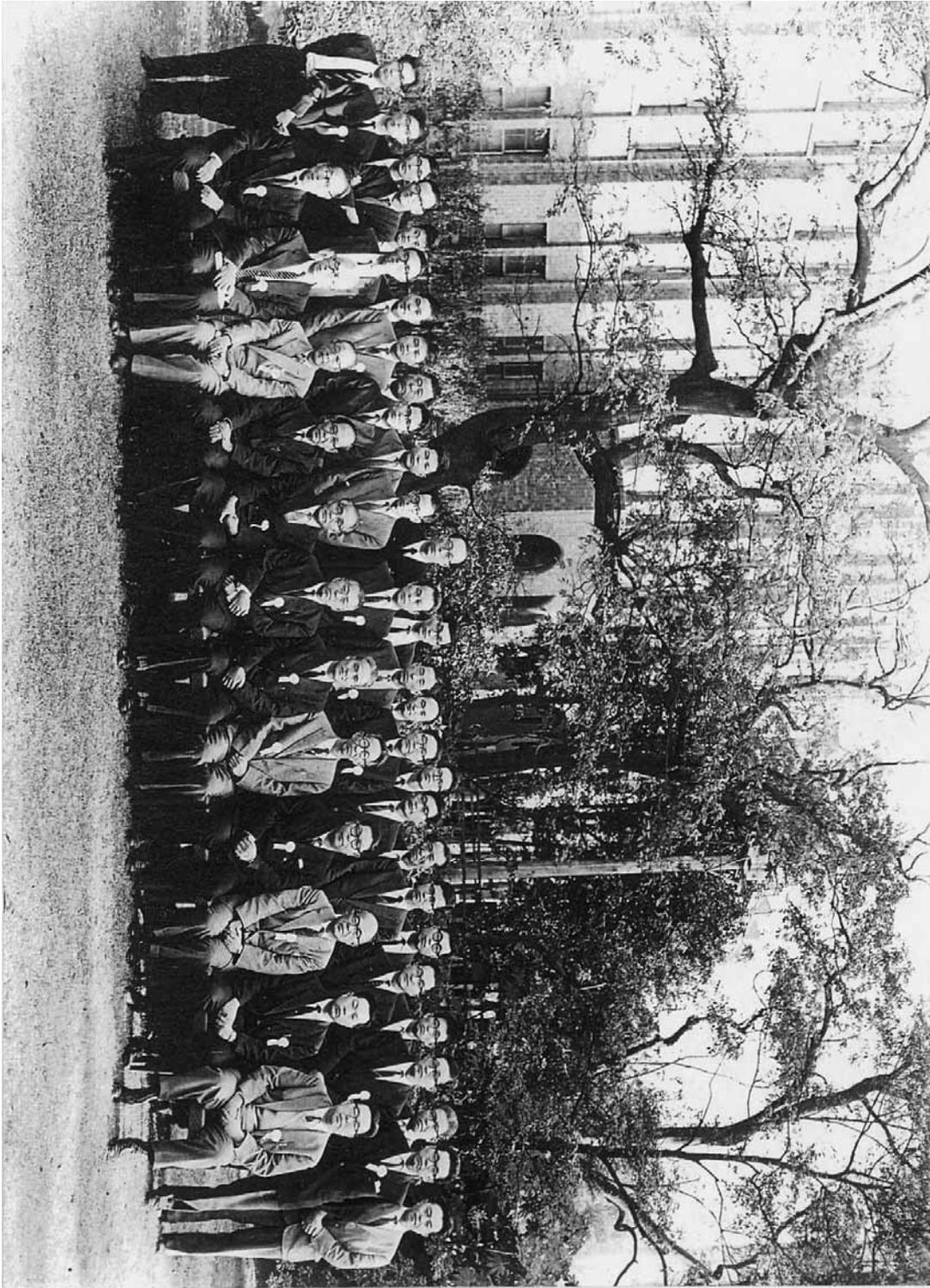
**7) Clarification of Group photo of the 1<sup>st</sup> time Annual Meeting of the JRSA**

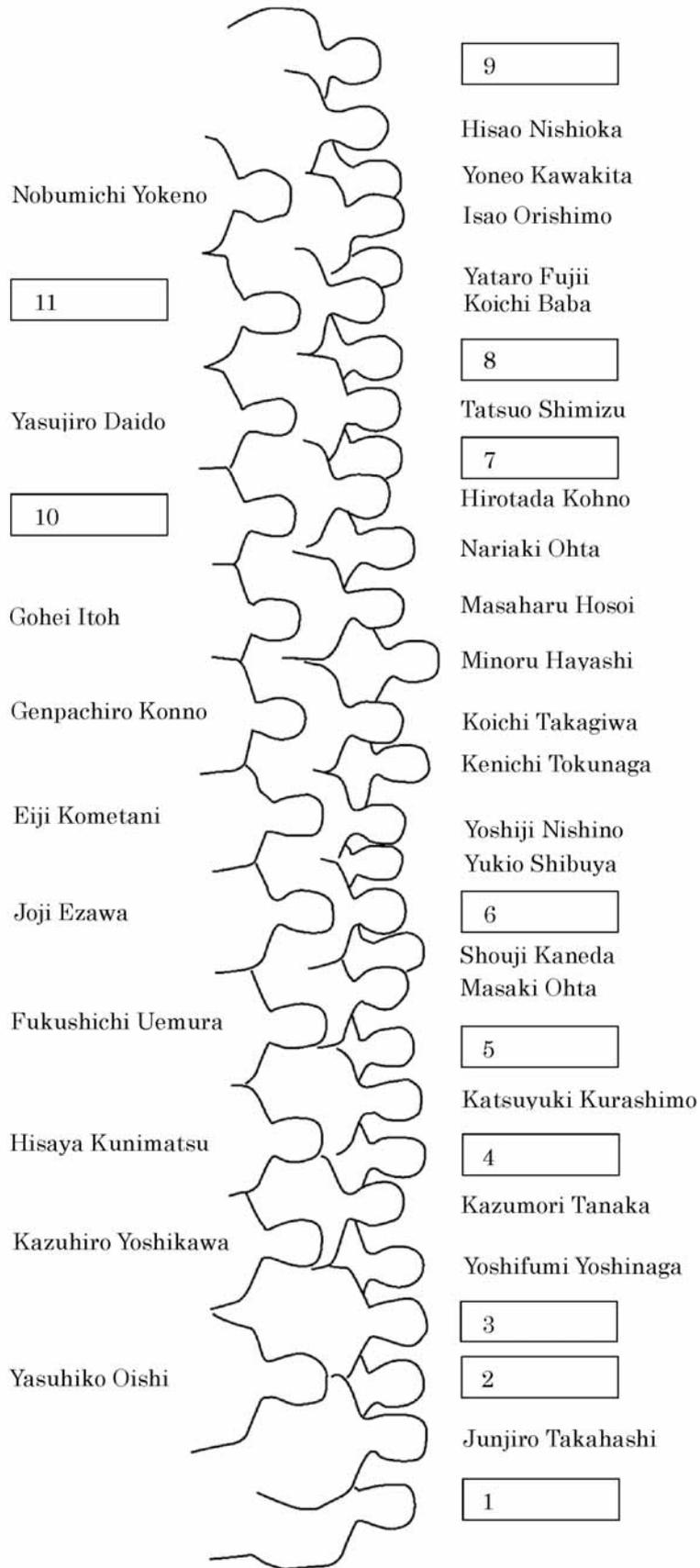
Usually, such a clarification of photo is very minor problem; but after a lapse of 50 years, this is another story.

Firstly, Kurashimo & Kohno compared and clarified this Annual Meeting photo of 50 with that of general assembly of 15 persons simultaneously; next asking some leading seniors more than 80 years old for help, unknown figures were clarified one by one. This sub-section was directed to express our appreciation of their services.

The rest is omitted.

The Group Photo of the 1<sup>st</sup> Annual Meeting of the JRSA (Japan Section)  
(Dec. 7<sup>th</sup>, 1962) <at the Red Gate, Univ. of Tokyo>





Note: On the 7th of Dec. 1962 (s. 37), At the side of The Faculty of Economics, Univ. of Tokyo.

*1-3 Upstream of Each School within the JRSA*

The rest is omitted.

## *Section 2 Characteristics of just before and after the Foundation of the JRSA*

1. *Trait 1:* In the beginning, it is a large trait that three persons of Genpachiro Konno, Yasuhiko Oishi and Hirotada Kohno had been engaged to be President totally 30 years, a decade to each. It was because we were announced that the presidency must be unified successively by having President of the literary course fulfill his function as being registered for our Association to be the literary course, though members of the science course may also be included in the list of members.

There was another reason that as the number of members was not many, and we would not be able to endure much burden owing to various infra costs of ① Secretariat room; ② full-time Secretary, ③ telephone, etc.; whatever we should want to do, we had to depend on any personal burden of successive Presidents.

Fortunately, the University of Tokyo and Univ. of Tsukuba were of national university; it was easy to secure ①, especially, in Tsukuba it was encouraged to undertake the Secretariat of academic Association of both domestic and foreign; so we received the formal license for it.

As it was, for the salary of full-time Secretary, there was nothing that could be done about it. It was disposed of somehow by successive Presidents.

For this point, it seemed to us that as the number of members of, for example, Civil Engineering Association was great in number, the amounts of annual fees collected would only maintain all the necessary costs.

The unwritten rule of Government office mentioned above would fade with time after 30 years or more; it turned out to be more free times; it converged to the custom where a leader of the literary course and that of the science course might alternately assume the presidency.

2. *Trait 2:* The Japan Section would be affected greatly by the existence of the faculty of Economics, Univ. of Tokyo, and The Japan Highway Public Corporation.

The course of research and investigation of the JRSA in the beginning did depend upon not specific background such as “*Method of the Regional Analysis*,” by Prof. Dr. Walter Isard which might be probably one of basic theories in the Warton School, The Pennsylvania University, but directly the basic economics theory itself through Prof. Yasuhiko Oishi, the faculty of economics which, in early stage, had accumulated ‘full economics’ imported from classical school, Cambridge University.

As for the meaning to smell and indulge in academism, Chogoro Maide, *Economics History the 1<sup>st</sup> vol.* and Kozo Uno, *Economic Policy* were of rare beauty at that time.

As to the Japan Highway Public Corporation, there was a big dream that we should set up a magnificent research institute like The Research Division of the South Manchuria Railway k.k. as a result of incubating idea by Prof. G. Konno and President Michizo Kishi of The JHPC.

But, really, as President M. Kishi had met his end early for his age, any big dream did not realize. However, Prof. G. Konno, Prof. Y. Oishi took part in various transport economic problems as Councilor, and Mr. Katsuyuki Kurashimo and Hirotada Kohno entered as a member of the staff, Economic Reserch Office (later Planning Research Department).

Nevertheless, it seemed that there were much positive influence to our JRSA, directly and indirectly.

We were concerned with combined problems of both the academic investigation and practical business of the research & forecast of transport volumes, economic effects of expressway, and public investment criteria. The above was a background of the times.

*3. Trait 3:* We were coming very near the time of high economic growth of Japan and the Government were setting about full-scale public investment to the Social-Overhead Capital all over the country.

At that time, the consultant regarding public investment had just started to study; that is, had not come into flower.

Such being the case, the faculty of Civil Engineering here and there in Japan had taken charge of “Feasibility Study” investigating the measurement of economic effects brought about by public investment and public investment criteria as a curtain raiser of a huge construction investment.

Nothing was better evidence than the fact that we could find out an excellent paper of “Development of Shikoku Economy and its Measurement of Economic Effects,” (Eiji Kometani, Toshihiko Yoshikawa, & Toshio Miura) among the presented papers of The 1<sup>st</sup> Annual Meeting.

For this reason, there was a trait that so many papers projectedly were presented by many younger professors who might take up, as the commander-in-chief, Prof. Eiji Kometani (Kyoto Univ.) and Prof. Yoshinosuke Yasoshima (Univ. of Tokyo).

Therefore, in Japan the field of Location Theory, Geography and Sociology, etc. were not yet thriving at the moment, each of which should be an element of essential constituents of (Japan) Regional Science Association; rather it will be more normal than

‘not thriving.’ The presenting papers of the project-oriented research & study requested from the high economic growth mentioned above would naturally be increased in number, owing to ① the sense of urgency pressed for time as a contract research, ② relatively abundant funds, and ③ thick-layered researchers forming a corp.

This phenomenon was noted not only in the faculty of civil engineering but also in the field of economic research, which was merely, at first, the existence of a garnishing served with sliced raw fish (sashimi) to the flourishing constructing projects; the economic research related to the reinforcement of public facilities of social overhead capital did gradually enhance the existing value, driven by its necessity, and come into flower (acquired citizenship) based on the full measurement method of Statistics → Mathematical Statistics → Econometrics, having Theoretical Economics as the background.

The above were the epoch-making characteristics indicating which direction the research and study in the beginning should be toward. The full participation of the Civil Engineering and the Economic Policy to the JRSA would be natural outcome in consideration that we were right in the middle of high economic growth period.

As the above, it will be understandable that the Japan Highway Public Corporation itself was not long before the foundation, and not entirely well-equipped with welfare facilities, on the other hand, the JHPC stood far first concerning the amount of public investment including railway & the Shinkansen.

As the environmental problem did not come out yet, the nuance and sound of the term of ‘construction’ was not gloomy, but what the bright future might be promised.

4. *Trait 4* As the above, dependent on that the demand of the time may aim at the upper level than the present and be remarkably normative, actual & practical needs would not be satisfied with the positive analysis being descended from ‘classical location theory’ school (though this is really purely academic study).

Rather, what we may be requested must be answered to the question of how we can improve the present situation compared to the present.

That is, *it* will be expected to form the majority among many research *that* in the project research its model used to be optimized with the clear objective function.

5. *Trait 5* Fifty years ago, we had to set up our Association belatedly and make rapid progress, quite different from the old-established Associations such as ‘Economic policy society,’ ‘transport society,’ etc.

In such an Association, there are many difficult problems which will not be expedient for the adoption of the seniority system, based on which the executives are

allotted, so whatever we want to do, we had to have experienced leaders who become a member on the way, and are strongly concerned in the special field especially mathematical and theoretical economics. Those are Prof. Yoshio Kimura, Prof. Yozo Ito and Prof. Akio Matsumoto, etc. in the middle period; Prof. Yasuhiro Sakai, Prof. Makoto Tawada recently, in these ten years.

### *Section 3. Two Contributors in the beginning of the Japan Section ~ Prof. Fukushichi Uemura and Research Officer Tsuneichi Sasaki ~*

#### *3-1 Contribution of Prof. Fukushichi Uemura*

a) As introduced in the Prehistory [1-1, 2), 3)], on the occasion of the setting up of our Japan Section, Prof. F. Uemura went home carrying a Mission of Prof. W. Isard with him, and came up to Tokyo, meeting Hirotada Kohno of the Japan Highway Public Corporation to orient his own behavior in near future, and moreover met Professors Genpachiro Konno, Yasuhiko Oishi, Susumu Kobe to ask them mission of Isard, so that he should take the initiative toward the foundation of the Japan Section as consequence; it seems that the achievement might be very great.

Giving our approval to enthusiasm of Prof. F. Uemura, we had managed to reach the foundation of our Japan Section, here a question had arisen whether he might want to be President of newly born Japan Section or not.

To confirm this point, Prof. G. Konno and Y. Oishi met Prof. F. Uemura; however, who said that nothing could be done by a professor in the region; and it was the best that we had a favor to ask of Professors in Tokyo for this mission. At that time, Prof. Uemura had not any aspiration for this post, and honest, not a speck of cloud, true gentleman.

As we had distant memories of this, if chance come, we intended to write down this scene as his praiseworthy memorial. Such being the case, it seemed to be worthwhile that we continued to introduce his various memories for a little while.

#### *b) Prof. Fukushichi Uemura's Brief Personal History*

The unexpected fact has recently been known that Prof. Uemura was born in former Manchuria, work for the South Manchuria Railway. Born in Dairen city (Oct. 27<sup>th</sup>, 1910), graduated from Dairen Commercial School (Mar. 1927), be on the register of Takamatsu Higher Commercial School (April 1929-Mar. 1937), President room of the

South Manchuria Railway (April 1932-), graduated from the faculty of economics, Pennsylvania Univ.(Sept. 1934-May. 1936), leave the Graduate School, same Univ. (-June, 1937), return to his country and return to work, the President room (June,1937), the Chief of Personnel Section & Vice-Counselor, Peking Railway Bureau (April, 1941), Director & Counselor, Tien-tsin Railway Bureau (April 1945), Depatriation, & shikoku Military Government, Special Staff (April, 1946), adopted Lecturer at the faculty of economics, Kagawa University (April 1953), appointed Associate Prof. (Feb. 1955). Order to go to the USA & Great Britain (May 29<sup>th</sup>-Sept. 24<sup>th</sup>, 1962), the degree of Doctor of Economics, Etudes Universitaires Internationales, Swiss (Aug. 16<sup>th</sup>, 1963), [77] Regional Planning and Transportation (thesis for the degree = doctoral dissertation July, 1963) the head of Economic Research Institute, Kagawa University (Dec. 1964), be ordered to go to the USA (Jan. 1966) untimely death owing to car accident in Los Angeles (Dec. 2<sup>nd</sup>, 1966); and be raised to the senior grade of the fifth Court rank (Dec. 23<sup>rd</sup>, 1966); decided upon by the (cabinet) <confirmed at the Personnel Section, the Bureau of Decorations, Cabinet>.

*Books:*

- [1]. *Atomic Economics*, Hosei Univ. Press, May 1957.
- [2]. *Regional Development*, same above, Aug. 1965.

*Papers:*

- [69],[71]. "Economic Research Report on the Seto Strait Crossing Bridge ~ Analyses of passenger · Freight flow structure between Shikoku-Main Land and estimation of future traffic volumes, and its economic effects~ <theory and statistics volumes>," April 1963.
- [66]. "Shikoku industrial input-output table report", Nov. 1963.
- [91]. "Overall development of the Inland Sea of Japan ~ Industrial input-output analysis~", Nov. 1964.

The rest: papers of [3] ~ [104].

c) *Professor Dr. Fukushichi Uemura's Personality*

As shown in the above personal history, Prof. Uemura held a position lightly in the South Manchuria Railway, and was on the staff all of a sudden; it was an occurrence on the cloud, seen from the rural district; so I supposed he was a member of an elite at that time. On the April 1945, year of the end of the war, he was promoted to the post of a director in Tien-tsin Railway Bureau.

After repatriated to Japan, he became Special Staff of Shikoku Military

Government, I suppose this post might be interpreted; this showed his quickness with which he changed his tune; then appointed Associate Prof. of the faculty of economics (Feb. 1955), as Kohno graduated Mar. 1955, I left just after Prof. Uemura had come in as associate; I entered on April, 1951; in the autumn 1952, his seminar recruit theme perhaps was a Atomic Economics; but I had already chosen another seminar at that time.

Next, we look at his book, and papers. He made a favorable beginning to start research & study of full-scale regional development, concerning the estimation of traffic volumes and economic effects of the huge project of Seto Strait Crossing Bridge. In [66], [91], the making up of Intraregional Industrial Input-Output Table & Interregional I-O Table had been advanced under the supervision of Dr. F. Uemura, which seemed to be the contract research from the Shikoku MITI Bureau. [77] was doctoral dissertation from a Univ. of Swiss.

Lastly, when we open his main book: *Regional Development*, where the broad and useful academic knowledge was condensed, being sufficiently instructive now yet for the senior student of undergraduate & the student of the master's course, setting the special points aside.

It has impressed us that Prof. F.Uemura approached and digested the latest academic knowledge and theories speedily in earlier time.

Prof. Uemura suddenly died owing to car accident in Los Angeles on the Dec. 2<sup>nd</sup>, 1966. He raised to the senior grade of the fifth Court rank (Dec. 23<sup>rd</sup>, 1966). It is to be regretted that we lost our very promising Professor. We pray for the repose of his soul.

*Note) Recollections of Prof. Fukushichi Uemura:* When he went up to Tokyo any number of times, I was called out and was treated to fugu dish of *Taiga* restaurant looking like the Kansai region situated at Sukiya-bashi of Ginza. At that time, he told me that though we had a lot of opportunities to be invited to dinner, he used to decline the invitation politely except unavoidable case, and preferred to take a meal by himself.

The reason was that though we were invited superficially with zeal, later we used to be spoken ill of almost all, for he used to take a meal alone. Therefore, you may also meet with the various cases from now on related to the contract research, but you should take care of whenever you take a dinner with public servants or the traders concerned.

Like the mentioned just above, very valuable instruction was rendered. Such a meal with no one else is the best. This is the unforgettable 'aphorism' from Prof. Uemura now 50 years later, which still haunts my memory.

To Taiga, I was often invited, and shared a table with him. Later on, I was pleased with this fugu, and began to drop in with family to this Taiga, through the high economic growth period.

#### *References*

- 1]. Hozumi Murao, "Thought of Professor Uemura" *Yushin* vol.47, Aug. 20th, 1952. pp.25-30.
- 2]. Yoichi Kodama, "Fukushichi Uemura Recollected", The Kagawa University Economic Collection of Treatise, vol.40, no.3 · 4, Oct. 1<sup>st</sup>, 1967, pp.1~5.
- 3]. "Prof. Fukushichi Uemura's chronological record (pp.161-165), and literary work (pp. 166-171)", same above, vol.40, no.3 · 4, pp.161-171.

#### *Gratitude:*

Even if we want to write a note of recollection concerning Prof. Uemura, there are nothing available at all, so we are in difficulties, and consider to see what should be done; finally we have reached to ask a favor of Secretary Mr. Noriaki Takeichi of Yushinkai which is the old boys' association of the faculty of economics Kagawa Univ. Then, we are introduced to former dean of the faculty of economics, Prof. Dr. Satoshi Yamasaki; who has kindly sent us precious materials shown above; and we can progress this work.

Here, we express heartily our gratitude to Prof. S.Yamasaki and Secretary N. Takeichi.

#### *3-2 Contribution of Research Officer Tsuneichi Sasaki*

a) As shown in the prehistory, at the time of setting up of our JS, through the good offices of Research Officer Tsuneichi Sasaki, we were much indebted to the Japan Highway Public Corporation for the setting up of our JS, etc. in the early years. Anyway, the support from the JHPC had taken important roles.

General speaking, like a usual academic society, there were many cases where a lot of management of society or Association had been done, centering around the office of professor (seminar room) in case of National University. Of course, our Association also was mainly the same as this; at the same time, there were many aspects in which founding Association and other various management works in the beginning had been accelerated by the direct · indirect support from the JHPC.

In the JHPC, the support for us had been promoted, centering the Economic Research Room of the JHPC.

This Economic Research Room was that under the direct control of the president office, which specialized in economic research, the head of room & research officer of which was Mr. Tsuneichi Sasaki returned from the South Manchuria Railway.

The economic research room consisted of traffic volume research (Yaichi Kobayashi), economic research (Yoshitaka Yamamoto), economic research, in charge of the World Bank, Mei-Shin Expressway (Hirotada Kohno) and in charge of the World Bank, economic research, To-Mei Expressway (Katsuyuki Kurashimo). So the room was full of the free, innovative and progressive spirit.

It resulted that research officers Sasaki should embody his ideal in his research, and big-hearted (magnanimous), full-scale research spirit of the Research Office of the South Manchuria Railway.

*b) Research Officer Tsuneichi Sasaki's Brief Personal History*

Research officer Sasaki was born in Niihama, Ehime prefecture (June. 6<sup>th</sup>, 1911<m.42>), entered, graduated Yamaguchi Higher School, Literature course <Kou class> (April 1927~Mar. 1930), The Imperial University of Tokyo, the Faculty of law, Political course (April 1931-Mar. 1934); entered (Railways Bureau) the South Manchuria Railway kk at the same time after graduation (April, 1934), Research Department · Corporation (company) business research office, Vice-Counselor (May 1941<s.16>), head office Counselor (April 1943); the Republic of China, Choshun Railway Administrative Bureau · Planning Research Office, kept in custody <in order to let him research something> (Aug. 1945, since then); repatriated (June 1948), Kanto Local Construction Bureau, Planning Department, part-time employee (Jan. 1953); the Japan Highway Public Corporation, Planning Bureau · Research Section start to work for (May 1956); Head Office Research Officer, Mei-Shin Expressway, First Section (June 1958), Research Officers attached to President Office (May 1960) Research Officer attached to Economic Research Office (May 1961), Planning Research Department, Vice-Director (June 1962).

The JHPC retired (Mar. 1965); changed to the Institute of Behavioral Science (incorporated foundation)(April 1965); Executive Director (July. 20<sup>th</sup> 1960<s.35>-Aug.20<sup>th</sup> 1984<s.59>); Standing Adviser (Aug.21<sup>st</sup> 1984-Dec.5<sup>th</sup> 1990<h.2>); Chairman of the Board of Director (April 1982<s.57>-Aug.20<sup>th</sup> 1984<s.59>), which was served concurrently as Executiv Director above.

*Books:*

[1]. *Economic Effects of Roads and Public Investment Criteria* (Traffic Engineering 8),

Gijutsu-Shoin, April 10<sup>th</sup>, 1965<s.40>, 117pp.

[2]. *Estimation of Road Traffic Volumes ~ Manual for Practical Traffic Engineer ~* Transport-Japan Publisher, Oct.10<sup>th</sup> 1962<s.37>, 204pp.

*Papers:*

[3]. “Fundamental problem of road construction policy ~ relation between economic theory and economic research of road ~”, *Expressways and Automobiles*, vol.6, no.1, Express Highway Research Foundation, Jan. 1963, pp.1-7.

[4]. “Estimation of traffic volumes of To-Mei Expressway (1), (2)”, same the above, vol.6, no.6~no.7, June & 1963, pp.16-18 & pp.16-22.

[5]. “Various problems concerning economic appraisal of Expressway construction ~around the Mr. H.A.Adler’s assertion~”, same the above, vol.7, no.1, Jan. 1964<s.39>, pp.37-44.

[6]. “Economic effects of Mei-Shin Expressway”, same the above, vol.7, no.9, Sept. 1964<s.39>, pp.49-64 & p.96.

c) *Research officer T.Sasaki’s Personality*

Research officer Sasaki graduated from the University of Tokyo, and at the same time went to Manchuria, obtained a position with the South Manchuria Railway kk, and promoted to be councilor of the planning office of the headquarters. However, unfortunately at the end of the Pacific war, we were heard that he was being written the research report on the SMR, etc., at the request of the army of the Republic of China, which was better than being held to Siberia indeed, but his repatriation was delayed about three years more or less. Afterwards, he engaged several works in the research field. Then, he began to work as Research Officer of the main office of the Japan Highway Public Corporation, and took the initiative in the economic research of the Mei-Shin Expressway department.

Owing to the delay of about three years, I was heard that the reemployment opportunities to the government offices in Kasumigaseki might be against his interests decisively. In case of Siberia detention or cultivating patriotic corps to the North Manchuria, it is not unusual to waste more than three years; but, in case of the South Manchuria, such as Dairen, Choshun, Shinyo, etc., the repatriation was relatively making steady progress.

The government officials of the Manchuria and the staff of this SMR returned their country early, and could do seeking employment. Close friends of ten more or less could find their work, one of which was a person of Mr. Jiro Sugiyama (to be mentioned later), who returned to work of the Ministry of Finance, and retired at the post of the

Chief of the Kyusyu Regional Finance Bureau.

Meanwhile, Research officer Sasaki used to walk from his government official lodging house in Yoyogi in order to improve his health to the JHPC which situated in the old Tokyo Electric Power Building of its neighbor on the west of Daiichi Hotel in Shinbashi.

As his office was not the general affairs department, the personnel department, but the research field of relatively free atmosphere, many colleagues and seniors who repatriated from the Manchuria visited his office, that is, had a great number of visitors.

Kohno came up to Tokyo, and started to work for the Express Highway Research Foundation in charge of economic research; so was on visiting terms with the economic research office. Some months before, I was working at the task, something like Secretary of Professor Dr. Susumu Kobe, Chief of Production Research Institute, the Waseda University, where I was introduced to Prof. Genpachiro Konno and Prof. Yasuhiko Oishi. One of works done of the EHRF was *Necessity of Optimal Expressway* (Expressway series 1; Nov.1<sup>st</sup> 1959), in which the papers concerning Expressway of Prof. G.Konno, President Michizo Kishi, Prime Minister Shigeru Yoshida, Prof. Susumu Kobe was edited.

When I had the honor of seeing Prof. Y. Oishi at the EHRF, and talked on various subjects, one of which was on a hopeful job, I expressed my cherished view that if possible I should enter a firm where facilities invested would remain forever such as the hydroelectric power generation of the Development of Power Resources Co., Ltd.

Prof. Oishi told me that the development of power resources also changes now from a hydroelectric to a thermal power generation and a little bit declined rather; so what would be after my fancy, might surely be the expressway construction from now. Like this, I was enlightened by Prof. Y.Oishi.

For the person came up to Tokyo of those days, what is road? I did not know only muddy road of the country, and had nothing but the idea that the road was not the target of employment entrusting my future dream. The above was generally accepted idea. Therefore, this was the bolt from the blue for me; the scales drop from my eyes. In this way, I recognized the true meaning, or social meaningfulness of the road, highway and expressway completely at this time, the relatively earlier time.

I entered the JHPC by the introduction of Prof. G.Konno and Prof. Y.Oishi, and was prepared the favorable environment in which I could work to my heart's content in the economic research office under the immediate control of Research Officer T.Sasaki.

The 1<sup>st</sup> World Bank Loan had already been concluded (Mar. 1960<s.35>), and the

2<sup>nd</sup> ones was about to begin in these days. So, the need for the member of the staff who could act decisively on the basis of a quick decision was extremely high; such a favorable condition was satisfied to enter.

But, nevertheless, Research Officer told us that he was complained, “so as not to go to excess in case of employment of any person” by the Chief of the personnel department.

Well, superintendent Yoshitaka Yamamoto was adopted formally to the JHPC through the national examination for the government official; on the other hand, Yaichi Kobayashi, Katsuyuki Kurashimo, Hirohada Kohno were adopted in the middle of year to be scouted by research officer T.Sasaki. As the technical works such as traffic estimation, economic effects, feasibility study, etc. were a little difficult for a fresh man to do, Research Officer T.Sasaki’s personnel was fit indeed.

*Note) Recollections of Research officer Sasaki:*

We came from Shikoku; Sasaki san came from a landlord of Niihama in Ehime prefecture, and Kohno came from a peasant family in the upper stream of Kannonji in Kagawa prefecture, so not so far away between two sites.

I was much indebted to him. Sasaki san told me that you came up to Tokyo with great ambitions, with the expression like the Meiji era. There was something teasing me, to some extent. Anyway, I deemed that as he had no sooner graduated from the University of Tokyo than he went to Manchuria, in association of this with me, my case had a strong resemblance to his passage to Manchuria. When Research officer retired the JHPC (Mar. 1965), changed to the Institute of Behavioral Science (IBS), as Executive Director (July. 1980-Aug. 1990), Kohno should be lucky just to be able to enter the faculty of economics of the University of Tokyo which had wanted these ten years. At the same time, I was in the employ of the IBS the above as a member of the economic committee, to support myself. Here I did almost same work as the JHPC in charge of economic research.

The IBS had been managed by the research activities relating to big contract researches of civil and traffic engineering fields such as estimation of traffic volumes, person trip survey from the Ministry of Construction, etc. It seemed that Executive Director

Sasaki had to go through to manage the IBS, because things won't turn as we were in the Public Corporation.

*Expressing our Gratitude :*

As to Research Officer T.Sasaki, as we did not obtain any data like his curriculum vitae same as in case of Prof. F.Uemura, we could not put pen to paper at all. Accordingly, we talked with Mr. Yoshitaka Yamamoto over this problem, who was our colleague of the JHPC time, and had him arrange for preparation.

The result is as follows: first of all, to Mr. T.Sasaki's family, and managing director Yuichi Takeuchi of the IBS which is the next workplace of Mr.Sasaki. From Mr. Takeuchi, to Mrs. Kumiko Sugiyama, former section chief of accounting section we received his personal history from Mrs. K.Sugiyama (who assumes the new name of Nishina) which is Sasaki's personal history of the South Manchuria period. It happens to know that this Mrs. K.Sugiyama is Mr. Jiro Sugiyama's daughter (the above).

Mrs. K.Sugiyama insured Kohno's social obligatory insurance, which was Kohno's graduate school period of six years, engaged in two trades at the same time. Owing to this insurance, I have been saved now greatly. I express my gratitude for her kindness. I begin to think that our world might be connected with "a relationship formed due to a strange turn of fate".

From Mr. Kenichi Sasaki, Mr. T.Sasaki's the eldest son, we have been sent many books and papers written by Mr. T.Sasaki, and his personal history, which are made use of writing the above personal history. Through his good offices the writing of introduction was brought to a successful contents. The above, we are deeply grateful to all persons for their good offices.

*Section 4. Background of the Times before and after the Foundation of the JS ~ Watkins Report and the Preparation of the Materials of Loan from World Bank ~*

We will depict & look back on the times before and after the foundation of the JS (June 19th, 1962<s.37>). I graduated in March, 1955 (s.30) from the Kagawa Univ. The times was terribly depressed. We could not obtain any position wherever we might apply. Our job front was the worst one since the war, met with disaster of extremely pessimistic conservatism, represented by the Industrial Dispute of the Oomi

(Shiga) Silk Thread (even if we now consider this fact, it is so in these 50 years).

On the contrary, when it had come to about 1958 more or less, if only the students call on and apply to some firms, jobs may be given. From about 1960 (s.35), Japan has rushed into the high economic growth period. This era was the one in which Japan had entered into middle developing countries from under developing. At the time, two big occurrences appeared; one was Watkins Report; another was to prepare some justifying materials of loan for the Mei-Shin (Nagoya-Kobe) and To-mei (Tokyo-Nagoya) Expressways from the World Bank.

First of all, in the drawing up the Watkins Report, the Ministry of Construction at that time united their efforts to provide research staff of Watkins group with useful data all in one; then this project resulted in good Report.

The advantage of this report is that it yielded splendid outcome to get hold of the Japanese economy truly by the concept of modern economics such as "demand," "supply," "equilibrium," etc., not shackled by old transport economics which was affected by the historical school. At that time, it was no easy task to apply basic economics to practical problems, really.

Another one is as follows: In the process of making preparation of Materials, in order that the Japan Highway Public Corporation may make loan of construction fund for the Mei-shin & To-mei Expressways from the World Bank, the Watkins Group were required to write their reports with the help of innovative and high level of learning not longestablished method or knowledge. That was 1) estimation of traffic volume on the expressway, 2) measurement of economic effects, and 3) derivation of public investment criteria, etc..

It may be thought that these have no relation to the JRSA; however, Genpachiro Konno, Yasuhiko Oishi, Susumu Kobe, Tsuneichi Sasaki, Hirotada Kohno, Katsuyuki Kurashimo, etc. all of them were directly related to the setting up of the JRSA, so the JRSA might be affected by them as a logical consequence.

#### *4-1 Watkins Research Report*

At the half a century ago, the Watkins's *Report on Kobe-Nagoya Expressway Survey* [1] had gone out into the world, which was the epoch-making & genuine initiation of Expressway, telling the genesis of Expressway.

Here, the reprint of Watkins Report is referred to, but there is also the report [5] of valuation, modern appraisal, history, additional information as to [1], by the round-table talk on [1] by Yasuhiko Oishi, Yukio Onouchi, Mitsugu Nakamura and 3 others, 6 in total.

So we will refer to [1] including [5]. Then, why epoch-making would these be?

It was as follows: *a)* Railway had long been the uni-transport system as to transport by land; *b)* The roads of Japan incredibly bad <Watkins>, so to speak, though the greater part of roads of Japan was uneven & muddy roads, Report had enlightened such a backwardness (conversion of an idea). *c)* It became an elegy for the historical school like view of the Treatise on Transportation since the meiji era (it was so, almost fields of applied economic policy). *d)* we used to refer to the basic economics; *e)* we must introduce the quantitative analyses based on Econometrics in our field.

The above, since then, made their research innovative and modernized.

***1) Explanation and Valuation of Study of Watkins's Report on Expressway Research [3] by Yasuhiko Oishi et al.***

After coming in touch with the above Report [3], I was greatly impressed with the high level of quality.

This consists of three parts: I outline; II suggestion for Report; III overall valuation; concerning I and III, we will be to treat them in the next 2) main problems of Watkins's Report and 3) explanation and valuation of the round-table talk of the 45th anniversary. In this subsection, we will be to evaluate II.

First of all, in the II: their way of thinking about the economy which will lie at the base of Report is that they lay great emphasis on the economic growth, which they regard as the important index indicating the increase of national welfare, and, at the same time, they hold the thinking of balanced growth that the industries of the country had to be balanced and make the balanced growth between industries microscopically. Based on this way of thinking, it was exceedingly unwholesome that the transportation capacity of our country might be too poor, compared to the industrial production power.

And that, the unbalance was to exist not only between the industrial production and transportation capacity, but also between railway, marine transportation and road capacity. Against railway and marine, it was recognized that the road transportation capacity might be surprisingly poor [[3], p.21]. This way of thinking was of general treatise in I .

*a. Balanced Growth between the national economy as a whole and the transportation system*

The report, as its fundamental recognition, took the strong stand that they consider the Expressway problem as the balanced part of the transport system in the national economy as a whole; that is, it was considered that its stand should be not so as to solve the traffic congestion at the bottle neck, but to rise to the view point to modernize the

transport system of Japan, badly behind.

It can be prescribed that this will enhance exceedingly the *raison d'être* of the Report, compared to the fact that our country's custom of dealing with such kind of problem may be apt to get things in narrow perspective and to be not more than temporary measure.

In the Report, based upon the quantitative grasp of the transport system corresponding to the present gross national product, the standpoint that what should be the most adequate quantitative transport system in relation to the national income, may be proposed as the clear methodological attitude.

*b. Necessity of huge Infrastructural Investment not shackled by old customs*

As the economy of our country will grow steadily with the considerably high speed in the years ahead, it is their belief consistent to the basis of "Report" that more huge amount of expenditure than we cannot readily consent to the proposal will be to strengthen the basis of the development of Japanese economy.

*c. First Step: Examination of private firm · like Self-Supporting Accounting System*

First of all, we examine our project closely from the viewpoint of the private firm · like self-supporting accounting system whether the costs estimated will be made up by the proceeds levied on traffic vehicles of the Mei-shin Expressway, under the appropriate toll levy method.

About this, as all the costs will not be able to be covered by toll revenues only several years after opening the New Expressway to traffic, the subsidization by the gasoline tax or automobile tax will be advisable, and since then, the toll revenues only will be able to cover full all the costs; therefore it becomes clear that the Mei-Shin Expressway will be firmly approved judging from the perspective of the private firm-like earnings and expenses.

*d. Second Step: Estimation of Individual Economic Effects Items = Huge Economic Effects*

Next, in the Report, in case of such an Expressway constructed, its economic effects are estimated by items such as (1) manufacturing industry, (2) stock, (3) agriculture, forestry, and fishery, (4) foreign trade and balance of international payments, then it is stated how remarkable these effects should be.

*e. Insufficiency of Making Arrangements for the National Economic Viewpoints (External Economies, Social Benefits)*

The above were the way of thinking that was to lie at the base of the Report, and the outline of viewpoints putting our analyses and measurement forward, for which one of our committee members had criticized that the method maintaining the justifiability

of the construction of Mei-Shin Expressway might be too strongly the view-point of the private firm · like self-supporting accounting system.

Generally speaking, so that we should give the decision based on the ordering of priority to the various investment targets national economically, we must compare and weigh both the plus effects and minus effects of each investment taking account of the external economies and external diseconomies, namely social costs and social benefits of investment, and moreover, we must look for the marginal social significance of the investment; however the standpoint of this Report may look like to set forth the viewpoint whether the so called Expressway should make both ends (revenue and expenditure) meet or not in the meaning of private firm rather than the above. In this point, it may safely be said that in the Report they do not have a clear grasp about the meaning of the Expressway from the national economic viewpoint; if we should take a strong stand giving consideration to external economies and diseconomies, we have a firm belief that the justifiability of the expressway construction will be intensified more strongly.

*f. Pointing out that the Expressway will not be Marginal Investment in Japan*

There is a problem in such point that an investment to the roads may be taken to be an additional one to the existing whole facilities. Really, we can not safely say that nothing falls far short of roads investment judging from the marginal social significance among the existing facilities which have already been invested. For this problem, any consideration has rarely been done.

*g. Necessity of Measuring Method of true Demand*

It seems to us, in the Report that the standpoint estimating demand based on the demand function regarding demand as function of price will not be adopted, and the estimation of demand is done only based on the estimation of demand based on almost the priceless or the price list which we have offered.

We must recognize that the above will undervalue the significance of the estimation of demand of the Report; and we must also pay attention to that we again begin to study extremely difficult problem at what level the adequate toll rate should be determined, based on the basic research of estimation of demand function.

*h. Necessity of Long-range Planning Horizon*

Especially, with regard to investments for the fixed facilities like roads, the very long target analyses based on the long economic horizon should be demanded; it must be entirely inappropriate that those who have not only the shorter economic horizon will criticize the Report from such a shorter viewpoint. We should pay attention to that the economic horizon itself will be that of term almost ten years. In such a close

investigation like profitability of expressway, the very long or the short itself will have the decisive influence on the pending conclusion.

In the above, we have introduced the main points, appending an index of a.~h. ([3], pp.23-27), among which the a., b., h. are appraised in [3] as outstanding contents of the Watkins Report, and the c. and d. are the introduction of how to grasp economic effects; on the other hand, the e., f. & g. are the pointing out and comments by the committee member of economics course of Japan side.

Especially the pointing out of e. is the best of them, the finest example.

It will be the historical fact and will be thought highly of that we can refer to the marginal social significance of investment based on external economies, diseconomies, and social benefits, depending on which we will be able to consider our public investment criteria problems; which (these points) will prove that the Japan side might have cleared away the level of the Watkins Report at that time in a sense.

However, it is not too much to say that in the Report, they would cope prudently with the effects problem depending on the way of thinking having a contingency plan that they would examine private firm · like self-supporting accounting system more than anything else; next, point out there are various economic effects exerting its influence on the economy · society, excepting the revenues like the private firm.

Then, through which channel would this sound technique be related to the main assertion that they should set great importance on the balanced growth between the national economy and transport system before everything else?

In this point, there is the incomplete and unfinished problem which is mentioned in e.

## ***2) My Personal Views on the Watkins Report ~ for their pet Theory of the Economic Effects ~***

In the Watkins Report, Japan fifty years ago might be situated as “under developed country” generally, though there was an expression of “highly industrialized country”, too. Therefore, seeing the dealing with “Economic Effects,” there does not be allotted too much pages for the effects on manufacturing industry, relatively compared with the agriculture, forestry and fishery. The direct effects such as transport costs saving effects and transport time reducing effects play the central role; while, for the indirect effects, the effects exerted on the industrial location are taken up as an example. On the other hand, the goods in stock were referred to in a large way. It seems from my point of view that as for the Watkins Report, there was the necessity to grapple squarely

with, above all, 1) Load-damaged decreasing effects, 2) market area increasing effects, and 3) the importance of the horizontal trade • horizontal division of work, etc.

*(1) Load-damaged decreasing effects:*

It was referred that we might be able to keep the degree of freshness, and to prevent rotting, by using expressway to transport such perishables as vegetables, fruits, livestock, meat, eggs, milk, fresh-fish.

But, this load-damaged decreasing effects are “the owner (of the goods) benefits” as a separate account quite different to the transport costs decreasing benefits,

Owing to the synergistic effect between this owner benefits and the market area increasing effects (shown below), it will not be described the scenario that the change of industrial structure of Japan will have been brought about.

*(2) Market Area Expanding Effects*

As to agricultural products, especially perishable foods, the most influential effect item among many effect items which have been brought about by the utilization of expressway service may be the market area expanding effects.

Once, raw vegetables in the center of Tokyo were supplied from in and around Nerima Ward, etc. ; next, Saitama, Chiba, Kanagawa, etc. ; then from Gunma, Tochigi, Ibaraki prefectures. ; and moreover highlands vegetables of Nagano ; finally including rareripe of Kochi pref. In this way, as far as the first class vegetable, the whole Japan become to be one market area. Such an influence will be nothing but the mighty force of the Expressway.

*(3) Horizontal Trade-Division of Work within the same Industry*

The industry of Japan 50 years ago was yet in the vertical trade times; but the horizontal trade, horizontal division of work within the same industry will take the leading part in the final stage of capitalism. On the To-Mei Expressway of Tokyo-Nagoya, when we travel together with many large trucks, we realize that the greater part of them may get off at the 2<sup>nd</sup> or 3<sup>rd</sup> interchange ahead and other trucks get on of course. We guess that these phenomenon will show the delivery-acceptance of the parts of a machine, cars components, raw materials and semi-processed goods, etc. Within various factories scattered over the Pacific belt zone, which are because that they intend to improve their industrial efficiency by making other factories practise the strict division of work regarding the goods • semi-processed goods different from special field of their own factory even if the trade may be within the same industry. This shows that not only the transport need of raw materials and goods between the harbors

and inland provinces, but also there is other transport need.

The 3 points mentioned above are the firm belief which might be formed gradually by learning effects of expressway service in Japan after the Watkins Report.

(4) *Analysis concerning the Effects on Product Stock*

As for effects analyses of product stock, a lot of space of 3 pages is allotted ([3], pp.121-123).

Firstly, in the USA, the average increase per year of product stock through the whole economy was twenty seven % of average increase per year of the gross national product (in the period of both prewar and postwar of 1935-1940 & 1948-1953).

The total product stock of Japan is estimated to be worth one half of gross national product per year.

The reason for this is mentioned: firstly 1) the transport structure of Japan is incomplete; 2) each continuous stage of the production process of Japan may scatter over the broader area; they result in, to produce its parts in the separate factories respectively, etc. That is to say: owing to the transportation facilities of very poor quality, the transport related concerns will have no choice but to maintain appropriate product stocks, in each process of manufacturing factories, such as their factories in each stage, whole saler, broker, exporter, transport company, etc. This was in the industrial structure, of those days. The expressway may decrease the stock volume of the transport related concerns; The production influenced by the Mei-Shin Expressway will be estimated to be equivalent to 800000 million yen, compared to which the stock possessed by each factory will be totally 400000 million yen; then a little 1 percent of this even will come to be 4000 million yen; at 5% will come to be 20000 million yen. If we accumulate this amount over several years, it will really be equal to about one third of the construction costs (180000 million yen) of Mei-Shin (added to by us). It was quite to be wanted that not only the short period analysis whether we should have capital stock lying idle as stock or reduction of interest burden, but also, if possible, making mention of the long range view point would be done.

Namely, we judge that the long range visualization as for the great change of the industrial structure of Japan based on the criteria of stock reduction in the Watkins Report did not be depicted to the full, though we are asking the impossible, seeing from now 50 years later.

Widely known, the Kanban-hoshiki of Toyota has been the practical guiding principle, which was utterly different from the state of affairs at that time.

3) *Oishi · Onouchi · Kawamoto, Nakamura · Fujimori · Mino, "Round-Table Talk of the 45<sup>th</sup> Anniversary of the Watkins Report ~Essential Points-extracted~*

~ I would like to be excused for having translated valuable ideas of those who mentioned the above into my poor English. ~

(1) *Watkins Report ~its Merit 1: Proposal of Balanced Growth of National Economy and Transport System*

The balanced growth theory was proposed not only between the national economy and the transport system, and but also the theory of synchronized investment among road, aviation, railway, and shipping, however at the same time, the theory of life cycle of means of transport also shown; so it will be suggestible that there were some means whose role will be over and must be retired. About this balanced growth, as mentioned in 2) above, here we do not take up no more.

(2) *Merit 2: Great Undertaking to Rotate Regime: to Expressway in the social Background of the golden age of Marine Transport and Railway*

Nakamura: Though Prof. Oishi told just a little, a little while ago, relating to appraisal of the Report and Kawamoto also touched on, at the time, speaking of social overhead capital of transportation, it was marine transport, harbor, railway, these took a leading part. It would be greatly serious to change and rotate this way. In the transport scholar world, Prof. G. Konno frequently lamented for the general situation that it was marine transport; it was railway.

Why drastically and speedy the leading way of thinking had changed? Though there were a lot of good offices of the intellectual, in making old regime of transport change, the role of this Report will be extremely great.

Oishi: marine transport, land transportation, that is, railway. Ship is not on the sea; there is a transport on the river; It was even the times of old "Treatise on Transportation" that such a foolish story was being told about seriously.

In such the times, "The roads of Japan are incredibly bad. No other industrial nation has so completely neglected highway system." was demonstrated by the Watkins Report; which was extremely effective on the transportation field of Japan.

(3) *Merit 3 : Demonstration of appropriateness of Expressway as compared with the basic Industries such as iron & steel, electric power, etc.*

Nakamura: Here is a deep impression, which is concerned with the problem of

appraisal of Watkins Report. At the time there was utterly no discussion • analysis that the road exert its influence on the national economy. As Japan is of island country, if we have only marine transport, we will be satisfied; and as the territory of Japan is of long and narrow one, if we have only railway, we will be satisfied. Such a way of thinking is predominant into which the very novel idea making roads, especially Expressway will be suddenly entered, Such a way of thinking does not exist yet in Japan, except for the very small number of persons for example, Prof, G. Konno and, we hear later, former Prime Minister Shigeru Yoshida, who had been to USA, Europe.

Japan was very deficient in capital compared to all over the world, especially the USA, Europe; so it was erroneous for Japan to undertake such a project which demand huge construction costs; there were a lot of projects to go through in Japan earlier than this.

The above was the general way of thinking of the world. In short, Japan was too much poor excessively, for the undertaking to construct big Expressway to invest much fund.

At that time, there was no idea to build the Expressway by the system of toll road. But, if the toll road system adopted, the authority concerned would be able to collect the necessary funds from all over the national economy; but in this case, there was raised the problem of competitiveness of the total fund with other fields, for which the Watkins Report was conscious of this point to a certain extent. Judging from the details, there were several industries which have need of large amount of capital investment, like the iron & steel, electric power, etc.; however compared with these fields, the road, especially Expressway had high investment efficiency from this point of view; for the above, now that things have come to this point, everybody may approve of this actuality. However, there was some doubt as to this point at that time. For this problem, the Watkins Research Group could justify the investment for the Mei-Shin Expressway from the viewpoint that the private profitability also is fulfilled.

*(4) Merit 4 : Opened the New Policy-Field to build-in Idea from economic viewpoint into Transport Facilities Planning*

Onouchi: We recognize that: in the transport policy field, to build-in the new idea from the economic viewpoint, we can say, was opened firstly the gate by the Watkins Report.

When we entered the moterization era, the car was rapidly increasing, which we should correspond to; and we had to construct the road, expressway. When the times was in such a situation, the railwayism yet blocked our way ahead of us, anything like

roads were no need; if only the railway might exist, it's ok. Anyway, the Ministry of Transport was very strong at that time. It was not so easy to secure annual budget of roads.

As the road of Japan was as poor as unbelievable, apart from current expressway, we must correspond to practical needs. Owing to such a state of affairs, the financial problems had arisen; we had to obtain the new source of revenue; the above was the look back of the times, 50 years ago.

*(5) Merit 5 : Establishment of the Sound Research Method*

Onouchi: Watkins and the others skillfully gathered so many and so much data, and brought these matters to the conclusion. We are unthinkable under normal conditions. We suppose that the high quality of data were collected, supplied, and the good data were aptly brought to the conclusion.

The Watkins group alone can't have done so much quality of contents, at that times. Consequently, we should appreciate such persons who collected and put in order the basic data or provided such data. We thought so.

We take off our hat to Mr. Onouchi for his appraisal hit the nail on the head. Here, we should appreciate the above mentioned "persons." From what I hear, such persons were those who belonged to the planning Section of Road Bureau, the Ministry of Construction. At that time, the Ministry of Construction all in one cooperated with, worked together the Watkins Group.

Expressed by next Mr. Kawamoto, Prof. Hagen played the central role in making up the Report, who specialized in Econometrics; on the other hand. Watkins collected materials and arranged them in order statistically. It was Professor Mitsugu Nakamura and none other (scholar side) and the chief and others of Planning Section (Government agency side) that were busily engaged in gathering of the statistical data by the request • order of the above two (Watkins, Hagen).

All the numerical data were dealt with the line of:  
statistics (Watkins)→Econometrics (Hagen)→Econometrics (M. Nakamura).

That is to say, the Watkins Report was the work of experts alone initiated into the secrets of statistical treatment even if how incomplete the data is, and how we ought to correct it.

Then, it was natural that in those days there was something refined about the report; that is the report of excellent workmanship.

Especially under those circumstances, it will be judged that rather how to gather the qualified data (M. Nakamura) than how to deal (process; readjust) with the data

(Hagen, Watkins) will be decisive.

That is, it was really definitive that the Lawrence R. Klein-trained young and energetic scholar of Prof. M. Nakamura was the assistant of data collection (who is a Nobel prize winner; see 4-2, -1) - η]).

Considered from another viewpoint, it seems that a leading actor, by chance, become to take his place of a supporting actor. Whether it is true or not, by such a casting, the great book found its place in history comes into existence.

(6) *Watkins Research Group Prehistory: Valuable Information*

Kawamoto: There was a matter prior to Watkins research group. That was a topic of funds. We went to the World Bank, met Mr. Doll in charge of Japan, and told him that Japan want to build an Expressway, so lend us funds. Then, he replied that no, Japan did not need roads; as Japan was an insular country, so developed Japan with a marine transport. It was the shortest way. Therefore, we again told him that the Government of Japan insisted to be in need of Expressway; and according to circumstance, we intended to bring the first class research group to Japan to investigate an Expressway, then would we be able to have you read the coming report if the report was completed? His reply was that he did not always lend funds to Japan; however could look over the report. Then, we asked Mr. Watkins to select several suitable persons for the research. Firstly, Though we discussed whether we let a special excellent person of the World Bank to join into the research group or not, such a case would be tinged with the World Bank; finally Mr. Glenn E. Mclaughlin was chosen, in the meaning of making the World Bank and the Export Import Bank be competitive in this case. It was thought that almost all members were of the specialists of engineering as Expressway; Mr. Watkins told us to be met with only one engineer. As this was economic problem, so Prof. Hagen of specialist on econometrics from the MIT was the most important and the bringing the matter in conclusion was Watkins himself. Then the Policy problem was by Wilfred Owen. Saying so, Mr. Watkins met him several times, ten times at the cosmos club in Washington because the brookings Institute to which he belong did not recognize him to go to Japan.

Onouchi: what Mr. kawamoto says is the first time to hear it. Mr. Kawamoto takes on himself the leading part, of today.

(7) *The Works left over of the Watkins Report: Private Profitability vs. Social Usefulness: Laid much Emphasis on the National Economic Viewpoint*

Nakamura: Not only the viewpoint of profitability, the greater other indirect

effects, for which the term of external economies frequently used to apply, that is, the existence of the national economic effects will be pointed out. For these points, the Report had had these things subjectively, which did not appear in the numerical expression; or in the explanation of the numerical data; such a matter did not yet be taken account of. Nevertheless (even if it did not be included), profitability would be fully satisfied, that is, the conclusion that the expressway was worth while to invest would be derived.

When I think of it now, or though related persons have begun to think over this problem, before long, later on, it was considerably prevailing the way of thinking that we should dare to invest funds in the construction of Expressway judging from the national economic effects, even if there was some problem in profitability. This consideration was entirely right. The evaluation of various economic effects of the Watkins Report was, in this sense, very narrow one. It had the persuasiveness in the point that they took up the very sound valuation whoever could understand. But, that alone was insufficient.

Oishi : The scholar must here devote all his energies to analyze accurately, and come to the conclusion.

We dare say it is not suitable for scholar, (such) that the conclusion alone come out theory-lessly (theorelos), as an oracle of a newly-risen religion.

It is unpardonable that we adopt criteria of appraisal of Expressway of whether the project will pay or not based on the narrow private viewpoint only; the above is the most important thing in order to derive qualified conclusion. There are many workings which produce much welfare in the world, though unprofitable.

The well trained economics scholar will go through the orthodox theory of Alfred Marshall, and appraise correctly something recapitulated by the notion of "External Economies" and decide to invest or not.

There will be more many cases where the approval or disapproval of the new construction of the Expressway will be discussed including the conventional view or misleading view.

In this case, the important criteria of merits and demerits, success or failure among analyses or discussions will depend on whether they precisely take account of or no account of the Externality of Expressway. From a different angle, it will be judging criteria whether the scholar taking this matter up for discussion are the genuine scholar's or little better than the reviewer or the scholar's kept by the government (Oishi [6], p.329).

Here, the assertion of Prof. M. Nakamura, Prof. Y. Oishi is the extension of 1) e.,

etc.

In the world, there are so many non-genuine scholars; then if we are economics-scholars, whoever will wish to say as the above.

#### ***4) Closing Comment: The Meaningfulness of the Watkins Revolution***

The above, we have appraised several traits of the Watkins Report from the various viewpoints.

The Watkins Report have done many-sided contributions such that assertion of balanced growth between the national economy and transport system; concurrent investment among the comprehensive transport system; great undertaking to rotate the regime to expressway in the social background of the golden age of marine transport and railway; consideration in the same dimension between the various basic industries and the infrastructural, above all, expressway investment (at that time, there was a big theme of public investment or private investment, its optimal share); the new policy-field to build-in idea from economic viewpoint into transport facilities planning; establishment of the sound research method.

The drastical reorganization worth saying revolution had been brought about in the field of public investment, transport occupied by the conservatives in early summer of 1956 (s.31).

The Watkins Report enlightened the transport field and made a dash toward the Expressway, very rapidly.

Then, could the great reorganization be carried out successfully, because that the Watkins Group distinguished as economics scholar? For this, though it is universally admitted that the Watkins group excellent in statistically, econometrics, but in economics, they don't go far enough, that is, leave something to be desired, as shown in 1) -e, and 3)-(7), etc., in the field of public economics, or public investment criteria.

Nevertheless, the role, contribution of the Watkins Report was the existence which stood unrivaled among others.

Is there anything distinguished, immeasurable for shortsighted ordinary economics scholar? What is it?

Here, let's pay attention to Prof. Y. Oishi's postscript [6], the subtitle of which is, "About the formation and the significance of social history·economic history of Watkins Report", not economics and theoretical economics; where social history·economic history·like significance may be recognized justly. We came in contact with an outstanding article of "We glance over the world: Europe·Japan after world war II will be relatively advantageous: Broaden one's outlook: long trend of decline of USA

hegemony unchanged”, who is Prof. Dr. Immanuel Wallerstein, prominent by the book: *Treatise on World System*, Sociologist·historical philosopher appeared on “Economics class room” Nikkei, Feb. 2<sup>nd</sup>, ‘2003<h.15>’ just nine years before [11].

By this, we felt, “the scales drop from our eyes. ” There are 50~60 years of the middle period cycle (Kondratiev cycle), 200 years of long term cycle; among kondrativ cycle, there are various short term cycles; this short term cycle only is taken up by the politicians and mass media.

As the contents of story is different, we do not mention farther more; but, in short, the shock which the Watkins Report give Japan, that is, by great undertaking of regime rotation from the Marine Transport and Railway to Expressway; concurrent investment of not only main leading industries, but also all the key industries in the meaning for the expressway to be included, they enlighten the related persons, and rotate regime rapidly to orient to Expressway. The above has the wonderful analogy and impression (as have the same way of doing) *with* the following assertion of Prof. I. Wallerstein: “the long trend of hegemony decline of USA unchanged,” derived from the unbiased standpoint (there are often many partizanships) and “Europe · Japan relatively advantageous”. In his saying, there are refreshing contents of the same as may call white black, for the shortsighted.

Here, we arrive at the conclusion that the profound meaningfulness of the Watkins Report will be found with the help of Prof. Immanuel Wallerstein’s article.

When we stand at the grandeur & ultra · long ranged viewpoint, how vulgar the partition · privatization of the JHPC appears to be. We are yet in need of the expressway, main highway system of Japan.

It is too myopic to judge that if only we have done the partition · privatization of a Public Corporation, the management will be improved (see Fujii [31] too, concerning the prevailing wind of the partition · privatization, nowadays).

In case of former National Railway, general workers are stands to be large share of total workers; that is, labor intensive industry, low economic efficiency. The former National Railway was not fit for the classical logic of non-partition · non-privatization of the Public Corporation, so it could accept the logic of partition & privatization. On the other hand, the JHPC didnot have any labor-intensiveness, so even if the partition · privatization had done, it would not have received to be more efficient (see [26], pp-33-37).

source: Kohno [25].

## 4-2 Materials for the World Bank Loan

### 1) *Mei-Shin, To-Mei Expressways' Materials*

Our 2<sup>nd</sup> generation's actual working group (Research officer, Tsuneichi Sasaki, Prof. Katsuyuki Kurashimo, Hirotada Kohno, and manager Yoshitaka Yamamoto, and our senior Yaichi Kobayashi <estimation of traffic volume>) had begun to be concerned in the estimation of traffic volumes & economic effects of Mei-Shin Expressway, and the Feasibility study (profitability) of Mei-Shin (Nagoya-Kobe), To-Mei (Toyokawa-Komaki; Shizuoka-Toyokawa, and Tokyo-Shizuoka, etc.) right on the heels of the Watkins Report.

But, at the same time, the flow of great way of thinking, the leading economics doctrines, and the predominant statistical methods which were beginning to be in need of our actual research work, had, at a time, come into flower, like northerly having turned up all at once getting behind the times.

So, the fact was that we could not be concerned to the Watkins Report only.

In fact, in the Watkins Report, there were simple demand analysis, supply analysis, etc. as a matter of course, most of which were economic geographical analyses, such as comparison analysis with other region, component ratio, rate of growth, etc., from which it does not seem to me that we had learned the basic economic theories in the meaning such as we had learned various principles of economics from *The General Theory of Employment, Interest and Money* by J.M. Keynes.

That is, the various classical books as guiding principles had already been published as follows:

a] Economic Effects, especially Indirect Economic effects.

1957: Jan Tinbergen, "The Appraisal of Road Construction: Two Calculation Schemes," *The Review of Economics and Statistics*, vol. 39, No. 2, Aug., pp. 241~249.

1958: Yukihide Okano, translated·commented, "A method of appraisal of road construction planning ~ theory and its study ~," *Expressway* vol. 1, no. 2, June, pp. 37-47 & p. 50

1957: Julius Margolis, "Secondary Benefits, External Economies, and the Justification of public Investment," *The Review of Economics and Statistics*, Vol. XXXIX, No.3, August 1957.

1962: Katsuyuki Kurashimo, translated, "Secondary benefits, external economies, and the justification of public investment," *Expressways and Automobiles*, vol. 5, no. 12, Express Highway Research Foundation of Japan, Dec. (S.37), pp. 52-59.

b] Public Investment Analyses~benefits-costs theory~ of the Water Resources Group of The Harvard University.

1958: Otto Eckstein, *Water-Resource Development ~ The Economics of Project*

*Evaluation* ~, Cambridge, Mass: Harvard Univ. Press, 1958, 300pp.

1958: J.V.Krutilla and O. Eckstein, *Multiple Purpose River Development ~ Studies in Applied Economics Analysis* ~, Baltimore: The Johns Hopkins Univ. Press, 301pp.

γ] Public Investment Criteria Theory of the Water Resource Group of The Harvard University.

1957: Otto Eckstein, "Investment Criteria for Economic Development and the Theory of Intertemporal Welfare Economics," *The Quarterly Journal of Economics*, Vol. LXXI, No. 1, Feb. 1957, pp. 56-85.

1959: P.O.Steiner, "Choosing among Alternative Public Investment in the Water Resource Field," *The American Economic Review*, Vol. XLIX, No.5, Dec., pp.893 ~ 916.

1963: Stephen M. Marglin, *Approaches to Dynamic Investment Planning*, North-Holland Pub. Com., Amsterdam, 162pp.

δ] Interregional Industrial Input-Output Analyses ~ as a programming model ~

1960: L.N. Moses, "A General Equilibrium Model of Production, Interregional Trade and Location of Industry," *The Review of Economics and Statistics*, Vol. XL, No. 4, Nov, pp. 373~399.

1955: L.N Moses, "The Stability of Interregional Trading Patterns and Input-Output Analysis," *AER*. Vol. 45, No. 5, pp. 803~832.

ε] Microeconomics ~ seniors-colleagues saying, to be "genuine-orthodox" as a textbook ~

1958: James M. Henderson and Richard E. Quandt, *Microeconomic Theory: A Mathematical Approach*, 291pp. (2<sup>nd</sup> Edition, 1971: 430pp.)

1961: Ryutaro Kamiya, translated, *Modern Economics*, Sobunsha, 415pp.

η] Econometrics

1953: Lawrence R. Klein, *A Text-book of econometrics*, Row Peterson and Company, ix + 355pp.

1960: Koichi Miyazawa-Mitsugu Nakamura, translated, *Econometrics*, Iwanami Modern Series, xii + 410pp.

The above had already been published. Namely, both the Watkins Report [1], [2], [3], [4],etc., and the guide books on Public investment analyses such as α], β], γ ], δ], ε], and η] had come into flower almost of the same period during 1956-1957-1958 years.

Actually, we, the main group of the 2<sup>nd</sup> generation in the economic research room of the JHPC, had striven for the preparation and explanation of the Materials for the World Bank Loan over several times.

Those were put together in written form, as Adler [12]; 2<sup>nd</sup> Materials for World

Bank Loan [13], [14] ; Materials of World Bank Loan for Tokyo-Shizuoka Expressway [15] [16] ; Materials for Toyokawa-Komaki[17]; Materials for Shizuoka-Toyokawa [18-1], [18-2] ; and Materials (financial affairs) for Shizuoka-Toyokawa [19], etc., which were fortunately in my custody; though irregular in size (incomplete one included), The 2<sup>nd</sup>~5<sup>th</sup> Materials for Tokyo-Komaki Expressway had linked through perfectly.

For the more detailed bibliography, see Kohno [24], pp. 17-21.

Several papers published, based on the data for business use in the JHPC were for examples, [20], [21], [22], [23], and [25]; based on which we had obtained various results on that occasion. The following is of early fruit, though tiny.

*a) Estimation of Traffic Volumes and the Related Matters:*

As to traffic volumes (numbers of vehicle going through per unit time at a spot); 3 concepts of converted · generated · induced traffic vol., O-D table (origin-destination table), diverted ratio, etc. as the inter city traffic; triangle table, Fratar-Method, trip concept (not traffic vol.) as the intra-city traffic vol.

The above various notions had appeared for the first time to be applied to our actual works.

For these points, senior Yaichi Kobayashi had translated the theory & method of the urban traffic engineering, and applied these to the practical field of research of Mei-Shin Expressway.

*b) Economic Effects:*

Direct Effects (running costs saving effects, time saving " , rate of valuation of time saving, load-damaged decreasing " (consignor beneffits), packing costs saving " , rate of accident decreasing " , scheduled-time, constant-speed " , stock decreasing " , comfortableness increasing " ); Indirect Economic Effects (developed production " , market sphere increasing " , housing complex developing " , commuting area enlarging " ); transport capacity increasing " (warehouse · factory scale enlarging " ); transferred benefits vs. remained " , generated base benefits vs. incidence-base " , ...

The Tinbergen Multiplier's concept had really taken root in our research group that the indirect economic effects (national economic ones) were, for example, 3.8 times as many as the direct effects at that time by studying Tinbergen a] 1957 & 1958 mentioned above (19 line on the right hand side of p.248). The severe & technical questions from the World Bank were typical by Adler [12], to which Prof. Katsuyuki Kurashimo answered, taking a leading part among our group; for which he got together in [22].

This is worthy of special mention, concerning the economic effects.

*c) Public Investment Criteria :*

Benefit-cost ratio criterion, benefit-cost difference criterion, internal rate of return criterion, social rate of discount vs. market rate of discount, planning horizon, imputed price & opportunity cost; equalization of each imputed price normalized by per unit of investment fund over all investment targets (projects), etc. Then, from the optimal public investment planning model, of Steiner 1959 [7], we had examined to put the expressway network construction into effect, using the public investment allocation model in which various constraints of lumpiness, indivisibility, immalleability, pre-emptive right of public corporation, integer of 1 or 0 (invest or not), etc. were built in.

Moreover, from the Marglin model we took over the investment allocation model as the multi-periods model and built it in our model.

However, it took much time for them to include in their models, full-scale, theories and techniques of the dynamic optimal allocation model developed at a later time.

Here was the limitation of the American water resources model, the historical mission of which was over.

*Note 1)*

At the beginning of this sub-section, we defined the 2<sup>nd</sup> generation; then who was the 1<sup>st</sup> generation? That was professors who took part in the Watkins Report directly or indirectly, such as Professors Genpachiro Konno, Yasuhiko Oishi, Susumu Kobe, Mitsugu Nakamura, etc.

*Note2)*

Kohno had drastically worked at the economic research room of the JHPC nearly 10 years: Express Highway Research Foundation of Japan (Sept. 1957 ~ Oct. 1960), the JHPC (Nov. 1960 - Mar. 1965), the JHPC <leave of absence from work + graduate school 2 years> (April 1965 - Mar. 1967); and, that is, had spent my golden age of youth together with Prof. Katsuyuki Kurashimo, under the supervision of Research Officer Tsuneichi Sasaki we should say an ideal senior. For this we must express our gratitude for his good offices, and for the JHPC.

Both Prof. K. Kurashimo and I have subsisted on the accumulated learning, fostered by the making up of the Materials for World Bank Loan, during these 50 years. We must again be grateful to the JHPC.

Different from the JHPC today, the JHPC 50 years ago was filled with the liberalistic, without any worry, and bright future, such as those of British capitalism, cotton industry of 19<sup>th</sup> century.

## ***2) The 1<sup>st</sup> ~ 5<sup>th</sup> World Bank Loan***

As to the Loan from the World Bank, at the beginning, it was pessimistic; for example, in the financial market of New York, as the profitability of toll turnpike roads in the USA was not so good generally, the proposal of road public loan of Japan did not come off; however, the commission of inquiry from the World Bank came to Japan, April 1957, and said that the World Bank underestimated the economic power of Japan so far ; then, the important conference between the Black President of the World Bank and the finance minister Hayato Ikeda held and resulted in that they reached agreement to give the impact loan equivalent to total amount of 300,000,000 US\$ during 3 years of 1958-1960, to the mainstay industries, such as electric power, iron & steel, and expressway.

But, owing to the difficulty that we must clear severe conditions and it took plenty of time to make the agreement with the World Bank, Japan side began no sooner to increase the loan from the Import and Export Bank and city Bank in the USA, than the World Bank also indicated to increase positively financing to Japan, and above all give his approval to start our deal with not the tied loan, but the impact loan, which would give rise to a turning point to the introduction of foreign capital, which made the World Bank Loan for the Mei-Shin Expressway possible.

The order to put its laws into operation from the Minister of Construction to the JHPC should be issued on Oct. 1957, and the construction plan entered a stage further to put into practice. And, the business work concerning about the application for the World Bank Loan began in earnest. Table 4-2 is a table of the loan by industry from the World Bank of Japan, where the mainstay industries of Japan almost unanimously borrowed, such as not only the JHPC, but also the electrical power (thermal power generation), iron-manufacture, development bank, Toyota, metal, steel pipe, development of power resources, national railway (the Tokaido Sinkansen), etc. Here, we can see a type of maneuvering of mainstay industries in the night before the high economic growth period, and very interesting. This table itself is valuable; but this

time omitted ([29], pp. 1320-1321). That of the JHPC only shown in Table 4-2-1.

Looking at Table 4-2-1 *Abstract of the World Bank Loan*, the following was shown. That is, though the loan was opposed to at the beginning, after the 2<sup>nd</sup> loan, I should say we might win the confidence of World Bank, and realized the loan equivalent to the total amount of \$ 230,000 (thousand dollars) till the 5<sup>th</sup>.

But, the need for the Materials related to economic effects continued to the end, for which Prof. Katsuyuki Kurashimo (Emeritus Professor of Senshu University) was involved throughout.

These materials and data was put together in *Mei-Shin Expressway Construction Histories* [27]. The [28]~[30] each is a break down; [28] is the estimation of traffic volumes of Mei-Shin Expressway; [29] is the abstract of loan from the World Bank, and [30] is the economic effects of Mei-Shin Expressway.

Table 4-2-1 Abstract of Loan from the World Bank

	loaning contract effectuation date	borrowing person	beneficiary	targeted project section	rate	amount of loan contract	period of redemption (year)
1)	S. 1960	Japan highway public corporation	same to left	Amagasaki-Ritto section Expressway (Ichinomiya-Ritto)	$6. \frac{1}{4}$	40,000	23
2)	S. 1962	" 1st	"	Amagasaki-Nishinomiya "	$5. \frac{3}{4}$	40,000	23
3)	S. 1963	" 2nd	"	Tokyo-Shizuoka "	$5. \frac{1}{2}$	75,000	26
4)	S. 1964	" 3rd	"	Toyokawa-Komaki "	$5. \frac{1}{2}$	50,000	25
5)	S.40. 7. 20 S. 1965	" 4th	"	Shizuoka-Toyokawa "	$6. \frac{1}{2}$	75,000	25
						230,050 thousand Dollar	

These are the document of daily work of the JHPC, in which the studies which we devoted all our energies to does not be included; so refer to each member's papers.

Note 1)

*Impact loan*: In case that we ask for a loan from the USA, which means taking the loan of not total of necessary funds but a part, and should obtain the remainder from the domestic Yen funds. It was a system that by financing a part of necessary funds, the procurement of remaining funds might be made easy by virtue of the incentive.

So, in this case, some strings that we had to buy machinery of USA by borrowed dollar funds was not attached (Funds with some

strings attached is called to be a 'tied loan'). As to the Loan from the World Bank, the tied loan like the loan to the thermal power generation was many at the first; thereafter, impact loan was many.

The Source: *Fundamental Knowledge of Current Term* Vol.172, Jiyu-Kokumin-Sha, May 1<sup>st</sup>, 1963, p.225.

Note 2)

Here, about the middle of Table 4-2, we can find the mention, "on June 30<sup>th</sup>, 1961; National Railway, the Tokaido Shinkansen, rate 5 3/4%, 80,000 (thousand\$)."

There seems to apply, once only, for the loan from the World Bank, wafted on the boom of the Loan of mainstay industries from the WB at that time.

Judging from the World Bank's category, Japan National Railway had already fallen under the category of the middle developed industry, not the developing industry, for which the WB lent some funds, and accelerate the development of that industry.

In contrast to the National Railway, the Japan Highway Public Corporation was regarded as an industry of completely under developing type in a nebulous condition.

Therefore, in order to have a clear view of the JHPC, they demanded thoroughly Materials concerning with the feasibility study, that is, profitability, which were the 1<sup>st</sup>~5<sup>th</sup> Materials, related to feasibility.

Owing to this business work, the research and related field of the JHPC made remarkable progress.

Strangely enough, there was no sign of being troubled by preparation of any materials in Japan National Railway.

From now, there was the principal object of this Note 2). When I got on a limited express train at Tokyo station (perhaps in early spring of 1960), to start out for Kansai for an inquiry accompanied by Prof. Genpachiro Konno, we met unexpectedly with Mr. Ryohei Kakumoto and his party in the same coach, who was just explaining to the party of the World Bank something spreading a map (but, I guessed he was not aware of us).

Seeing this scene, Prof. G. Konno says, "Look at, the ablest, cool-headed official in the whole office of the JNR is now explaining the World Bank Loan. But, it may

be almost business explanation not a research.” For the JNR was not requested any full-scale research data probably.

Mr. R. Kakumoto was enthusiastically attending, and making his investigation at the society for the study which we arranged, and hosted by [in] the JHPC or Express Highway Research Foundation; specially, he was ardent to the ‘Committee of Considering Public Charge’ under the auspices of Prof. Dr. Yasuhiko Oishi.

I suppose!! such a great railway as the Japan National Railway, all the structure from top to bottom was filled with business structure itself everywhere; then, such a structure that the toll rates, economic effects, public investment criteria should be examined was nowhere to have been made.

That’s exactly the same to the Water resource Development Corporation. As the name of ‘Water Resource’ was the same to, a huge research & study group like American Water Resource Group might be brought up, but quite unexpectedly, there was no existence of such a research & study group whatever to agree to our expectation. Only once, I confirmed this in the currently working officer of the Japan Water Resource Corporation; but answer was non.

Judging from these facts, we have great respect and deeply grateful for the wisdom·power to see into the future and such keen perception of President Michizo Kishi, Prof. Genpachiro Konno, Prof. Yasuhiko Oishi and Research Officer Tsuneichi Sasaki who let the economic research office of the JHPC and the Express Highway Research Foundation of Japan supply a Meeting room to discuss and foster the innovative, development-oriented inclination, and manifestation of the principle as the Rsearch Office of South Manchuria Railway.

Indeed, it was very short period of the JHPC, etc. that made such a drastic official behavior possible, among national structure.

In such a very short period, G. Konno, Y. Oishi, Susumu Kobe, T. Sasaki, and then K. Kurashimo, H. Kohno, fortunately met with such a period, received much benefits, and were fostered. The Japan Section encountered the historical conversion point where the paradigm of the time would change; that is, the Japan Section could stand a favorable location where we could advance, exposed to the wind of new era all over our body. Such opportunities did not occur every day.

#### *4-3 Orienting the J S's Future Course Provoked by Watkins Report and the*

### *World Bank Loan*

#### **1) *Orienting of The Japan Section provoked by the Two***

The academic schools which had been rising suddenly in the world economics circles at that time mentioned in the subsection 4-2-1) were as follows:

$\alpha$  / Economic Effects, especially Indirect Economic Effects (Social Benefits)

$\beta$  / Public Investment Analyses ~ Benefits-Costs Theory ~ of the Water Resource Group of the Harvard University

$\gamma$  / Public Investment Criteria Theory of the Water Resource Group of the Harvard Univ.

$\delta$  / Interregional Industrial Input-Output Analyses ~ Programming Model ~

$\varepsilon$  / Microeconomics ~ compact & rigorous ~

$\eta$  / Econometrics

Here, we refer to the relation of the JS and these 6 academic schools.

Firstly, the first characteristic of the Watkins Report: it was shown the logic and the current thought of that the simple, clear demand and supply exist, and these equilibrate in the market; and the balanced growth among fields, irrespective of the historical school · like economic policy and Karl Marxian economics (the labor value theory). But it was yet to be based on the unspecialized methodology, which was in common with the world of economic geography to some extent. In such a state, it was the *Microeconomic Theory: A Mathematical Approach* of James M. Henderson and Richard E. Quandt that led us to definitely the market equilibrium, general equilibrium. The other one of orientation was the interindustry analysis. The Input-Output Analysis as the actual, practical visualization of equilibrium and general equilibrium was the research method adopted by so many scholars which will be said concerning to the Japan Section and the RSAI.

However, in the interindustrial analysis and interregional industrial analysis as the regional version based on L.N.Moses (1955) called as Chenery=Moses model, we can obtain only the positive result, how far we may go; then we can not get normative outcome at all. Here is a sort of being unsatisfied, and a limitation.

The methodology in response to the need of such an optimization was the L.N.Moses (1960) model formed to unite the optimization technique and interregional input-output analysis; that is an interregional input-output programming model.

The research based on the reliable methodology in academic atmosphere was presented already on Dec. 6th, 1963 at the 2nd Annual Meeting of the JRSA by Prof. Susumu Kobe group (Production Research Institute, Waseda Univ.) including Yoshiji Nishino, Kenichi Tokunaga, Masaki Ohta and Hiroo Takagiwa, which theme was

“Optimal Allocation of Industries”.

This was a contract research and the research project that if the Chukyo District among Chukyo, Kansai, Kanto, Tohoku, etc. might be destroyed by the attack of the enemy, on what criteria and at how level we should make reallocation of regional production.

We, Japan Highway Public Corporation group, were very interested in this research, and about ten years later took over this investigation independently, and up to the present (see, “Optimal Allocation of Public Investment” to be mentioned later). Here was another one manuscript presented as to Optimal Planning Model, which was “Making selection of any type of industry and its scale among industries located, in the regional development plan” by Prof. Dr. Masatsugu Suzuki & Yoneo Kawakita (Nippon University, head of National Land Planning, and the 1st term Director of the board of directors of the JS). It was said that in the beginning, the optimization, optimal allocation might be a boom.

On the other hand, the research grounded on the W. Isard model which was the regional version of ‘positive model’ stream of L.N.Moses(1955) was early presented at the 2nd Annual Meeting of the Japan Section (on Dec. 7th, 1962<s.37>), which title was “Development of Shikoku Economy and Measurement of its Effects” by Eiji Kometani, Kazuhiro Yoshikawa, and Toshio Miura under the leadership of Prof. Dr. E.Kometani (the faculty of Civil Engineering, The Kyoto University).

We will take up  $\eta$ ], which is a regional econometric model as the application of econometric model originated in the Bible of Econometrics to regions. In the 1st Annual Meeting at once, we had a paper of “Simulation Analysis of Regional Economy” by Prof. Fujio Okazaki & Keisei Kaneko; then in 4th Meeting (July 20th, 1966<s.41>), in succession by this pair “Regional Economy Structure and Basic Industry” presented. Since then, over a period of several decades, many researchers have been presenting their papers at various titles using this method, spread like wildfire.

Next, let us refer to the genre of economic effects, especially indirect effects (social benefits). In such a case as huge projects like Mei-Shin Expressway, To-Mei Expressway having been constructed and utilized, it is thought that economic effects brought about by them, not only direct effects but also indirect effects, will have been propagated and diffused over many regions, various industries-firms, and long-range term.

For such effects, to have set an example to us as the principle, was, “The Appraisal of Road Construction : Two Calculation Schemes” , by Prof. Dr. Jan Tinbergen, the 1st Nobel prize winner for economics.

For this paper, Prof. Y.Oishi indicated to translate it to postgraduate student, Mr. Yukihide Okano, who promptly took the trouble to translate-explain it. Original paper published on August, 1957, and Prof. Okano's manuscript appeared on June, 1958 in the *Expressway*, a technical journal which had just started. It was the quick work within one year. We will give deep respect to good judgment (keen eye) of Prof. Y.Oishi who had promptly seen through real value of this paper.

Because, after a lapse of 50 years, any paper does not appear yet that might exceed theoretically this paper.

It was in the middle of Dec. 1962<s.32> that Prof. Y.Okano appeared at the editorial room of the Expressway Research Institute (incorporated foundation), bringing his manuscript with him to hand it to Prof. Oishi of one of editors, where H.Kohno began to work for, and met Prof. Y.Okano for the first time. As we met each other in relation of Tinbergen paper, I am bound up with, for we have respected this paper for these 50 years. We may say that this is a Bible for me or the secretariat group of the Japan Section.

Indeed, “Regional economic analysis and appraisal of roads construction” by Y.Oishi & K.Kurashimo at the 1st Annual Meeting; “Regional development and investment for roads construction” by K.Kurashimo, at the 2nd Annual Meeting, was entered to present in the Programme; but that of 1st AM was omitted due to time constraint <such a case used to be cut the paper of the Secretariat>, and that of 2nd AM also was withdrawn owing to the order ‘to come back to his post’ by the Japan Highway Public Corporation, for the reason that the THPC have him attend to the meeting of negotiation of the World Bank Loan. Like the above, their paper presentations have misfortune one after another.

The research and study about this theme has continued off and on up to now. We recently write a paper, “Study on Appraisal Method of Social Benefits ~ using General Equilibrium Model taken account of Technologically Spread & Diffused Externality” . This will belong to the category of a].

## ***2) Closing Comment***

We have said that the orientation of the Japan Section has done, provoked by both the Watkins Report and the preparation of Materials for the World Bank Loan; however, indeed, it really has been the fruits, supported from the basic theory-method of the leading society or main academic school which begin to come into flower.

Indeed, either the Watkins Report or the Materials of World Bank Loan were innovative and ultra-exciting at that time, but they themselves were not bible

personified. Because, they, first of all, were Materials of the practical world.

So as to evolve and develop these principle-rule in the practical fields, we need to be given any blood transfusion from the academism, whatever we want to be done. There were many elementary passages even in either Watkins Report or Materials of World Bank Loan.

In order to overcome these weak points, we must have borrowed the esprit (essence) such as  $\alpha \sim \eta$  from each society, as we were not given any sufficient ones from the existing societies or Association.

We can safely say that it was wise and opportune procedures to take notice of  $\alpha \sim \eta$  as the shadow of the both materials. For, because of support from these  $\alpha \sim \eta$ , we have attained rapid progress in our favor which we couldn't have done by the independent development of the JS by itself. The above is added to.

*Note)*

In the following Part 2 [32], Chap.5 Transport Economics, as section 2, I intend to be inserted “Public Investment Criteria and Measurement of Economic Effects : A). Public Investment Criteria, and B). Theory & Measurement of Economic Effects” , and, in the Chap.11 Agriculture-Farming Village Development as the Section 2, “Economic Policy of Rice Agriculture”; however, as the publication costs of [32] will be in excess of the original budget, I change our plan, and will contribute the above trilogy manuscripts to *Studies in Regional Science*, the organic journal of the JS after this autumn. About the particulars regarding to 4-2 and 4-3 here, see those forthcoming.

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## *Section 5 Far East Conference*

### ***1) Far East Conference, PRSCO & Annual Meeting of the JRSC: tripartite relationship***

First of all, let us confirm the sequence of holding, the date and time, and the venue between three. See table 5-1 Sequence of holding of the tripartite. At a glance of Table 5-1, the various Meetings & Annual Meeting are brought back to our senses.

It is valuable more than everything else that we can recognize the 1<sup>st</sup> Far East Conference was held on September 12-13<sup>th</sup>, 1963 which was only one year later than the 1<sup>st</sup> Annual Meeting and a little earlier than the 2<sup>nd</sup> Annual Meeting (Dec. 6<sup>th</sup>, 1963).

This Far East Conference was held three times every two years, the venue of which was shown formally to be the faculty of economics, Univ of Tokyo, but actually was held at the City-Center Hotel according to circumstances.

Though the Annual Meeting of Japan Section of the Regional Science Association was held in parallel with these, the Annual Meeting was not held in 1967 between the 5<sup>th</sup>(Dec. 3-4<sup>th</sup>, 1966)and the 6<sup>th</sup>(Nov. 15<sup>th</sup>, 1968) The reason was that it was necessary to concentrate our energies on the preparation of the 3<sup>rd</sup> Far East Conference(1967); similarly in 1969 the Annual Meeting was not held, which was for we had to focus our attention to the 1<sup>st</sup> PRSCO Conference. This would be shown in the next Section.

### ***2) Memorial of Host Organizer • Prof. Dr. Genpachiro Konno***

The Far East Conference would succeed by no means without Prof. Konno's persistent enthusiasm, though the Japan Section had been rendered a financial aid by the Asia Foundation. Seeing this Table 5-1, it reminded us of that Prof. Konno concentrated his energies to the management of holding each coming Far East Conference.

It seems to us that Prof. Konno inputed usually his deep earnestness to the Far East Conference more than the Japan Regional Science Association.

Above all, Prof. G. Konno expressed wholehearted consideration and profound respect to the invitation of Prof. Dr. Walter Isard who is the founder, and the President of the RSA.

The presentation of Dr. W. Isard at the 1<sup>st</sup> Far East Conference is "Spatial Organization and Regional Planning: Some Hypotheses for Empirical Testing," and Prof. konno took all possible measures to ensure the success of the Conference; that is, nominated Prof. Tomosaburo Sasada (Dohshisha Univ.) as a discussant to this subject



who had graduated from the Warton school, Pennsylvania Univ.

As the others, distinguished and splendid professors Shinichi Ichimura, Saburo Okita, Eiichi Isomura, Nobuzo Kiuchi, etc. were invited to present their papers.

But it is other problems whether they will continue to study their themes on regional science, which seems to be concurrent with the continuous activities such as attendance, presentation, and taking on being discussant in the coming Domestic Annual Meetings, rather than the Far East Conference.

Most of those who were present to the Far East Conference might be proficient in English, and possible to do questions and answers, to say nothing of the presentation of paper.

It is the next Table 5-2 List of Participants (3 pages) that we grasp the Member list in the beginning at the 2<sup>nd</sup> Far East Conference (Sept. 15-16<sup>th</sup>, 1965); similarly, the member list of the Japan Regional Science Association as of Sept. 14<sup>th</sup>, 1965 (s. 40) is shown, in which the 3 years has passed since the foundation, so number of members has increased considerably. But as the volume run into 15 pages, which is moved into the 8 section : Attached Data: Large Data of each Section at the end of this chapter.

The Contents of The First, Second, Third of Papers and Proceedings are shown, in 2) of the 8 Section. However, these large Data all are omitted here.

### ***3) Latin Hospitality: its DNA***

The host manager Prof. Dr. Genpachiro Konno always attended courteously to the western intelligentsia · gentlemen with the virtue of modesty (we, usual Japanese also extend same attitude to the foreigners).

Prof. G. Konno pay attention to even our underlyings; for example, if it is determined to give a dinner to us, he is always enthusiastically anxious about which restaurant, what kind of dishes, and with whom, with the intention of appreciating the pains we the young have taken.

Whenever he decided to entertain some person(s), he used to go to *continental room* in the 10<sup>th</sup> floor of the main building of the Hotel Okura, taking French dishes.

I remember that I was invited to have the honor of being a member of a party, and was deeply moved.

The famous & splendid dish is the crepe suzette, to say nothing of the beefsteak, which is a sweet dessert attended with the performance of being forced to ascend flames in the just side of each table.

I give myself up to this crepe & performance; so I went to this *continental room* in case of inviting a guest sometimes, for a period of time.

It seems that many foreigners from the Far East Conference and Pacific Regional Science Conference, to say nothing of the President of the WRSA, have been invited to dinner (It's no more than a guess). However, Prof. Walter Isard made a habit of having his meals alone with the belief not to receive any invitation (This was famous), So it is guessed that most of members didn't share a table with him in Tokyo.

The special quality of the so called Latin Hospitality of giving some one a cordial reception (hearty welcome) lives on in the performances of Kohno and others of the Secretariat ; or our true character has grown up. This is a DNA of the Secretariat of the JRSA, which continues to the present day.

Gratitude: so as to avoid a lapse of our memory, we have the section of dish & drink check the above recently. My special thanks are due to vice section chief, Mr. Sadao Sugiyama, the Hotel Okura for extended information now a day.

To make sure, the continental room removed to, and is taken over La Belle Epoque, in the 11<sup>th</sup> floor of Annex to the Hotel Okura.

Table 5-2 LIST OF PARTICIPANTS  
Regional Science Association Second Far East Conference  
September 15-17, 1965

Name	Address <sup>†</sup>
T. Adachi	The Industrial Bank of Japan, Ltd.
M. Ando	Aichi University
T. Aoki	Hitotsubashi University
*H. Arakawa	Institute of Asian Economic Affairs
K. Baba	Economic Planning Agency
M. Beika	Kobe University
F. Bild	Canadian Embassy
G. Bowersox	Asia Foundation
F. Case	University of California
*S. Endo	National Governors Association
D.D. Esawa	Senshu University
Fukui	Japan Air Lines
Y. Fujii	Keio University
H. Furuike	University of Tokyo
L.S. Gellert	State of Alaska
*Gleason	International Christian University

Name	Address †
*S. Hara	Economic Planning Agency
R. Hasebe	Hokkaido University
K. Hayashi	Ministry of Agriculture and Forestry
S. Higuchi	Seikei University
*T. Hirahata	Tokyo Institute for Municipal Research
*M. Hirose	Ministry of Construction
W.Z. Hirsch	University of California
M. Hisatake	International Christian University
*F. Hishikawa	Hyogo Prefectural Government
*T. Hoshino	National Capital Region Development Commission Office
*I. Hotta	Tokyo Press
T. Ichinose	International Christian University
*H.H. Irizawa	Ministry of Construction, Building Research Institute
W. Isard	University of Philadelphia
*Ishiguro	Japan Housing Corporation
E. Isomura	Tokyo Metropolitan University
*T. Ito	Japan Institute of Location Economy
Z. Ito	Tokyo Woman's Christian College
*S. Izumi	Ministry of Transportation
S. Kaneda	Chuo University
*M. Kaneko	Japan Institute of Location Economy
Y. Kaneko	Nagoya City University
J. Kano	Economic Planning Agency
T. Kano	Shiga Prefectural College
T. Katagiri	Toshi Center
M. Kishimoto	Rissho University
*T. Kitajima	Hokkaido Tohoku Development Corporation
S. Kiuchi	University of Tokyo
Y. Kobayashi	Japan Highway Public Corporation
R. Kojima	Tokyo Institute for Municipal Research
*S. Kohima	Local Industry Development Council
J.A. Kokoris	Asia Foundation
E. Kometani	University of Kyoto
G. Konno	University of Tokyo
Y. Kuratani	Hitotsubashi University
T. Kubo	Osaka Metropolitan University
H. Kunimatsu	University of Ibaragi
K. Kurashimo	Japan Highway Public Corporation
T. Kurokawa	University of Tokyo
J. Landes	Aoyama Gakuin University
H. Landes	Aoyama Gakuin University
C.M. Lee	Kyung Hee University

Name	Address †
Manders	British Embassy
K. Masui	Keio University
H. Matsumoto	Japan Highway Public Corporation
S. Matsumoto	International House
*T. Matsuoka	The Center for Regional Development in Japan
*S. Mitushashi	University of Chicago
*K. Mizuta	Japan Housing Corporation
M. Morita	Nittsu Research Center
*H. Muramatsu	Economic Planning Agency
K. Murata	Chuo University
H. Myoken	Toyama University
*Nakagawa	Shikoku Development Council
M. Nakamura	Tokyo Metropolitan University
*H. Nakano	Ministry of Construction
M. Nakano	Nittsu Research Center
*H. Nemoto	Japan Bushiness Consaltant, Ltd.
*N. Nishifuji	National Capital Region Development Commission Office
*S. Nishimura	Ministry of Construction
H. Nishioka	Aoyama Gakuin University
S. Nukaya	Economic Planning Agency
K. Odawara	Sophia University
M. Ohta	Waseda University
Y. Oishi	University of Tokyo
*T. Oizumi	Sophia University
H. Ogawa	Hokkaido University
Y. Okano	University of Tokyo
*T. Okawa	Tokyo Institute for Municipal Research
S. Okita	Japan Economic Research Center
*K. Okochi	University of Tokyo
Y. Okuda	Chuo University
K. Ono	Ministry of Construction
*S. Onogawa	Ministry of Transportation
I. Orishimo	The Japan Institute of Location Economy
J.F. Rose	Ford Foundation, Advisory Planning Group
*A. Sagrista	Sophia University
J. Sakamoto	Hitotsubashi University
*M. Sano	Japanese National Railways
T. Sasada	Doshisha University
T. Sato	Nihon University
H. Sazanami	Ministry of Constuction
Y. Shibuya	Waseda University
R. Shimada	Tokyo Metropolitan University

Name	Address †
S. Shimauchi	Ryutani University
*T. Shirai	Japan Institute of Location Economy
T. Smith	University of Pennsylvania
N. Sun	International Christian University
K. Suzuki	Nittsu Research Center
*T. Suzuki	National Capital Region Development Commission Office
T. Suzuki	University of Tokyo
*H. Tajima	Institute of Asian Economic Affairs
K. Takaba	National Diet Library
J. Takahashi	Keio University
H. Takagiwa	Aichigakuin University
*I. Takasaki	University of Chiba
E. Takayama	University of Tokyo
H. Takeyama	Institute of Economic Research of Hokkaido
I. Tanahashi	Ministry of Construction
*A. Tanaka	Japan Air Lines
*H. Tanaka	Japan Housing Corporation
*T. Tanaka	Japan Institute of Location Economy
T. Tanaka	Tottori University
*S. Tanifuji	Hokkaido Development Agency
K. Tashiro	Japan Domestic Air Lines
*H. Taura	Japan Housing Corporation
*C. Tolman	American Embassy
*M. Toyoda	Ministry of Transportation
F. Uemura	Kagawa University
F. Ueno	Ministry of Agriculture and Forestry
S. Watanabe	University of Tokyo
*Y. Watanabe	Ministry of Transportation
*S. Yabiki	Fuji Bank, Ltd.
H. Yamada	University of Kyoto
S. Yamaga	Tokyo Gakugei University
K. Yamagata	University of Tokyo
T. Yamamoto	Shikoku Economic Federation Office
S. Yamana	Osaka City University
*S. Yamashita	Japan Committee for Economic Development
T. Yamashita	Housing Loan Corporation
*M. Yasui	Economic Planning Agency
N. Yokeno	Sophia University
*H. Yoshida	Hyogo Prefectural Government
Y. Yoshinaga	University of Tokyo
T.R. Yorro	National Economic Council

† The addresses are those which participants gave at the time of registration.

\*Non-members

## *Section 6 PRSCO Conference*

### *1) 1968 of the major turning point : the Quadripartite Agreements*

1968 (s.43) was the year of major turning point for our Japan Section. For, the Far East Conference extending over three times had continued to and ended in Sept. 1967. On the other hand, we realized the limitation of our conference organization. Though we had held our international conferences carrying the legend "The Far East Conference of The International Regional Science Association," yet at this stage we were not in the situation in which the citizenship of the same kind as the European Congress and the North American Meetings was granted in the Regional Science Association of the world, at one bound, notwithstanding Prof. G. Konno's endeavors with irresistible force.

It is not clear that Prof. G. Konno himself might be contemplating to have the Far East Conference grow to what kind of level. At any rate, the bounds of our Far East Conference came in sight, for the short duration. In such a circumstance, both of Prof. G. Konno and Prof. Yasuhiko Oishi were invited to the Annual Meeting of the Western Regional Science Association held in San Diego, California State, 1968; at the lunch, the quadripartite of Konno, Oishi and Prof. Michael K. Mischaikaw (The Western State College of California) & Prof. Paul Wendt (The University of California and President of the Western Regional Science Association) were met to have a Meeting, and they reached to refer to some subject, and, that is, were anxious about the future of their own Association.

Then, they had reached an idea of the dissolution of so far Far East Conference which the Japan Section had fostered, into a new Organization of The Pacific Regional Science Conference (PRSC); which was put to the joint control of the Japan Section and the WRSA.

This was the establishment of the PRSC, the predecessor of the PRSCO, which the both sides desired, and anyway an excellent International Association came into the world, by which our many and long cherished dream had come true.

Immediately, on Aug. 20-21<sup>st</sup>, 1969 (s.44) of the next year, it was planned that the 1<sup>st</sup> Pacific Regional Science Conference of the RSA had been held at the East-West Center, Hawaii.

Let me express that there was a subtle difference in the performance between the two sides. That is, the Japan side expressed our newly born Conference (as) Pacific Regional Science Conference of the RSA, and on the other hand, the WRSA side as ... of the Western Regional Science Association. Namely there is a difference in expressing our own higher organization. We, Japanese, have grown up in an atmosphere of

centralized authoritarian country, even if we live now in a democratic state, and take the existence of higher organization for granted. On the other hand, it seems that the WRSA side will do study "Regional Science," but no need to enter under the umbrella of the Secretariat of the RSA situated in the Warton School of the Pennsylvania Univ., for those who live in the truly democratic system of a federal country.

It deemed that the above would happen to do so, but, if any, with the intention of doing so.

Though we were persuaded to call our Japan Section of the RSA to be a Japanese Regional Science Association, but no one had a mind to do so. It might be a difference in national characteristics.

Well, if we glance the Program and List of Participants of the First Pacific Regional Science Conference, we find the fact that the participants were not only those of the Japan side and the WRSA, but also those widely from the east coast of North America, Canada, Mexico, Chile, and Hong Kong, Taiwan, Philippines, Malaysia, Singapore, India, Australia; the wide-ranging and large number of these participants would be the result which Prof. Konno brought to through his good offices, partly out of regard for the Asia Foundation.

Though we could be unthinkable from the final Papers on *the Papers and Proceedings*, at any rate, there were many participant's from many regions and various topics.

The 2<sup>nd</sup> PRS Conference was held at the Economics Faculty of Univ. of Tokyo at Aug.25-27<sup>th</sup>, 1971 (s.46). The 3<sup>rd</sup> PRSC was held at the hotel Ilikai on Aug. 24-26<sup>th</sup>, 1973(s.48). These International Conferences had continued 3 times under the auspices of the Japan Section and the WRSA.

The triple holdings of the PRSC can be lumped together same as the previous Far East Conference. The Programs of the 1<sup>st</sup> time, 2<sup>nd</sup> time, and 3<sup>rd</sup> time of the PRSC were shown in Section 8-3.

There is a thing worthy of special mention through the triple holdings of the PRSC, which is about Prof. Dr. Paul Wendt who was President of the 1<sup>st</sup> time and 2<sup>nd</sup> time of the Western Regional Science Association.

Dr. Paul Wendt had dominated our International Conference of the PRSC with the dignified personality, who was Professor of The University of California (School of Business Administration), Berkeley, California. Prof. Konno had treated him very courteously.

The PRSC was essentially, undoubtedly, The PRSCO, which had begun from the 1<sup>st</sup> Pacific Regional Science Conference, 1969 at the East West Center; but The PRSCO

with the term of 'organization' had been formally used from The Eighth Pacific Regional Science Conference, on Aug. 17-19<sup>th</sup>, 1983 at the Keidanren Kaikan (The Federation of Economic Organization), about which, see acknowledgements (pp. iii-iv) of *Papers of the Regional Science Association*, Vol. 56, 1985.

## **2) *Citizenship of the PRSCO : 1979***

### *(1) Conference I in a transitional period: Taiwan-Japan two countries International Conference.*

We take it to be given the 'citizenship' that Papers of the PRSCO are put together in the Association Organ, in the same way as those of the European Congress and the North American Meetings.

We were not so strongly conscious of the above until the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup>, but it was an undeniable fact that the publication of our 'Annual Report' may begin to carry a heavy load on our shoulder.

Here, the tendency to hold our International Conference between two countries of Japan Section - WRSA fell into a slump; and turned our attention to East Asia and took a step to hold an International Conference between two countries of Taiwan-Japan Section as a direction we need to think about.

Under the general supervision of Prof. Dr. Yasuhiko Oishi, we Japan Section, reached to hold the International joint Conference with the Taiwan side, which had after all been organized with Prof. Dr. Louis R. Chow, Dean School of Engineering, Tamkang College, Republic China.

The outcome of this Conference was collected into the report of the Proceedings of the Forth Pan-Pacific Conference on Regional Science (Taiwan, Republic of China, Oct. 20-22<sup>nd</sup>, 1975, 402pp.).

### *(2) Conference II in a transitional period : International Joint Conference of the Canada Section (of the WRSA) and Japan Section.*

International Joint Conference between the Canada Section and Japan Section had been held at Aug. 16-19<sup>th</sup>, 1977 (s.52) in Vancouver, Canada, the outcome of which collected in The Proceeding of the 5<sup>th</sup> Pacific Regional Science Conference.

In this Proceedings, there was a Preface by Editor (James R. Albers), one paragraph of which was "This evidence of interest and cooperation has caused the Regional Science Association International to announce that it will underwrite the publishing of the Proceedings of future conferences in series....."

That is, it is highly suggestive that the interest, zeal, and cooperation extended by

the participants of the WRSA, Japan Section and the others to the regional science make the Headquarters of the RSAI receive the publication of "the Proceedings" from now on which the PRSC group had planned and fostered so far.

We could judge that the above was the outcome of growing tendency by appeal that the Headquarters should assist or take over the publication of the Proceeding of the PRSC, by the leading scholars such as Prof. Paziva1 Copes (The Simon Fraser Univ.), Prof. Michael Mischaikow (The Western Washinton Univ.), and Prof. Yasuhiko Oishi (The Univ. of Tokyo).

However, the publication of Proceedings of the 5<sup>th</sup> PRSC (held in Vancouver) had been printed by The Tinker Foundation, Canada.

Furthermore, the successive Presidents of the PRSCO are shown in 8 Section, 4).

*(3) The Citizenship of the PRSCO: Accomplishment in 1979 ~ Sixth Pacific Conference, Seoul ~*

The 6<sup>th</sup> PRSCO was decided to hold in the East Asia; first of all, we came in contact with the South Korea under the leadership of Prof. Y. Oishi; however, this time, everything did not go smoothly as it was planned, and we were upset terribly that the time ran out very fast. To break the deadlock, Prof. Dr. T. John Kim came onstage, who is Professor of the Illinois Univ. one of friends of Prof. Dr. David E. Boyce, related to the Korea Institute of Science Technology, and one of relatives of some President.

He disposes competently of the situation, and a man of merit managed to hold The 6<sup>th</sup> Pacific Regional Science Conference in Seoul at Aug. 13-14<sup>th</sup>, 1979 (s. 54).

At the time, Prof. Dr. David E. Boyce was virtually International Conference Coordinator of the Headquarters of the RSA, and was being managed Journal of Organ all by himself.

How successful the strong appeal and persuasion took effect, by Prof. Parzival Copes who was chairman of the Pacific Regional Science Conference, Prof. Michael K. Mischaikow of prominent figure, Prof. T. John Kim mentioned above, Prof. Yasuhiko Oishi, and Prof. Lay James Gibson who began to distinguish himself as an able manager of the WRSA and one of members of the Executive Committee of the PRSC!!

The result was that the Headquarters of the RSA adopted to include our Proceedings of the PRSC, that is, The Papers of the Pacific Regional Science Conference, as the third organic Journal, adding to the Organic Journals (European Congress, North American Meetings), which was deemed all through Prof. Boyce's good offices.

By this, our financial problem concerning the publication of the Proceedings of the PRSC was resolved completely. The year of 1979 was the memorial nice one.

### ***3) Foundation · Naming of the formal PRSCO***

#### *(1) The 7<sup>th</sup> Pacific Regional Science Conference ~ Surfer's Paradise, 1981 ~*

The 7<sup>th</sup> PRSC was held in the Surfer's Paradise, Queensland, Australia, at Aug. 16-20<sup>th</sup>, 1981 (s.56). It was a time that the participation to the abroad conferences of Japanese members in a body, began to become established. Here, the formal naming of the PRSCO did not yet appear.

Here are some memories : as we could not use the national flag such as the JAL or Quantus, being relatively high in price, alternatively an inexpensive plane ticket of a roundabout route used to be used via [by way of] Singapore, which reach early morning and start in the midnight; then we had much time, due to the long length of our stay. For this, we had many merits, one of which was the meal. We remember what kind of dishes we felt to be delicious, Chinese, Japanese compared to the ones of Australia. We found really the difference of the east Asia and Western. That is the Australia belongs to the West and Singapore is east Asia.

The east Asia dishes (Chinese, etc.) have the strength to make our fatigue cure; then we realize the difference of culture. All the above may be due for us not to get used to going abroad, above all, foreign dishes.

#### *(2) Establishment of the formal Organization of The PRSCO*

##### *~ The 8<sup>th</sup> Tokyo Conference 1983 ~*

Prof. Parzival Copes was Chairman of the 6<sup>th</sup> Pacific Regional Science Conference, called to be President at the 7<sup>th</sup> PRSC; at the 8<sup>th</sup> PRSC, our system was institutionalized to be "The Pacific Regional Science Conference Organization (The PRSCO)," which became "Council," the President of which also was Prof. P. Copes, under whom the organization of the PRSCO was fully equipped with rules.

The Presidential speech was amazingly admirable at the business meeting held in the hall of The Federation of Economic Organization at Aug. 16-19<sup>th</sup>, 1983 (s.58).

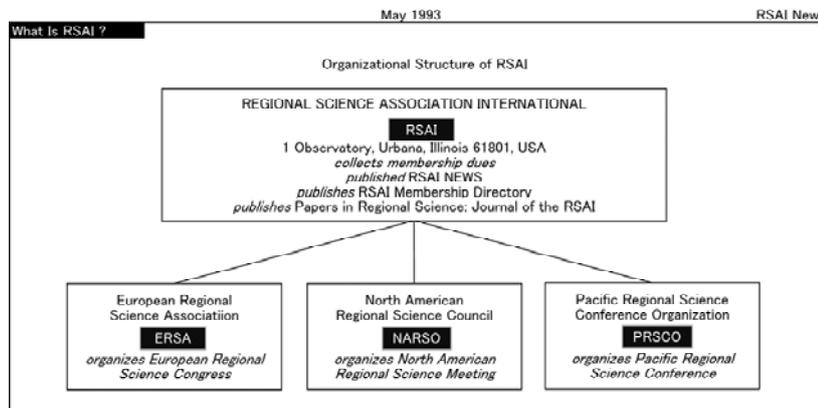
Around here, the ancient history of our Japan Section (The JRSA) is brought to an end.

That is, we, The PRSCO, have done our best, setting our target of being situated like the following table.

We have been struggling to be rendered the beautiful table (Table 6-1) till the 8<sup>th</sup> PRSCO of 1983 (s.58) since the 1<sup>st</sup> Far East Conference, 1963 (s.38), which has taken us

just twenty years to reach.

Table 6-1. Organizational System of Three Super Regions of The RSAI



*Section 7. From the Initiation to Modern Times and the Future Prospects ~ As a Trigger with the honor of presence of the Emperor • the Empress at the 5<sup>th</sup> World Congress*

*1) Bird's-Eye View in the Initiation period*

*Official history • Unofficial • Episode* We have referred to the official history mingled with unofficial and episode of the Japan Section in the beginning. For those who do care only for the official history, unofficial history and episode are of a thing that is worse than useless, but here, combined with, they will bring the real truth in those days into sharp relief.

*Spatialization and Dynamicalization of the One Point Economy* :The Economics is a system of abstract theory spaceless (without space), but in order to be empirical positive science which made the practical problems clear, the economics should be made to be spatialized and dynamicalized. Our regional science comes into being to have essentially something to do with the spatialization of economics. It is the object which has a 'stretch (expanse)' of space and a 'distance.' We may take hold of this spatialization by having area or multi-regions, the former will be the descent of 'Location Theory' to study rigorously space, and the latter will be concerned to the inter regional industrial analyses or interregional input-output programming analyses.

*Positive vs. normative analysis* : The former may be concerned to positive analysis, for example, like that "how many firms are there in a region," and the latter pursues,

“In what way we should improve the present situation ?” For example, there is a study, using an Interregional Input-Output Programming Model.

*Long-term Loan From the World Bank and Watkins Report* : These two reports were very important, because they were not rigorous measurement works, but the results based on the practical analysis. However, based on these two reports only, we cannot sublimate our researches to the level of academic learning. We need the academic support from the following basic theories : from which we must absorb.

*Theoretical Economics and Econometrics as the Basic Theories of ‘Regional Science’* : Here the basic theories mean not too abstract ones but a level of *Micro-economic Theory : A Mathematical Approach* by James M.Henderson and Richard E.Quandt, and *A Text-book of Econometrics* by Lawrence R.Klein.

Though it is basic theory, it is not academic & garish, but it is like that there are demand and supply, which produces equilibrium price in the market; we may be excused at the level that we understand the identification problem concerning to the difference of ‘true demand’ and ‘apparent one’ and in short it is very important to understand elementary and essential propositions. Moreover, we need perfect understanding of the theory of comparative costs (the doctrine of comparative advantage), which can be defined a range of transaction prices.

As to the final equilibrium market price and volumes of transaction, they are unknown, for which we need the “law of reciprocal demand” and its extension. Anyway, if we have only the basic theory of comparative costs (the doctrine of comparative advantage) , we can make the present ‘TPP problem’ clear sufficiently.

We are entirely ignorant of the basic theory, or being a little prepared for even if it is elementary, which will bring about different results entirely.

The existence of both the Loan from the World Bank and the Watkins Report will indicate the truth more than the above.

In essence, we must be the basic theory oriented, by which the results of research and investigation greatly differ.

Talking of the basic theory oriented, here is not only the basic theory such as an equilibrium concept, equalization between various marginal rates of substitution etc., but also we must raise imputed prices, opportunity costs which exist in the basis of the optimal programming model, as the dual to the master program, and auxiliary variable as the dynamic version; because the optimality can be attained based on these prices (to make sure).

*Research task I: The Development of the Interregional Input Output Programming Model*

We refer to two, three unsolved problems which was in the beginning, and yet now are in progress. This IRIOPM above is now improved to be dynamical and non-linear ones; however, it stay as it was, how we should construct the objective function. The most difficult problem is how we should measure the social welfare function without arbitrariness.

*Research Task II: Measurement of the Economic Effects brought about by Public Investments:* How we should grasp and measure the economic effects propagated proliferated over multi-regions, multi-industries, and multi periods, brought about by public investments, is the task since Tinbergen (1957), but not yet is attained fully.

*Internalization of Journal Publication:*

We refer to the management of the Domestic Japan Regional Science Association. As the number of membership is not many, it is very important problem to publish Annual Proceedings (Report). We somehow managed to come through our difficulties.

*2 chairpersons 2 discussants in Management of International Conference*

Seeing some International Conference where both chairperson and discussants were not decided, then what would happen to us ? However, even in such a case, someone like chairman and someone like discussants also appeared. Then, virtually no harm was done.

Even if perfect session-program was not supplied, western foreigners successfully coped with, as a result.

Whereas, in Japan, if one does not be nominated (as) chairman or discussant, there is a case in which one may be absent that Conference. Therefore, we, Secretariat, or Program Committee, make it a rule to nominate firmly two chairpersons & two discussants in advance. These procedure has contributed to improve the percentage of attendance. This is a Japanese system. That is, we, Secretariat, have carried out to make most members allot a portion of the various conference works.

Having made out our rigorous Session Program based on this system, our Annual Meeting has been thriving gradually.

It seems that this system is not rather understandable for foreign members.

*DNA of Latin Hospitality :* This is an official history which may be based on the feeling or habit of Japanese who will naturally offer their hospitality to others, on which Yakumo Koizumi, Edwin O. Reischauer, Donald Keen, etc. all will set a high valuation. But the Latin Hospitality mentioned here is narrow in meaning, and limited to eating, dinner (feast).

As shown in Section 5-3), Prof. G.Konno was second to none in giving guests a warm welcome wholeheartedly from the bottom of his heart.

Kohno & Kurashimo had learned the routine of how to welcome.

At any rate, as two streams of the domestic annual meetings and separately apart, the Far East Conference, continued to the PRSCO had been running, we must pay careful attention to foreign participants, the mental attitude of which we have to be taken over to next II) developing period and III) modern times.

## ***II) Looking Back of the Developing Period***

### ***(1) The 8<sup>th</sup> Pacific Regional Science Conference (Tokyo Conference)***

Prof. Lay James Gibson said to me, “you are man who have held virtually International Conferences three Times,” which are:

- A) The 8<sup>th</sup> PRSC (Tokyo Conference)
- B) The 11<sup>th</sup> PRSC (Singapore Con.)
- C) The 5<sup>th</sup> World Congress of the RSAI (Tokyo Congress)

These being in progress, and we being young at the same time, they offered no difficulty at all; and we had accomplished these big projects. However, we looking back now, we think they were awful tasks.

It is deemed that we had held this 8<sup>th</sup> PRSC (on Aug. 16-19<sup>th</sup>, 1983 (s.58)) laying more stress on; because we had done the formal opening of the new PRSCO, flamed the system of it.

It seemed to us that though President, Dr.Parzival Copes had preferred to put the Secretariat of the PRSCO in the Simon Fraser University, we had taken over it as our Council Meeting decided to locate it in Tokyo.

For this Conference, we asked for the leaders in high places such as Mr.Shunichi Suzuki, Governor of the Metropolitan Tokyo (as one of Leaders of megalopolis problems), Mr.Kansei Satoh, Former Chief of Bureau of Highway Construction of the Ministry of Construction (as one of Leaders of Public Investments) and made the Asahi get into a news item. And the choice of the place of the Federation of Economic Organization was favorably spoken of high-toned site and deliciousness in lunch & dinner.

Though said the above, The management and speech of President Copes in our business meeting was very splendid.

Further, the fundraising campaign for this International Conference was conferred by the following bodies and companies:

- 1) Commemorative Association for the Japan World Exposition
- 2) The Kajima Foundation
- 3) Japan Automobile Manufacturers Association, Inc.
- 4) Japan Air Lines Co., Ltd.

- 5) The Japan Highway Service Facilities Foundation
- 6) Japanese Construction Consultants Association
- 7) The Real Estate Companies Association in Japan
- 8) The Japan High-Rise Apartment Association
- 9) Housing Research and Advancement Foundation of Japan
- 10) The Federation of Electric Power Companies
- 11) Japan Electronic Industry Development Association
- 12) Japan Civil Engineering Contractors' Association Inc.

Here, 1) Shows Subsidy from Commemorative Association for the Japan World Exposition; 3) Japan Automobile Manufacturers Association, Inc. 10) Also Shows The Federation of Electric Power Companies, including The Tokyo Electric Power Company Incorporated.

*(2) The 11<sup>th</sup> PRSC (Singapore Conference) July 3-6<sup>th</sup>, 1989*

The Tokyo holding of International Conference was more difficult compared to former the 8<sup>th</sup> Conference, so we were contemplating any inexpensive method to hold International Conference by which we completed all the preparation in Tokyo and brought this into the site where our requirements were met. It was marked out to be Singapore. It would seem that most participants judge Singapore to be favorable place to go. Moreover, for American and European this place was easy to get to. As it were, this is the first case where the big international conference will be coped with the Cooked & Bringing-in System ; so which attracts international members' attention.

The venue was situated in The Westin Stanford & Westin Plaza' Singapore; The business meeting was managed by noble-looking Dr. Myong-Chan Hwang (黄 明燦) who had been former President of the host organization of the host nation of the Tenth PRSCO, who had been President of The Korean Research Institute for Human Settlements (KRIHS) <国土開発研究院>. It was the custom for the former (last) President to manage the Business Meeting of the next Conference.

Though in Korea the organizer was Dr. Sung-Woong Hong (洪 性雄) , it was truth that the superior of him, Dr. Myong-Chan Hwang was played the major part.

Concerning the holding of Singapore Conference, we payed our courtesy call on Professors of the faculty of economics, Singapore Univ. to seek support from them, with the introduction from Prof. Ryosen Takahashi (Kagoshima Economic Univ.). Later, we were said to pay something like commission to the professors group from him. We were very surprised to hear this, because what we said to them at the courtesy call was

that if the fundraising to the Japan's overseas enterprises making inroads into Singapore was done by them, we would be able to do our poor best. However, there was not any indication for them to go into action, nor any results, so, we decided not to pay any remuneration. This results from the fact that even if Japanese ask Japan's overseas enterprises to do any donation, they make no response, no reaction; contrarily if the local suitable person like professors will do action, most of or not a few Japan's overseas enterprises make any quick & favorable response.

Consequently, any fundraising did not come off, from the Japan's enterprises in Singapore. However, fortunately, due to relatively many participants from the field of transport policy, we, Secretariat, had applied, directly, to the Goyo (Five Ocean) Construction Co., Ltd. to be rendered any contribution ; then it was decided that the Singapore Branch offered to take charge of expenditures of Cruise Excursion Service.

We were much indebted to the Goyo Construction Co., Ltd. for this Conference Excursion Service.

We are thankful to him for his services. It remains in our memory that we enjoyed that Excursion on board.

### *(3) The 5<sup>th</sup> World Congress of the RSAI (Tokyo Congress)*

#### *Preparation :*

Apart from the International Conferences of the North American Meetings, European Congress and PRSCO of each super region affiliated to the RSAI.

A proposal of how about the holding of a big conference, that is World Congress, once per four years like Olympic was done from the Secretariat (perhaps Prof. Dr. Walter Isard), the 1<sup>st</sup> Congress of which was opened at the Harvard University, Cambridge, U.S.A. on June 14-15<sup>th</sup>, 1980 (s.55).

Though saying as a World Congress, the scale was more or less the same as the domestic meeting of the Japan Section, that is, not so large.

The 2<sup>nd</sup> World Congress was held at the Erasmus Univ. (Rotterdam, Holland) on June 4-15<sup>th</sup>, 1984 (s.59), which also was not a large one. There was an episode that a latest programs were shown on the board by handwriting of Prof. Dr. Walter Isard, every morning. We felt that something had to be done about it or lots of things. The 3<sup>rd</sup> one was held in Jerusalem on April 2-7<sup>th</sup>, 1989 (h.1). Nobody maybe attended from Japan.

The 4<sup>th</sup> World Congress was held in Palma de Majorca, Spain, on May 26-30<sup>th</sup>, 1992 (h.4).

At the Business Meeting, it is decided that the 5<sup>th</sup> World Congress will be held in

Tokyo.

It seemed to us that though we would be just burdened with troubles, on the other hand, there was unknown potentialities; so we had accepted the holding of 5<sup>th</sup> World Congress.

Moreover we wish partly to carry out the coming & splendid World Congress so as to go down in history. We had a feeling that it could be done. As we had experience that we could cope with the 8<sup>th</sup> and 11<sup>th</sup> PRSCO Conferences, it seemed to us that we would be able to fulfill something more than so far.

*The Honor of Presence of the Emperor and Empress had been determined:*

In the Science Council of Japan (SCJ), the International Conference had been determined, at which the Emperor and Empress would be present, and which (IC) was strictly superintended in cooperation with the SCJ; fortunately, our 5<sup>th</sup> World Congress was nominated as a pertinent Association; here H. Kohno was nominated to be Chairman of the Organizing Committee;

In the Opening Ceremony of May 3<sup>rd</sup>, 9:45-11:50, 1996 (h.8), the gracious short address from the Emperor were delivered.

On an earlier occasion of it, we were expected to deliver a lecture on the regional science in the presence of the Emperor and Empress at the Imperial Court, so I felt tense in the solemn atmosphere, and proceeded to the Imperial Palace, accompanied by Prof. Yashio Kimura, President of the Japan Section at that time. We had lectured to overrun our scheduled time of 60 minutes to well more than 100 min. We had corresponded to the enthusiastic and high level in quality of questions& comments of the Emperor and Empress. It was a very great honor for us to be rendered such an occasion.

*The Place for the Congress, Programs & Sessions :*

What we had taken great pains to hold our Congress, was that how we should plan and manage our Tokyo Congress so that we should have foreign participants from all over the world enjoy Tokyo to the full, in the heart of metropolitan Tokyo. Moreover, we had to find out reasonable & convenient hotels and restaurants the same as the preceding time.

Though there was, so far, an expression of holding in London or Paris, that was situated in the suburb distant from the CBD; concerning New York, no mention yet.

So as to meet these needs, we, organizing committee, had determined to be indebted to the Rissho University for the Place of Congress situated in Ohsaki,

Gotanda.

The Chairman of the Host University was nominated to be Prof. Katsuya Fukuoka, Dean of the faculty of economics. Opening Ceremony was held at the Dr. Tanzan Ishibashi Memorial Hall where our Congress was honored with the Emperor's presence, with valuable address. The lodging was in the New Otani in Tokyo, adjacent to Ohsaki station of JR.

Main Congress dinner (May 4<sup>th</sup> evening, 1996) was served at Chinzan-so of FUJITA KANKO INC. where Mr. *Masayoshi Matsuzawa* was the representative director & company president; who was excellent & one of seminar members of Prof. Dr. Yasuhiko Oishi, Chairman of the Tokyo Congress of this time.

For a letter of request written by Prof. Y. Oishi, the leading professor of seminar, we, Secretariat had received a courteous and heartwarming 'letter of invitation' as the return letter by President M. Matsuzawa to Prof. Oishi.

Through the good offices of president Matsuzawa, our Congress Dinner was praised to be supreme (main dish was that of special fillet steak).

The hall was the largest one (seating capacity of 350 or more) among banquet halls of Chinzan-so, the charge of which was usually 330,000 yen, but we had this for almost free. Participants were generously served the dish graded-up and equivalent in quality to the dish of 10,000 yen for our payment to the dish of 7,000 yen.\* The individual charge of participants was only 3,000yen perhaps.

\*For reference, *we dare to attach it here.*

Concerning about the compilation of Sessions Program, Prof. Yoshiro Higano and others, Program Committee, were completely perplexed, because we were greatly disturbed by those who make the program committee give rise to some alteration of almost finished program, saying as "being absent at a few days before," "one could not attend morning session," etc.



But, as our method of program compilation were technically modernized, contrary to outsider's expectation, we did do our work without a hitch.

*Formal connection of foreign participants to Procedure:* 1) The ceremony of the Courtesy Call to the Emperor and Empress had been payed by Prof. Dr. Kingsley E. Haynes & Mrs. Haynes, President of The RSAI at that time (George Mason University <The Institute of Public Policy>). Because our 5<sup>th</sup> World Congress had to be performed under the joint auspices of both The Science Council of Japan (SCJ) and The RSAI which was provided for in the Law; that is, the partner of "joint" was not the Japan Section (The JRSA), but the RSAI itself; so to speak, the "joint auspices" with the SCJ is of an elevated one., so we did need the Courtesy Call from the RSAI to the SCJ, that is,

to the Emperor.

2) *Concerning the order of seats*: (whom, to which seat) of our Congress Dinner at the Chinzanso, Four Season Hotel, the work of making complete list of allocating about ten persons to each Table was considerably hard, for which not only Y. Higano, H. Kohno, but also Prof. P. Nijkamp contributed greatly till late at night. By showing this list on the board of entrance, the sitting at each seat had done smoothly, then all participants could enjoy themselves. It seemed that every person had successfully a good time.

*Fundraising for our World Congress*: Different from the previous Conferences of the 8<sup>th</sup> PRSCO, (the last but one ) and 11<sup>th</sup> PRSCO (the last) was very difficult in the extreme; however we were rendered much donation suitable to the name of World Congress because that our World Congress was of extremely high ranking one.

We had been given at the highest rank, by the Commemorative Association for the Japan World Exposition, almost similar to the last (the 11<sup>th</sup> Singapore Conference) and the last but one (the 8<sup>th</sup> Tokyo Conference).

The donation from the nongovernment organization was as follows:

The holding such a big congress is made possible by the sponsorship of the following supporters:

1) *by Association*

Commemorative Association for the Japan World Exposition  
Kashima Science Promotion Foundation

- (1) The Tokyo Bankers Association, Inc.
- (2) Regional Banks Association of Japan, Inc.
- (3) The Trust Company Association of Japan
- (4) The Marine and Fire Insurance Association of Japan, Inc.
- (5) Association of Tokyo Stock Exchange Regular Members
- (6) Japan Foreign Trade Council, Inc.
- (7) The Federation of Electric Power Companies
- (8) The Japan Gas Association
- (9) The Japan Electrical Manufactures' Association
- (10) Electronic Industries Association of Japan
- (11) Communication Industries Association of Japan
- (12) Japan Electronic Industry Development Association

- (13) Japan Automobile Manufacturers Association, Inc.
- (14) The Federation of Pharmaceutical Manufacturers' Association of Japan
- (15) Japan Federation of Construction Contractors, Inc.
- (16) Japan Civil Engineering Contractors' Association, Inc.
- (17) The Real Estate Companies Association in Japan

2) *by Association, but its constituent Company Base*

*The Japan Electrical Manufacturers' Association* (9)

Hitachi, Ltd.  
TOSHIBA CORPORATION  
Matsushita Electric Industrial Co., Ltd.  
Mitsubishi Electric Corporation  
Sanyo Electric Co., Ltd.  
FUJI ELECTRIC CO., LTD.  
MEIDENSHA CORPORATION  
Yasukawa Electric Corporation

*Electronic Industries Association of Japan*

(≡ Japan Electronic Industry Development Association) (10)

SONY CORPORATION  
ALPS ELECTRIC CO., LTD.  
TDK CORPORATION  
Victor Company of Japan, Limited  
PIONEER ELECTRONIC CORPORATION  
MURATA MANUFACTURING COMPANY, LTD.

*Communication Industries Association of Japan* (11)

NEC Corporation  
FUJITSU LIMITED  
Oki Electric industry

*The Federation of Pharmaceutical Manufacturers' Association of Japan* (14)

Ymanouchi Pharmaceutical Co., Ltd.  
Takeda Chemical Industries, Ltd.  
SANKYO COMPANY, LIMITED

3) *by Company*

The Tokyo Electric Power Company, Incorporated  
NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT)  
KDD (=KOKUSAI DENSHIN DENWA CO., LTD.)  
ALLNIPPON AIRWAYS CO., LTD. (ANA)  
JAPAN AIR LINES COMPANY, LTD. (JAL)  
Shiseido Company, Limited  
TAKUMA CO., LTD  
KOMATSU LTD.  
FUJITA KANKO INC. (Chinzan-so)

4) *by Social Contribution Groups and Others*

- a) Nissho School of Bookkeeping
- b) Mitaka Management Research Institute
- c) Mitaka Young Men's Association
- d) Tokyo Mitaka Lion's Club
- e) Tokyo Inogashira Rotary Club
- f) Soroptimist International of the Americas Inc. Japan Higashi Region Mitaka
- g) Tokyo Mitaka Rotary Club
- h) others

On behalf of the Local Organizing Com., Fund Raising Com. & Programme Committee of the 5<sup>th</sup> World Congress; The Council Meeting of the RSAI, the Standing Secretariat of the PRSCO, the Japan Section of the RSAI, and participants in the Tokyo Congress, we would like to express our gratitude for the financial support of the above organizations in making this Congress active and successful. Without these aids, we are afraid that we will not be able to fulfill our ambitious target set up at the beginning. So, here, I again thank the organizations mentioned above for the generous donation which they have rendered us so far.

***III) Acknowledgements to Foreign Participants***

For these fifty years, there are many, innumerable, foreign scholars who have given advices and suggestions to the Japan Section, and have delivered instructive comments on its growth and development. Though we cannot enumerate all of them, we will try to mention very small part of them, who are still continued to the present:

Those are Prof. Dr. David E. Boyce, Prof. Dr. Geoffrey J.D. Hewings, Prof. Dr. Lay

James Gibson, Prof. Dr. Kingsley Haynes, Prof. Dr. Roger Stough, Prof. Dr. Kieran P. Donaghy, Prof. Dr. David A. Plane in the USA, and Prof. Dr. Peter Nijkamp, Prof. Dr. Peter W.J. Batey, Prof. Dr. Antonie Bailly, Jacques Poot in the Europe who had already appeared. To those, we express our gratitude.

By the way, the full names of successive Presidents of the RSA & RSAI are shown in Section 8-5) as an appendix to Section 7.

*Prof. Dr. David E. Boyce*: when he had put all his energies into the various active works as International Conference Coordinator in the Headquarters of the RSA, we appealed to have him include the publication of Papers of our PRSCO in the Headquarters; fortunately he turned not too being negative but he was going to deal with this problem positively. We, here, afresh, express our appreciation of his firm resolution, by which we, Japan Section, can't say in a word how we are saved from the financial difficulty. It is presumed that the headquarters side also may be aware of any advantage that they can keep The Journal Publications under their control, not only those of both the North American Meetings and the European Congress, but also including that of the PRSC.

*Prof. Dr. Geoffrey J. D. Hewings* : He was, for a long time, Secretary of the headquarters of the RSA & RSAI, and managed the office work; as almost in the same period, Kohno was Secretary of the Japan Section and the JRSA, we were indebted to him for the various problems. We, here, are thankful to him with our whole heart. In the reign of him, we continue to send annual fees of large number of International members to his Offices, and now of course.

Prof. Dr. Lay Games Gibson : as Secretary of the Secretariat of the Western Regional Science Association, he devoted himself for a long time to the WRSA and the RSAI. I was so much obliged to him for his advice and comment from wide view.

*Prof. Dr. Kingsley E. Haynes*: As shown the above, when he was President of the 36 period (1995-1996) RSAI, the 5<sup>th</sup> World Congress was held, under the joint auspices of the RSAI and the SCJ, so that he and Mrs. haynes had to do the courtesy call to the Emperor & Empress because they are formal representative of the SCJ. As the above, he and Mrs. Haynes had the honor of good part.

*Prof. Dr. Roger Stough* : At the period of when he was nominated to be President of the 42<sup>nd</sup> period RSAI, he has established a prize of The Hirotada Kohno Award in the RSAI, because, from the close observation of Kohno, he came up with an excellent idea that the RSAI from now on will need a person such as Kohno who is not so good at English, but doesn't say much, that is a man of few words; however, has accomplished something worthwhile through the continuous endeavor. Of course, though it is not

good to be only mild,' it seemed to him that the long development of the Japan Section would be deeply indebted to Kohno and his group for what the Japan Section is today. This is understood, judging from the fruits of the 11<sup>th</sup> PRSC (Singapore Conference) and the 5<sup>th</sup> World Congress (Tokyo), The RSAI will, hereafter need 'presence' like him. He declared at the General Business Meeting of the 54<sup>th</sup> North American Meetings, Savannah, on Nov. 10<sup>th</sup>, 2007 that this is the reason of this 'Award' establishment.

The 1<sup>st</sup> award was rendered to Prof. Dr. Kieran P. Donaghy, Secretary of the headquarters of the RSAI over a period of 7 years from 1997 to 2003, for the award ceremony of which Kohno also attended and had the honor of giving the award to him.

When the founding of this award was determined, I was praised, being said, "What a fine thing for you; your name will remain forever," from many friendly participants of non-Japanese of the seats of the business Meeting. I think that it is so.

*Prof. Dr. Kieran P. Donaghy*: With Prof. Donaghy, I had an opportunity to stay the same hotel a few times in the European Congress; in such a case, he used to walk to the conference site, and I followed him out. But I alone usually didn't walk to.

As I go along, I found out and was very impressed that he read a series of our "Optimal Allocation using Input-Output Programming Model." It became clear that we (he and I) were pursuing almost same special field.

*Prof. Dr. David A. Plane*: He has recently contributed the paper of "The Role of Hierarchical Proximity in Migration and Population Growth: Shadow versus Synergy Effects," to *the Studies in Regional Science* of the organic paper of the JS; and rendered services to the academic exchange between the WRSA and the Japan Section.

When we participated in the Annual Meeting of the WRSA, and seeing him, we think that he used to remind us of a commander of the North army in the western period drama; that is, his personality is always steady, dependable and clean; and can receive to be incarnate of the American spirit.

*Prof. Dr. Peter W.J. Batey*: since I met him at the 16<sup>th</sup> European Congress (Aug. 24-27<sup>th</sup>, 1976), I have been acquainted with him during the past 35 years. He has a good memory for names and everything, and reliable & gentle.

I am struck with wonder how fluently he speak English, though it is natural for he is Englishman. It is also because I had learned English by the text of Jack & Betty.

Though I have been thinking of holding a 'regional science' seminar with Prof. Batey as leader, I cannot realize yet this plan into practice.

*Prof. Dr. Antoine Bailly*: He was Presidents of the 6<sup>th</sup> World Congress, next to the 5<sup>th</sup> one hosted by Japan, and of the 40<sup>th</sup> period (2003-04) RSAI. We became acquainted with each other by virtue of transferring my duties to next successor.

After that, as a Post ERSA Field Trip of the 47<sup>th</sup> European Congress, he planned our mutual friendship Trip, which was around one of three days and two nights from Lyon of South France → Geneve of Swiss → the skirts (the plains at the foot) of Mt. Blanc on the schedule of September 2-4<sup>th</sup>, 2007 (h. 19); for which a group of about twenty persons were formed, including mainly Americans, and Japanese of Prof. Y. Higano & Mrs. Higano and H. Kohno & Mrs. Kohno. This Trip was that of magnificent program.

In this plan, there were a series of many good places not many people know about and not understandable for persons from abroad; during our trip, there were wonderful lunches, dinners and win. If we obtain that program now, I wish again to go to here and there. I pay deeply our respects to Prof. Bailly's extraordinary talent.

*Prof. Dr. Jacques Poot* : We were so much obliged to him for his good offices, when we must bring together a lot of papers of the 5<sup>th</sup> World Congress into *Regional Cohesion and Competition in the Age of Globalization*.

When he was one of visiting professors, we had a dream that we had him become a permanent professor of the Tsukuba University, but in vain for he has had splendid residence with pool facilities in New Zealand. Anyway, he has much personality.

*Prof. Dr. Peter Nijkamp* : He has been attending the Annual Meeting of our Japan Section over a period of 20 and more years every year without fail, acting as chairperson or discussants and presenting his own innovative papers; whom we have asked to inspire Japanese members and raise the morale of them. So, he is one of the greatest men of merits.

He appeared to attend the 7<sup>th</sup> PRSC (Surfers Paradise, Australia) 31 years ago on Aug. 16-20<sup>th</sup>, 1981 (s.56), and leave his paper of "Causality Analysis in Soft Spatial Econometric Models," *Papers of The RSA*, vol. 51, 1983.

At the Tokyo Conference of 1983, he acted as chairperson and leaved his paper, but returned home early for any work to do.

It was when the relation of him and the Japan Section had gotten more deeply involved that he would have been interested in the International Conference method of "Cooking locally and Bringing into the Site" Procedure which we adopted in The 11<sup>th</sup> Singapore Conference.

It was at the 12<sup>th</sup> PRSC (Cairns Conference) on July 7-12<sup>th</sup>, 1991 (h. 3) that he and Secretary of the Secretariat of PRSCO (Kohno) should have made sure to express the depth of their expectation for the future prospect of the "Regional Science. "

We had talked about 3 hours from the evening 8:00pm. It is unforgettable for me, for I had broken down from getting drunk owing to four cups of Margarita.

Since at that time, he have been attending to have positive contact with the Annual Meeting of the Japan Section. It is 21 years since then.

At the Council Meeting of the 37<sup>th</sup> European Congress (Aug. 26-29, 1997) held in Rome, H. Kohno had been elected to President of the 38<sup>th</sup> period (1999-2000) RSAI (Vice-President for 1998).

On my way Hotel, somehow or other it had come to be said somewhere, how about having a meal ! So we looked for any restaurant. But no suitable one; then we had returned to our InterContinental Hotel where we stayed. Small dinner party had begun, then the party had really come alive gradually.

In the morning of this day, though Kohno had left his purse behind in the taxi, however in the evening the lost article (purse) had been taken to the Hotel by the taxi driver, so virtually no harm was done. It was said that this was an infrequent matter in Rome. So that, I had become to be 'high'. In such a way, all the members had chatted with each other gradually in a loud voice. We had never enjoyed ourselves so much in our occasions.

By the way, being in next morning, we had become famous for our boisterous merry making of loud voice, It was because this Hotel was built in wellhole style from the 1<sup>st</sup> floor of underground to the 10<sup>th</sup> floor, our loud voice would reach each floor of the entire building (whisper: at that time, it seemed to us that the Prof. Nijkamp's voice 'Ahhaha' might be the most Loudly one.)

The reason why we now put this small dinner party on record, is that we would like to write the above down as an important shot of the descent of our DNA of Latin Hospitality.

For us, the phenomenon of an "upsurge" in the various groups here and there, on and off will be very important to our development and growth toward for the future, the characteristics are as follows: 1) no 'ill feeling'; b) "be frank" from the bottom of our heart; c) "rely on" each other; d) "reach a stage" where one can take a rest from one's work, etc. When these conditions will be satisfied, we will be able to get the upsurge, then to the growth of our RSAI.

The participants of this occasion are surely : Prof. Peter Nijkamp ; Prof. Aura Reggiani ; Prof. Peter Friedrich, Prof. Jacques Poot ; Prof. Y. Higano & Mrs. Higano ; H. Kohno; and other one person. However, even if we again should gather anywhere by the same members, we cannot obtain the same effect as the above.

#### *IV) At the End~ Additional Word to Promising Future~*

The afore-mentioned, we have brought about the ancient history of our Japan

Section and the JRSA as the Japan Section in the Beginning, partly touching on the medieval history.

As to the contemporary history, Prof. Dr. Yoshiro Higano has been making it these 15 years more or less, as Secretary of the Secretariat of Japan Section & the PRSCO, and recently moreover as President of the Japan Section & the RSAI. Especially, he has been devoting his energies to have a 'regional science' group of the People's Republic of China join The PRSCO and The RSAI. If his cherished desire should turn into reality, this will be going to be a major turning point in the RSAI, and a new ground in our field of investigation of the RSAI will have been established in the near future. We do look forward to such a new ground.

Still more, here is one more thing to refer to, which is the International Contribution by Prof. Dr. Yasuhiro Sakai and Prof. Dr. Makoto Tawada who continue to assist President Y. Higano.

Prof. Y. Sakai has contributed to various tasks of the Japan Section. Especially, he contributed to have "Studies in Regional Science" of the organic journal of Japan Section included into the object of screening of *the Journal of Economic Literature*. It seems that this is a difficult mission. We must make all possible efforts so that all of us may repay him for his good offices. At any rate, it is an incentive which is hard to get. We have Prof. Dr. Makoto Tawada accept the post of the Chief Editor of *Studies in Regional Science*, who must manage our Journal of 4 separate volumes per year amounting to 1200 pages.

This is quite different from Annual Report of one volume per year of an age ago. He must input his vast time and intellectual powers. He has engaged since 5 years or more ago, and from now on, too.

As this is to impose stupendous burdens on him, we don't know how to express our appreciation to him.

This important duty is of the mission which has been descended from the earlier contribution of Prof. Dr. Yoshio Kimura who had taken charge of the editing of the 2<sup>nd</sup> Volume (English version) of our Journal 20 years more or less ago. To these Editors, we sincerely express our gratitude.

Here, we will finish this draft, referring to the two, three plans for the reform, which have not yet now realized, out of my "Presidential Address" [1] which had delivered at the time when the 1<sup>st</sup> International Symposium as a sub-system of the Coming World Congress <The 7<sup>th</sup>> had held in the South Africa (January 24-26<sup>th</sup>, 2000).

Those are : (1) International Members Doubling Plan, and (2) Burden-Equalization Policy of Annual Real Fees, wholly irrespective of advanced nations or developing nations.

*(1) International Members Doubling Plan*

The number of members ( payment base of annual fees) of RSAI are now about 4,000 more or less, being not as good as other International Associations. So, we will intend to double this 4,000 to about 8,000 members, and to 10,000 and more in the near future.

First of all, we plan to let most countries establish its own Section of the RSAI, and let countries which have already had its own Section increase number of members. For this purpose, we, members of the RSAI, must be well acquainted with theories and practices of regional version of economic policy, not that of nationwide version. That is to say, we must write out effective policy prescriptions.

In order to develop our RSAI by leaps and bounds, it seemed that there is no effective prescription of policy, excepting to cultivate new members by making inroads into the Third World, which will be royal roads judging from the principle (constitution) of the Association, so that Prof. Peter Nijkamp and I started to propagate our idea of regional sciences to the South Africa twice, the fruition of which was the 1<sup>st</sup> Symposium of the RSAI(Jan. 24-26, 2000) where the main theme was “Challenges for Integrated Regional Development: International and South African Experiences” (The Port Elizabeth Technikon, South Africa).

This Conference continues to the next The formal 7<sup>th</sup> World Congress at the same site (on April 14-17, 2007); and the next after next The 8<sup>th</sup> World Congress (in Brazil).

To the end that we make the RSAI expand remarkably in terms of individual members level, we must actualize the cheaperization of annual fees in terms of individual members level which will be proposed in the next paragraph.

*(2) Burden-Equalization Policy of Vertical-Real-Individual Annual Fees*

How important the cheaperization of annual fees in terms of individual members level for the purpose of making in roads into the Third World, Kohno did feel keenly when he was Councilor of the Council Meeting for several years before and behind taking office as President of the RSAI (1999-2000). It was different from the annual fees problem at the board of directors of the Japan Section. So, such being the case, next proposal is presented.

In order for members of the 3<sup>rd</sup> World to increase, we must cope with the burden-equalization policy of vertical-real-individual annual fees to the effect that it is adjusted with 'exchange rates' and 'real income disparity'.

It is difficult or impossible for us to increase a number of members, leave the annual fees of the headquarters: US\$65 as it is. This idea was proposed as "Burden-Equalization Policy of Vertical-Real-Individual annual fees by country or section" [[1], pp.6-7].

Here, to be "Vertical" is the equalization through 'domestic→super regional→international;' to be "Real" is the adjustment based on the per capita real income; and to be "Individual" is meant to cope with another measures to corporate members.

At present, "student members" are at half the fees; "Online only" is to be US\$10, so that our proposal here is going to be satisfied in a sense; however, after all, "Print plus Online" base (Journal and Newsletters) must be satisfied.

Nothing is better evidence than the fact that the prescriptions such as "Online only", etc. can not yet contribute to the increase of members. This target will rest on presidents and councilors of the RSAI from now on.

I will lay down my pen, praying for the eternal development of the Japan Section and the RSAI.

[1] Hirotsada Kohno, "Bright Future of the RSAI ~Presidential Address~".

The 1<sup>st</sup> International Symposium of the RSAI ~Challengers for Integrated Regional Development: International and South African Experiences~, Hosted by and held in the new campus of *The Port Elizabeth Technikon*, Port Elizabeth 6000, SOUTH AFRICA, The Regional Science Association International, January 24-26, 2000; 8pp.