

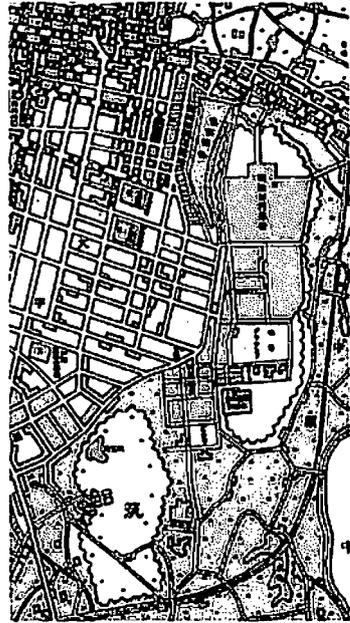
The Former Matsumoto and Yasukawa Residences: Their Architectural Value and the *Regional Zaibatsu* Representation of Japan

Norikazu SHIMIZU

An entry gate belonging to two family residences blends seamlessly into the dense vegetation provided by a grove of trees in the southern part of Yomiya Park, located in the central part of the City of Kitakyushu.

In the waning days of the Meiji era, the coalmine owner/industrialist father-son combo of Keiichiro Yasukawa and Kenjiro Matsumoto purchased 65 hectares (650,000 m²) worth of fields and wilderness - including Abeyama, which is famous for its cherry blossoms - with the idea of establishing a technical school. These private residences were built in a grove of trees on the southern slope of a hill at this site.

As one of the more magnificent of the original Western-style structures still in existence in Japan, the former Matsumoto residence, which is currently the home of the West Japan Industrial Club (*Nishi Nihon Kogyo Kurabu*) and is a designated Important Cultural Property, is often referred to as "*A Palace of Personifying the Art Nouveau Design.*" Adjacent to this structure sits the former Yasukawa residence, which was built to serve as an additional living quarters. This structure has remained intact over three imperial periods - the Meiji, Taisho and Showa eras - and serves as a reminder of the transition over to a blending of Japanese and Western styles that characterized this time.

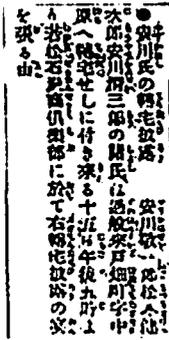


Purchased estate by Yasukawa
(estimated)
(Map of Tobata, 1932)



Skyscape of Yasukawa Matsumoto residences

1. The Architectural Value of the Yasukawa and Matsumoto Residences



A moving ceremony
(Mojisinpo, 1910. 12. 14)

The fourth son of the Kuroda feudal retainer Sadashichi Tokunaga, Keiichiro Yasukawa was born in Torikai village in Fukuoka. The eldest son of the family, Orito, was the heir apparent of the Tokunaga household, so the second brother Hisomu was adopted into the Matsumoto household, the third brother Megumu entered the Isojima household, and Keiichiro was adopted into the Yasukawa household. Keiichiro's second son

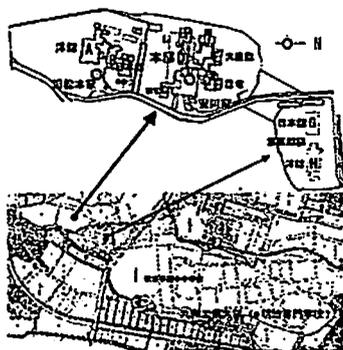
Kenjiro was later adopted into the household of Hisomu Matsumoto and became the heir apparent to the Matsumoto household.

[See attached diagram 1: Family lineage of the Yasukawa and Matsumoto clans]

Hisomu Matsumoto's grandfather, Heinai Matsumoto, proposed methods for developing a coal monopoly in the Fukuoka Domain during the closing days of the Edo period and utilized a meeting place, the Ashiya Club, as a venue to pursue such efforts. The brothers Hisomu and Megumu started the coal mining operation as a business venture when the hereditary stipend system was abolished during the Meiji period. Megumu Isojima was killed during the Saga rebellion of 1874, forcing Keiichiro to give up his scholarly pursuits at Keiogijuku to take over the reigns of the coal mining operations. In addition to the coal mining business, the brothers Hisomu Matsumoto and Keiichiro Yasukawa also placed a great

deal of importance on coal marketing activities. With the opening in 1877 of the first sales outlet for Yasukawa coal in Ashiya, located at the mouth of the Onga River, the families moved their residences from Kurategun Hase to Ashiya. Associated with days gone by, the business was referred to as “the Club.” The Wakamatsu Harbor Construction Company (*Wakamatsu Chikko Kaisha*) was established in 1890 and a railroad was opened in 1891 resulting in the much-anticipated move from Ashiya to Wakamatsu of the loading port for Chikuho coal. The main business was relocated to Wakamatsu Sendomachi in 1886, and the family residence was also moved to this location in 1889. After the war between Japan and Russia, the families set their sights on land on the opposite shore, in Tobata, as the site to build a technical school as well as the Meiji Spinning Company facility. The family residence was also relocated to this site and a moving ceremony was held on December 15, 1910. With the retirement of Keiichiro Yasukawa in 1918, a new building was constructed in Tobata at the end of 1919 to house the facilities of Meiji Mining; Tobata thus became the base for operations of the company as well as the home of the Yasukawa and Matsumoto families.

Through the intercession of Tatsusaburo Kaneko (Kentarō Kaneko's younger brother), the Tobata site was purchased in 1906 and the Temporary Construction Branch of Yasukawa-Matsumoto (*Yasukawa Matsumoto Shoten Rinji Kenchiku-bu*) was established pursuant to the new construction of the Meiji College of Technology (area: 78,716 *tsubo*, or about 260,550 square meters) and the residences for both families (Yasukawa residence: 10,589 m²; Matsumoto residence: 12,540 m²). Founded in 1907, this organization was dissolved at the end of June 1913. Through the introduction of Keiichiro's old friend, Yoshimi Hiraga,



The estate at the present

Kosaburo Kubota came from the Temporary Construction Branch of Sumitomo (*Sumitomo Rinji Kenchiku-bu*) to work as a senior staff member at the Temporary Construction Branch of Yasukawa-Matsumoto in 1908. With Kingo Tatsuno in charge, the Design Offices of Kataoka Tatsuno oversaw design duties. Due to their connections

with Kubota, Unraku Aihara, Shintaro Kiuchi and others from Sumitomo were given the task of developing the residence's interior design, and employees from the Konoike Construction Company were transferred in to form the Temporary Construction Branch of Yasukawa-Matsumoto. The Art Nouveau style that characterized the residence, as well as its interior and furnishings, was the result of the efforts of these individuals.

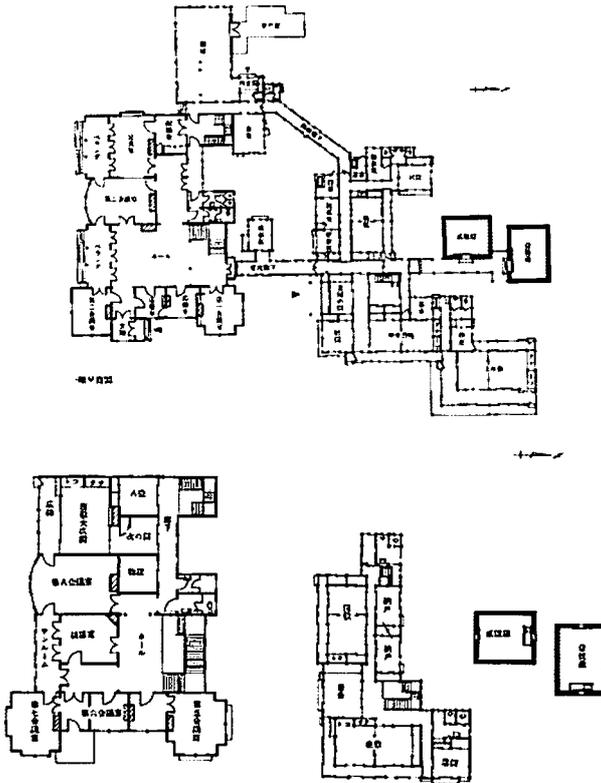
(1) The former Matsumoto residence



Kenjiro Matsumoto

The former Matsumoto residence was built both as a home for Kenjiro Matsumoto (1870-1963) and his family as well as to serve as a reception hall for the Meiji College of Technology. Comprised of two structures - one Western-style and the other traditional Japanese-style - it is typical of the houses built for the upper classes during the Meiji period. Having an area of 1,100 m² (current measurement), the Western-style building is a two-story wooden structure with a slate roof. The Japanese-style dwelling is a two-story wooden structure with a tile roof and has an area of 730 m² (also current measurement); it is connected to the Western-style structure via a passage.

The Western-style structure features seven rooms of various sizes on the first level (total area: 208.4 m²), including a banquet hall (162.9 m²), a guest room, a dining hall and a study. Access to the second floor is via a stairway from the banquet hall. The second floor consists of seven bedrooms of varying sizes and three Japanese-style rooms featuring tatami mat flooring (18-mat, 9-mat and 8-mat in size) which surround the upstairs hall (total area: 208.4 m²). A side entrance and kitchen are contained in a small area that protrudes from the main structure.



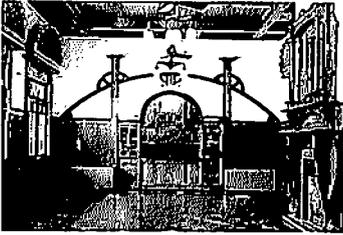
Floor plan of Matsumoto



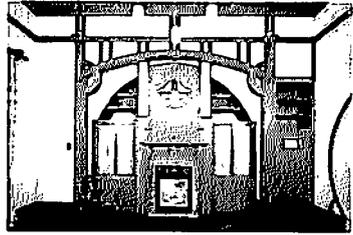
The outside appearance of Western-style building



A banquet hall



A dining hall



A bedroom



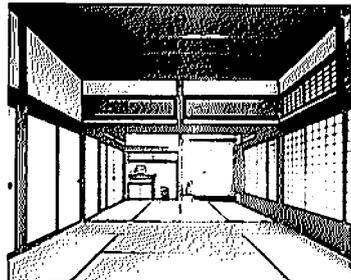
A Japanese-style room

The Japanese-style dwelling consists of two structures that are lined up together so as to appear much like a flock of geese in flight. The first level consists of a carriage porch and foyer, a central drawing room (8-mat with an 8-mat ante-

chamber), a corridor separating the veranda from the main body of the building (17-mat), a large, attached tatami mat room (13-mat with a 10-mat antechamber) and other features. The second floor features a study with wooden flooring (8-mat) surrounded by a tatami mat room (8-mat with an 8-mat antechamber) on the east side, another tatami mat room



The outside appearance of Japanese-style dwelling



A central drawing room

(8-mat with a 6-mat antechamber) on the west side, a storage area and other features. Mr. Kubota, who served as the senior staff member of the Temporary Construction Branch of Yasukawa-Matsumoto, designed the structure.

A special characteristic of the former Matsumoto residence is the Western-style structure; the design of the façade, interior and furnishings were influenced by the Art Nouveau style. The façade of the first level consists of horizontal joints in a mock stone *ookabe-zukuri* - a wall encased in a fireproof coat of plaster - and tall, stately windows. The second level sports appealing wood framing in the half-timbered tradition of the Art Nouveau style. The steeply pitched roof, with its richly diversified blend of sharply rising and softly rounded hip-and-gable ends, combines with the asymmetrical form of the numerous inside and outside corners of the structure to provide a truly breathtaking sight.

With its softly arching entries between rooms and the classic lighting fixtures with their clean, sharp features acting as a focal point, the influences of the Art Nouveau movement are abundantly clear as exemplified by such features as the highly-detailed woodwork that renders the



A stained glass



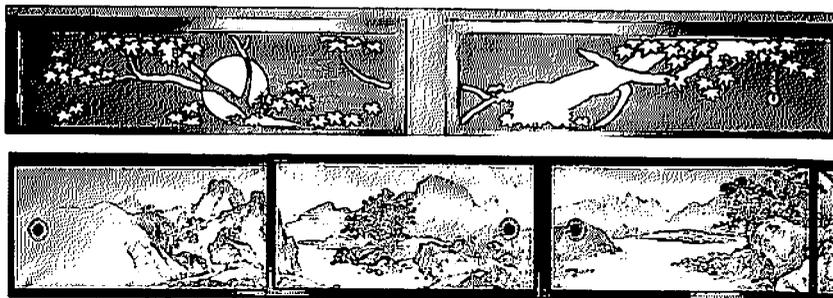
A Tapestry

ceiling into radials and squares and the fireplace with its varied decorative touches. The colorful stained glass that decorates the staircase of the banquet room - which was designed by Sanzo Wada and features luxurious grapes on a blue sky background, the "Bounty of the Sea" (*Umi no Sachi*) and "Bounty of the Land" (*Yama no Sachi*) tapestries that adorn either side of the landing on the staircase, the gentle, arching woodwork that forms a kind of bridge between the posts that stand before the staircase, the gold-hued painting of shrubbery and birds - also by Wada - that adorns the arched entryway to the dining room, and the symmetric west wall with its built-in cupboard - the bold design evident in all of these features is richly diverse and absolutely splendid, reflecting perfect balance and fine craftsmanship. Influenced by the Japanese Art Nouveau movement, the interior design elements here are acknowledged to be amongst the finest in the world. The tatami-mat rooms on the second floor also feature a hearth inserted amongst built-in shelves surrounded by a wall on which the traditional Japanese paintings of Hokkai Takashima are displayed. This technique of furnishing a traditional Japanese room with a fireplace was not uncommon during the Meiji period. However, design features such as the use of the art of Takashima, the vague curvature present in the built-in shelves and the gentle radius shape of the fireplace grate are all unique, as are the skillful techniques used to break the wall up into its different components. The structure represents not only a hereto unknown and splendid interpretation of Art Nouveau; as a Western-style dwelling, the former Matsumoto residence can also be considered to have attained the highest standards for architectural design and execution in Japan. (by Kazuko Koizumi)

Led by Goichi Takeda, who had graduated from the Architecture

Department of the Engineering College at Tokyo Imperial University, the Art Nouveau movement became popular in the architectural field in Japan from about 1901, the same period that it was coming in vogue in Europe. The movement was popularized by the work of Magoichi Noguchi, Yutaka Hidaka and others as represented by the Sumitomo Bank's Kawaguchi branch building, the Yokohama Bank Assembly Hall, the Heizaburo Tsurusaki residence, the Komoto Barbershop, the head office of the former Japan Wool Textile Company and other notable structures that were built at that time. With Mr. Tatsuno acting as consultant, the Temporary Construction Branch of Sumitomo was often referred to as a base for the Art Nouveau movement. (The Temporary Construction Branch of Sumitomo was established in June 1900 pursuant to construction of the main offices of the Sumitomo Bank. After the first-generation project consultant Hanroku Yamaguchi, who was said to have designed the Home Offices of the Yawata Steel Works, passed away from an illness, in June 1901 Kingo Tatsuno became the consultant, Magoichi Noguchi became Chief Engineer and Yutaka Hidaka became the Project Engineer.)

There are other examples of Art Nouveau besides the former Matsumoto residence. These include the fusuma drawings in the Japanese-style rooms of the Western-style house and the screen that adorns the entryway of the Japanese-style house, all the works of Hokkai Takashima (1850-1931). Even as a child Takashima was blessed with obvious artistic ability and upon reaching adulthood he became an engineer at the Mining Bureau of the Ministry of Works. From 1885 to 1888 he studied at the National Forestry School of Nancy, in France. It was at this time that he began sketching specimen diagrams, introducing the



The fusuma drawn by Takashima

fine arts of Japan to the region at the same time. It is thought that he greatly influenced the Art Nouveau style itself, as well as glass artist Emile Galle of the Nancy school of Art Nouveau. Japanese fine art of the period depicted small objects found in nature, such as flowers and insects, in an unaffected manner and, through the work of Mr. Takashima, an awareness of this art form was born, which would serve as the impetus for the artistic designs of the Art Nouveau movement and the Nancy School. An example of this can be found in the former Yasukawa residence in the form of two Takashima scrolls owned by Keiichiro Yasukawa. Dating from 1913, both of these depict flowering plants.

Looked at in this light, the Western-style structure of the Matsumoto residence is surely the perfect example in Japan of a house that “personifies the Art Nouveau movement” (by Terunobu Fujimori, Koizumi, Hiroshi Adachi, etc.) and can thus be thought of as an architectural structure with a great amount of historical significance.

NOTE:

The main points of the Explanation of Designation - which was given at the time the former Matsumoto residence was recognized for its value as a historical structure by being designated as an Important Cultural Property (1972) - are reproduced below.

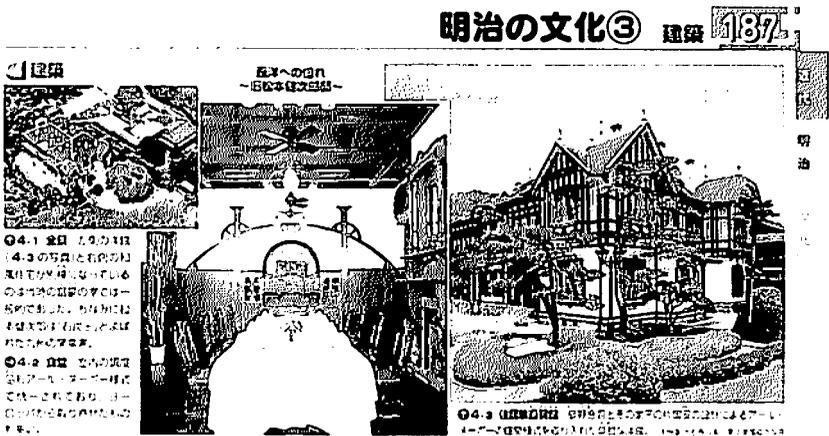
Explanation of Designation

The first structure to be built was the Japanese structure of the former Matsumoto residence, which served as the home of Kenjiro Matsumoto. It was built in 1909. The following year the construction of the Western-style structure was launched, with construction completed in 1911. To be utilized both as a personal residence as well as a reception hall for the Meiji College of Technology, the Western-style structure was designed by the architectural office of Tatsuno Kataoka. Up until well after the end of World War II this private residence was utilized as lodging by bachelor officers of the US armed forces, which were still occupying the country. However, in 1952 use of the property was transferred to the West Japan Industrial Club by Matsumoto, and thereafter the structure was used as a clubhouse and meeting hall.

The Western-style building is a two-story wooden structure. The façade of the first floor portion consists of a mock stone *ookabe-zukuri* (a wall cased in a fire-proof coat of plaster) while the second level boasts handsome wooden framing in the half-timber style. The roof is a mix between *yosemune* - Japanese hipped roof - and *kirizuma* - Japanese gable roof - and it also features gently arching eaves and other unique traits, as well as the liberal use of dormer windows. The interior features such amenities as a banquet hall, dining room and study on the first floor while the second floor is made up mainly of bedrooms. The master bedroom - an 18-mat room featuring an alcove with shelves - is tucked away in the southwest corner of the second floor, and there is also another 8-mat room as well as a 9-mat room on this floor. With its abundance of arches and curves, the influences of the Art Nouveau movement are quite evident in the design of this Western-style structure. The Japanese-style structure was initially designed as a single story-structure, but, soon after construction, Kenjiro Matsumoto had the second floor added on the occasion of the marriage of his son, Kanichiro.

The Japanese dwelling is divided into western and eastern sides, with the passageway leading to the Western structure serving as a boundary between the two. The eastern part features a banquet hall. Designed as a residence for the elite, it was considered to be very large at the time it was built. Along with its Western counterpart, the fact that this structure is in almost the same state as when it was built is significant, as it provides valuable documentation of the lifestyles of the Meiji period, which combined Japanese and Western influences. As the western part of the first floor is currently being modified to serve as a living room for workers, this part of the house is to be excluded from the scope of the Designation.

An example of an upper-class estate from the latter days of the Meiji era, the former Matsumoto residence is one of a handful of mixed Western / Japanese style structures surviving from this period. The Western-style structure also serves as an excellent example of the influence of the Art Nouveau movement towards the end of the Meiji period.



The former Matsumoto residence is appeared in a subtextbook of High School's Japanese History

(2) The former Yasukawa residence



Keiichiro Yasukawa

Unlike the former Matsumoto residence, which clearly reflects the architecture of the waning days of the Meiji period, the former Yasukawa residence saw structural alterations over the three generations of Keiichiro, his son Seizaburo and his grandson Hiroshi. These alterations to the original structure characterize much of the dwelling; they can be broken up into three generation-based time frames as indicated above. These time periods have been arranged in accordance with a report written by Yasuki Higuma pursuant to an examination of the former Yasukawa residence.

With Keiichiro Yasukawa as benefactor, the first phase of construction is represented by the Yasukawa estate, which was designed by Kubota of the Temporary Construction Branch of Yasukawa-Matsumoto (frame construction completed in April 1911). Yasukawa had initially requested that the offices of Tatsuno - Kasai design the structure. However, the style of Tatsuno's Western structures was not emulated; instead it was decided to build a structure with a more level layout.



Tatsuno's Western-style structures was not emulated

The first phase of the structure consisted of: 1) the principal residence, which was a mix of Western- and Japanese-style rooms (in 1937 the second floor was dismantled and moved to the *Meiji Mining Club's Yukokan House in Takeshitacho, Tobata*) with a first level that featured a sitting area with seating provided for guests and a second floor with a private room where the floor was to be used as seating; 2) a large Japanese style sitting room dismantled and moved from Wakamatsu (from a one-story house; 69 *tsubo*, or approximately 228 square meters); 3) the first dwelling, a one-story house of Japanese-style construction; and 4) two storage rooms constructed in the *ookabe-tsukuri* fashion. In other words, the first phase of construction consisted of four blocks of construction: the north side featuring a reception area, the south and northeastern side used for private residences, the southwest side used as a service area and the northwest side having storage facilities. These areas were connected via tatami-mat outfitted corridors and passages.

The reception area, private residences and service area were functionally separate, with these different areas built so that they joined to form something akin to a samurai house. A structure that conjures up images of traditional Japanese architecture, the dwelling can be thought of as Japanese-style house that freely utilizes Western elements.



The first principal residence
(Meiji Mining Club Yukokan, 1937)



A large Japanese-style sitting
at the present



Two storage rooms at the present



The secondary dwelling at the present



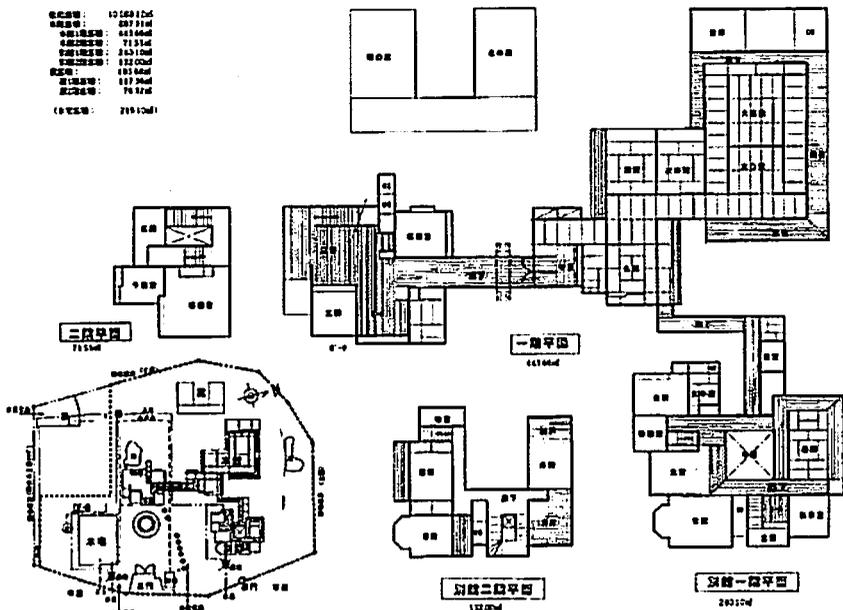
The porch of the second principal residence at the present



Southerly view of the second principal residence



Outside the gate at the present



Floor plan of Yasukawa residence at the present

A Western-style structure that served as a private retreat for Keiichiro constituted the second phase of construction. With Shimizugumi in charge of design and construction, frame construction finished in November of 1926 with all work being completed in June of the following year. During this period, the primary residence was utilized as the estate of Seizaburo Yasukawa. The east- and south-facing sides of the second residence featured a Western-style façade composed of a parapet roof, a waist-high partition wall of mock stone and tall windows, while the interior consisted almost exclusively of Western-style rooms. However, there were also two Japanese-style living rooms, and the façade of the northern side of the first level was in a Japanese style with the west side featuring a one-story structure with a Japanese-style façade. In its

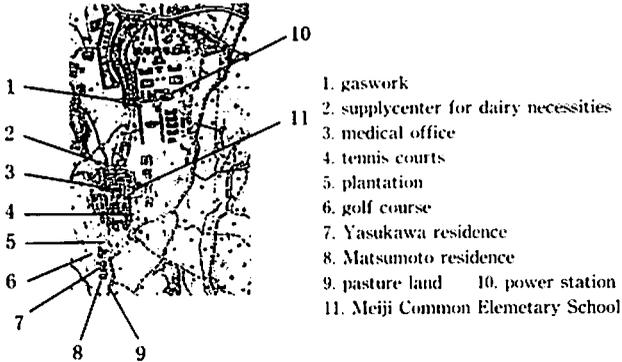
entirety the premises thus displayed a blending of Western and Japanese styles.

In May of 1937 construction of the second primary residence was started, a Western-style structure that was to be built where the first primary residence had been. The sponsor of this work was Hiroshi Yasukawa. Shimizugumi was also in charge of this project, which was completed in November 1938. This marked the third phase of construction at the estate. The second primary residence was characterized by a convex-pitched tile *yosemune yane*, or hipped roof, and a picturesque exterior made possible by the accentuated chimney and roof. A flat, wooden roof and terrace was also adopted and a touch of modernism was created through the addition of the latest architectural techniques. The layout of this second residence included such features as a dining room that extended out in a semi-circular fashion from the south side of the structure, a series of large windows in the raised-floor kitchen, a spacious, open living room and a woman's quarters that opened onto a garden on the south side. Furthermore, with such amenities as a sunroom and terrace, this house had a hygienic, healthy feel and quickly came to set the standard for modernization in the post-war years.

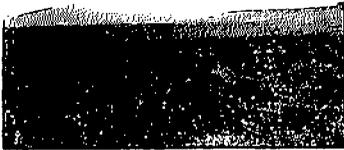
There was a change from an initial emphasis on a purely Japanese style during the first phase of construction to a blending of Japanese and Western styles during the second phase, and then to an emphasis on Western architectural style during the third phase of work. In this way, we can readily see the changes in architectural composition from the waning days of the Meiji period - a time when the structure was characterized by a basic composition consistent with its role as the home of a modern industrialist - through the end of the Taisho period, when

Western features began to be assimilated into the structure, and into the early part of the Showa period with its modernist orientation (by Higuma).

Constructed over three generations, the following features of the former Yasukawa residence are still present: 1) a large tatami room built



The various facilities of "Utopia Meiji College village"



A massive area purchased by Yasukawa



The Main building designed by Tatsuno



A panoramic view of Meiji College

during the middle of the Meiji period and then dismantled pursuant to being moved (from the former Yasukawa estate located in Wakamatsu) and two storage facilities built near the end of the Meiji period; 2) the second Western-style residential structure, which was built near the end of the Taisho period; and 3) the entryway and a single-story tea room belonging to the second principal residence, which was built in the early part of the Showa era. These remaining features offer a glimpse into the unique architectural style of the Yasukawa residence and the changing lifestyles of the past.

A unique feature of the Yasukawa and Matsumoto residences is their utilization of a massive area of 65 hectares; it is as if a so-called “utopian Meiji College village” has been built here.

The various facilities of the Meiji College of Technology and the Yasukawa and Matsumoto residences were constructed at the same time, near the end of the Meiji period. The first structures completed by the Tatsuno Design Office were the student dormitory (January 1909) and the main building (March 1909). Next, the dining hall, a fencing and judo gymnasium and the classrooms of the various academic disciplines were completed (September 1910). Residential housing for teaching staff consisting of 49 structures with 69 quarters was built at the same time in a community area (i.e., a residential area) of some 10,000 *tsubo*, or approximately 33,100 square meters. This was followed by the construction of the Meiji Common Elementary School, where the children of staff of the College attended school. A supply center for daily necessities, medical offices, a Nakabaru post office, a plantation, pastureland, a golf course, a gate ball field and tennis courts were also established in this space. A waterworks was completed and a gasworks and coal-fired

power station were also established on the campus, as the finishing touches were put on the community area.

Based on Confucianist ideology, the administrative ideas of management familism held by Keiichiro Yasukawa formed an important backdrop to the creation of this cooperative educational and administrative utopia.

2. Development of the Yasukawa - Matsumoto Business

With its mining and sales operations, the Yasukawa - Matsumoto father-son business came to constitute, along with Aso and Kaijima, one of the “big three” *zaibatsu*, or financial conglomerates, in the Chikugo region. At the same time, as local industrialists and mediators, they amassed considerable wealth in their capacity as key managers and investors in regional industrialization. This wealth would become the source of funds making possible the ‘utopian Meiji College village’, which included the technical college and new residential housing, as well as the diversified management of these facilities. These achievements would in turn make the group a national model for *regional zaibatsu* at the end of the Meiji period.



Wakamatsu Branch

“Worthless retainers of the lowest rank” belonging to the Fukuoka Domain, the Yasukawa - Matsumoto families got into coal mining in 1871 “in a desperate attempt to raise enough money to maintain the household and raise the children.” With the death of

the second eldest brother Megumu Ikushima four years later, Keiichiro Yasukawa cut short his studies in Tokyo to take up a career in the coal mining industry. Having only a small mine, mining operations were carried out by makeshift means and without the benefit of mechanization. By seeking out the help of other small, local business owners, the company was somehow able to stay above water. This venture into mining “was like being the only horse in the barn without any oats.”



Kobe branch



Osaka branch

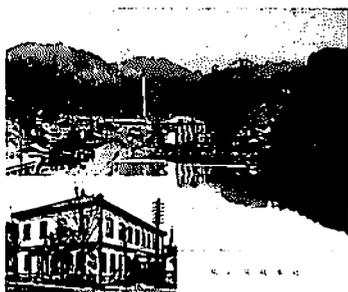


Moji branch

The late 1880s was to mark “the first stage of development for the company” (by Matsumoto). This period witnessed the expansion of the Aida mining area, the purchase of Seita and the start of joint management of the Akaike coal mine. In an effort to strengthen sales, the Yasukawa business was relocated to Wakamatsu to serve as the head office with branch businesses established in Kobe, Osaka and Moji. Business dealings developed with coal merchants of the Hanshin area, leading to the beginning of “civilized excavation”, as the first dynamite excavation in Chikuho was introduced. Around 1890 the Daijo, Aida, Igisu and Akaike sites owned by the company came to be known in Chikuho as “The Big Mines” - the company’s mines had begun to attract attention. Application for approval of the (Chikuho) Coal Miners’ Association as the main

representative of the mine was also carried out at this time, as the company became the face of local industry.

However, a recession struck just prior to the Sino-Japanese war in 1892-93 and coal mining activities were reduced by half as the company was forced to switch over to maintenance activities on its mine facilities, leaving it in a precarious, near-bankrupt condition. In response to this crisis, Kenjiro Matsumoto cut short his study abroad and took charge of the sales operations. Because the bulk of marketing costs consisted of Kawahirata shipping charges, every effort was made to reduce these costs by utilizing the railway to transport coal.



The Head Office of Meiji Coalmine Co. in Kaita



The Head Office in Tobata

Yasukawa received capital from Mitsubishi in an effort to bring improvements to the Chikuho Railway Company and to open new rail lines to his company's coalmines. In 1893 the existing Wakamatsu - Nogata rail line was extended as far as Kanada, making feasible the transport of coal by train from Akaike.

In 1894 the outbreak of the Sino-Japanese War produced a boom in the demand for coal, allowing the company to leave its financial difficulties behind. After the war, the arrival of the Industrial Revolution

brought the promise of coal as an energy source. During this period Yasukawa worked in cooperation with financiers from Osaka to establish the Meiji Mining Company and expand the company's mining operations.

Yasukawa led the way in abolishing the semi-compulsory boarding-house form of manual labor (1899) and mine notes (1900), and advancing the modernization of the relationship between capital and labor in the Chikuho area. The stock of the Meiji Mining Company soon gained blue-chip status. Yasukawa - Matsumoto also transferred the Takao coal-mine operations to the Yawata Steel Works (1899), and sold the jointly managed Tagawa coalmine to Mitsui in 1900. (This would later become the Mitsui Tagawa Coalmine.) The profits from this sale were used to repurchase shares from the Osaka financiers, whose management policy emphasized dividends, allowing the corporation to be dissolved and marking a return to private management. (This occurred in 1902, effecting the Meiji No. 1, 2 and 3 mines and the Akaike mine.)

With the sudden increase in demand during and after of the Russo-Japanese War, the management of the coalmines grew steadfast in their confidence as the company grew to become the third largest *zaibatsu* in terms of coal extraction and sales, trailing only Mitsui and Mitsubishi. Together with the Aso and Kaijima *zaibatsu*, the company came to be known as one of the "big three" *zaibatsu* in the Chikuho region. With the repayment of a promissory note to Mitsui Bank in September 1906, the company had repaid all of its liabilities, further giving it reason for optimism.

While singing the praises of the "blessing" provided by the war, misfortunes also began to pile up. Hiraoka Kotaro, "a close friend and sworn ally" of Yasukawa, passed away of natural causes (October 1906)

and after a gas explosion in July of 1907 that claimed the lives of 365 people - the greatest number of such fatalities known at the time - the company took over the Hokoku coalmine. Including the costs of restoring the mine, this purchase set the company back an estimated ¥2.85 million yen, causing it to once again take on much debt. It therefore became critical for the company to preserve capital, leading to the creation of Meiji Mining Co. LTD with capital of ¥5 million. The company also acquired a massive infusion of financing - some ¥650,000 - from the Mitsubishi financial group. The restoration of the Hokoku coalmine proceeded at a faster than expected rate and the mine became the preeminent coal producer at Meiji Mining Co. LTD. Buoyed by the boom in business produced by World War I, the company reorganized as a corporation in 1919, issuing ¥20 million worth of capital stock and moving their business offices to Tobata. If the *zaibatsu* are excluded, Yasukawa was the wealthiest person in the mining industry in Japan during the First World War.

As a coalmine owner, Yasukawa was deeply involved in efforts related to infrastructure improvements in such areas as coal pits, railroads and harbors and, as such, he was also active as a local industrialist. The company was closely aligned with the Chikuho Railway Co. ever since the railway's establishment (founded in 1889 with capital of ¥1 million). When the railway company came to a standstill due to a lack of capital, Yasukawa looked to Mitsubishi, which helped revamp the company through fundraising activities and by reorganizing its executive staff. Yasukawa became a corporate officer and, after the opening of the railroad, the company experienced favorable growth. In 1897, the Chikuho Railway Co. merged with the Kyushu Railway Company. After the

Managing Coalmines

	mine lots		Output of coal (tons)					colliers	capita	paid-up capital	profit and dividend loss (%)
	number	square (tsubo)	Total	Aida/Takao	Akafke	Daijō/Meiji	Hokoku				
1883(M16)	3	8,170	510								
1886(M19)	6	186,486									
1890(M23)				30,393	8,715						
1891(M24)					58,893						
1892(M25)					31,404						
1893(M26)				43,296	87,358						
1894(M27)	4	576,972		96,774	139,313	94,590					
1895(M28)	8	2,160,029	437,661	173,658	159,373	94,052					
1896(M29)				132,344	146,404		63	1056			
1897(M30)				164,480	165,603	58,715	225	1750	390,000	37,577	15
1898(M31)				157,775	176,762	161,266			627,500	178,434	18
1899(M32)	15	3,586,620	507,068	154,730	207,130	154,730			700,000	171,741	15
1900(M33)	14	2,879,609	378,181	154,547	279,676				700,000	*44,551	10
1901(M34)	6	3,332,298	549,268	171,607	397,471				700,000	260,646	25
1902(M35)	18	4,063,151	587,346	119,679	412,139		243	2472	700,000	*143,229	20
1903(M36)	19	3,804,651	450,400	119,210	454,285						
1904(M37)	15	4,214,472	599,774	109,880	448,545						
1905(M38)			617,721	190,768	431,842						
1906(M39)	17	4,884,537	598,231	161,853	393,433						
1907(M40)	12	4,800,409	756,079	158,593	412,247						
1908(M41)	14	5,803,625	366,668	173,578							
1909(M42)			733,193	163,785							
1910(M43)	17	6,640,921	859,991	177,950	387,116						
1911(M44)	16	5,831,791	1,051,429	195,796	494,742	313,321	480	6,820	5,000	4,125	300
1912(M45)			1,186,887	191,016	541,701	315,872	481	6,636	5,000	4,750	419
1913(T 2)			1,125,893	220,979	474,828	407,456	498	7,074	5,000	5,000	485
1914(T 3)			1,036,201	146,178	491,089	461,304	489	7,572	5,000	5,000	725
1915(T 4)			1,140,878	112,433	442,403	416,002	494	6,818	5,000	5,000	540
1916(T 5)			1,251,628	129,709	435,040	499,470	545	7,629	5,000	5,000	596
1917(T 6)			1,174,704	110,170	417,145	501,042	663	8,644	5,000	5,000	1,543
1918(T 7)			1,133,407	128,651	372,098	419,481	764	8,721	10,000	8,000	3,549
1919(T 8)			1,073,745	149,534	280,940	417,275	822	9,082	20,000	12,500	3,433
1920(T 9)			1,017,293	146,126	244,641	402,899	810	9,589	20,000	15,000	2,753
1921(T 10)			1,073,218	144,817	228,827	365,966	794	9,095	20,000	15,000	637
1922(T 11)			1,505,948	151,651	228,678	420,690	721	9,339	20,000	15,000	1,201
1923(T 12)			1,455,935	202,242	221,103	456,609	724	10,681	20,000	15,000	260
1924(T 13)			1,482,833	259,322	252,112	493,803	852	11,807	20,000	15,000	213
1925(T 14)			1,516,010	358,552	269,645	520,768	835	10,726	20,000	15,000	230

Coal-dealers in Wakamatsu

	Mitsui	Mitsubishi	Sumitomo	Furukawa	Yasukawa	(%)	kajima	Aso	Total (tons)
1900	490,360	448,918	226		294,851	14.5%			2,032,330
1901	523,602	491,359			282,249	10.4%			2,720,448
1902	499,882	464,034	30,624		283,006	8.6%			3,302,695
1903	607,751	525,799	23,357	262,623	364,607	9.5%			3,826,688
1904	843,878	523,284	25,499	299,731	363,906	9.2%			3,974,254
1905	1,030,078	518,103	14,705	281,379	291,811	6.9%			4,199,165
1906	1,438,824	503,073	61,845	295,142	517,312	11.4%		1,434	4,534,398
1907	1,682,103	714,342	34,498	381,140	483,797	9.4%		6,592	5,125,447
1908	1,932,492	802,175	81,826	347,674	529,898	9.6%		13,029	5,504,363
1909	1,841,602	757,553	148,830	276,140	507,018	9.6%		22,035	5,273,721
1910	1,795,751	914,620	155,751	328,361	499,161	9.0%		24,871	5,516,386
1911	1,981,208	1,057,177	165,476	441,248	609,605	9.7%		25,741	6,260,777
1912	2,137,260	1,477,274	213,623	455,059	605,756	8.6%		24,745	7,053,635
1913	2,440,604	1,489,891	203,430	615,286	555,135	7.2%		27,484	7,684,552
1914	2,287,859	1,424,789	204,542	681,165	588,816	8.2%		49,434	7,203,824
1915	1,983,427	1,274,938	217,384	693,401	547,295	8.3%		41,770	6,605,281
1916	2,012,808	1,283,646	193,004	730,628	619,459	8.6%		69,663	7,237,125
1917	1,931,546	1,233,658	189,417	734,310	617,894	8.2%	32,134	130,131	7,580,647
1918	1,536,569	986,831	150,236	651,886	514,567	6.8%	57,939	162,096	7,529,357
1919	1,512,539	834,985	150,215	603,863	481,258	6.1%	104,488	180,141	7,856,000
1920	1,168,284	784,818	185,882	556,162	452,953	6.3%	257,795	187,365	7,242,246
1921	1,015,813	813,968	168,138	521,057	479,475	6.5%	559,084	246,219	7,380,698
1922	963,307	816,678	192,257	417,762	456,055	6.0%	658,267	204,682	7,560,261
1923	959,914	949,453	212,449	355,512	502,832	6.6%	733,576	197,571	7,592,610
1924	997,311	1,140,235	194,422	423,362	613,828	7.5%	824,734	208,951	8,173,413
1925	1,008,552	1,421,971	181,629	413,982	597,198	7.1%	930,023	293,027	8,406,598
1926	1,012,892	1,360,548	186,527	415,530	577,846	6.7%	1,026,945	308,656	8,660,493
1927	924,377	1,156,478	199,350	432,838	570,878	6.7%	1,036,403	272,140	8,520,888
1928	913,868	1,173,590	202,876	387,499	551,504	6.8%	1,070,408	278,566	8,135,431
1929	992,347	1,274,499	216,855	471,721	631,366	7.5%	1,043,674	394,937	8,392,805
1930	955,263	1,121,496	243,904	419,750	582,544	7.6%	897,535	490,226	7,644,132
1931	748,012	847,769	208,583	363,085	555,874	8.6%	727,533	421,111	6,498,756
1932	844,874	940,416	220,511	461,474	543,023	7.7%	822,128	442,140	7,097,046
1933	1,025,304	1,153,668	242,288	587,191	647,561	7.7%	982,263	496,404	8,403,440
1934	1,090,753	1,226,371	253,893	680,789	704,446	7.8%	1,128,645	503,485	9,010,436
1935	1,256,576	1,220,019	271,190	700,579	659,974	7.0%	1,164,313	523,158	9,395,834
1936	1,380,123	1,313,299	272,995	794,614	718,838	6.8%	1,312,431	594,001	10,552,959
1937	1,482,953	1,327,362	160,049	784,954	813,002	7.5%	1,350,637	640,540	10,874,636
1938	1,499,378	1,327,623	318,721	812,092	803,726	6.9%	1,462,051	662,248	11,703,380
1939	1,538,286	1,176,590	251,029	832,640	783,952	6.3%	1,306,020	634,015	12,485,650

Coal-dealers in Moji

	Mitsui	Mitsubishi	Furukawa	Yasukawa Matsumot	(%)	Kaijima	Aso	Yamasita	Total (tons)
1896(M29)	174,287	176,232		288,062	22.9%				1,256,641
1897(M30)	259,875	237,875		293,886	14.8%				1,983,999
1900(M33)	605,708	470,437	122,971	389,860	12.7%				3,069,727
1901(M34)	851,233	671,116	120,494	245,820	6.8%				3,605,905
1904(M37)	1,307,896	868,078	354,192	325,826	8.0%				4,049,538
1910(M43)	1,268,621	377,840	120,516	389,088	12.9%				3,012,783
1911(M44)	1,127,827	356,508	184,265	356,508	12.5%				2,849,683
1915(T 4)	692,284	383,503	46,017	230,753	5.9%			80,208	3,923,469
1917(T 6)	593,069	228,691	85,669	190,646	8.2%			132,769	2,333,245
1918(T 7)	534,246	225,674	91,180	147,667	6.8%			189,449	2,162,538
1919(T 8)	562,271	228,302	80,186	123,017	4.7%			169,454	2,614,969
1920(T 9)	495,007	253,785	73,726	93,852	3.9%	4,144		174,772	2,389,613
1921(T10)	557,402	202,444	57,456	56,757	2.6%	70,178		136,279	2,177,461
1922(T11)	508,940	202,023	57,512	53,394	2.6%	117,574		28,171	2,068,062
1923(T12)	559,984	249,429	48,698	42,816	2.1%	78,812		46,310	2,075,227
1924(T13)	574,526	276,756	79,249	56,283	2.6%	108,914	19,987	46,449	2,206,745
1925(T14)	470,621	226,452	75,516	48,059	2.7%	72,529	11,741	46,237	1,750,451
1926(T15)	601,829	311,987	100,855	59,848	2.6%	90,681	14,698	106,457	2,272,536
1927(S 2)	583,140	285,604	99,086	53,115	2.4%	84,053	11,473	127,706	2,214,170
1928(S 3)	541,276	285,638	87,640	70,614	3.3%	102,704	11,798	142,034	2,153,269
1929(S 4)	436,475	275,291	69,766	106,374	5.4%	79,196	5,293	129,890	1,954,938
1930(S 5)	346,393	223,958	70,582	59,958	3.8%	60,116	7,932	117,097	1,573,220
1931(S 6)	258,144	193,940	61,684	40,511	3.5%	55,722	3,807	69,100	1,151,879

Monopoly of mine lots and output by Big Capitals in Chikuho (1907)

	number of coalmine lots	square measure (tsubo)	number of coalmines	output (tons)	
Mitsui	16	14,798,146	13.1%	3 849,282 11.7%	
Mitsubishi	10	9,876,893	8.7%	4 784,234 10.8%	
Furukawa	10	2,977,171	2.6%	3 522,799 7.2%	
Sumitomo	2	1,071,154	0.9%	1 66,661 0.9%	
Yawata Works	1	2,891,787	2.6%	1 363,222 5.0%	
the Navy	2	3,740,295	3.3%	1 214,703 3.0%	
Yasukawa	14	5,803,625	5.1%	3 756,079 10.4%	
Kaijima	12	8,085,776	7.1%	4 1,172,317 16.1%	
Aso	12	3,631,895	3.2%	2 349,713 4.8%	
aforementioned sub-total	79	16.5%	52,876,742	46.6%	22 5,079,010 69.9%
Total amount	478	100%	113,357,310	100%	122 7,269,035 100%

Big coalmines in Chikuho (1907 tons)

1 Onoura	Kaijima	714,776	7 Namazuta	Mitsubishi	219,086
2 Tagawa	Mitsui	406,406	8 Gotoku	the Navy	192,259
3 Meiji	Yasukawa	358,320	9 Yoshio	Aso	185,214
4 Shakano	Furukawa	354,414	10 Akaike	Yasukawa	158,523
5 Shinnyu	Mitsubishi	345,613	11 Hokoku	Yasukawa	153,372
6 Kaneda	Mitsubishi	248,071			

merger, the Kyushu Railway Co. initiated an expansion policy. In 1899, a dispute broke out with shareholders who were more interested in maximizing dividends, leading Yasukawa, in his role as a corporate executive, to engage in efforts aimed at balancing the interests of the *zaibatsu*, shareholders and other parties.

The Wakamatsu Harbor Construction Company (established in 1889 with capital of ¥600,000), which was tasked with the creation and maintenance of a harbor designed to facilitate the shipping of Chikuho coal, also faced difficulties in issuing stock as a result of the panic of 1890. As a result, much as it had done with the Chikuho Railway Co., Mitsubishi came to the rescue, allowing the company to resume construction activities at the harbor. After Yasukawa took over the role of president of the company in 1896, much effort was made to develop a business relationship with the Yawata Steel Works. In order to develop the harbor's facilities following its establishment, the company secured a government subsidy of ¥1 million, half of the necessary capital of ¥2 million. The remaining capital was to be raised by the *zaibatsu* and local mine owners; this proved to be a very time-consuming process.

During this time, Yasukawa forged meaningful relationships with politicians (Kaoru Inoue, etc.), bureaucrats (Tsunashiro Wada, Koi Furuichi, etc), the Mitsubishi *zaibatsu* (Heigoro Shoda, Yanosuke Iwasaki), the Mitsui *zaibatsu* (Takashi Masuda), the Furukawa *zaibatsu* and the Tokyo financial community (Eichi Shibusawa, Kihachiro Okura, Soichiro Asano). In later years, these relationships would become the foundation for nationwide activities by Yasukawa - Matsumoto.

With this type of business activity by Yasukawa serving as a base, during and after the Russo-Japanese War the stage was set for ultra-high

earnings in the mining industry and the transfer of stock proceeds that would accompany nationalization of the railroad. This “unexpected largess” became the source of financing for both the establishment of the Meiji College of Technology and the company’s business diversification efforts. An incorporated foundation was established on September 29, 1907 (dissolved on April 18, 1921) through the contribution of ¥3.3 million worth of funds (¥900,000 in cash and five interest-bearing government bonds worth ¥2.4 million) and 78,716 *tsubo*, or about 260,550 square meters, of land (valued at ¥30,043) and the Meiji College of Technology was founded (Yasukawa was Director of the College, the former President of Tokyo Imperial University, Kenjiro Yamakawa served as its President and Kenjiro Matsumoto was Headmaster. Professor Ataru Matoba of Tokyo Imperial University was also to join the College.) The five government bonds received as a result of nationalization were worth

Railway stocks held by Yasukawa Matsumoto

	Kyushu Railway Co.	Chikuho Railway Co.	Hoshu Railway Co.	Sanyo Railway Co.
1890. 3		104		
1895. 3		623		
1895. 9		2,743		
1896. 3	255	2,563		
1896.12	235	3,449	540	
1898. 3	8,358		540	
1899. 3	8,364		633	
1900. 3	9,563		633	
1901. 3	9,563		633	
1902. 3	11,856			
1903	13,569			
1904	13,436			
1905	19,492			3,000
1906. 9	27,822			4,500
1907. 7	32,367			4,600

¥2.4 million, or about ¥120,000 per year. They were used to cover operating expenses. At the time, the annual budget for the Tokyo Higher Technical School and Tokyo Higher Business School was in the ¥50-60 thousand range, so the amount provided by the bonds can be considered to have provided a very generous budget. It is worth noting that this size of donation to an academic institution was unheard of at the time.

As an industrial technical institution, the Meiji College of Technology was the first such private university in Japan, joining the five national industrial technical schools located in Tokyo, Osaka, Nagoya, Kumamoto and Sendai. The College would later turn out a great number of “virtuous gentlemen gifted in the technical arts.”

On the other hand, ever since the days of the Sino-Japanese War, this “largess” had been utilized as a source of funds for the expansion of “prototypical *regional zaibatsu*” (by Hidemasa Morikawa) by means of industrial diversification. This diversification manifested itself in two forms. The first involved diversification of mining operations. Example of these can be seen in entry into the metal mining area and regional expansion - gold and iron mines were purchased and, at the regional level, advancements were made into the Saga and Hokkaido regions, as well as Korea, Manchuria and China.

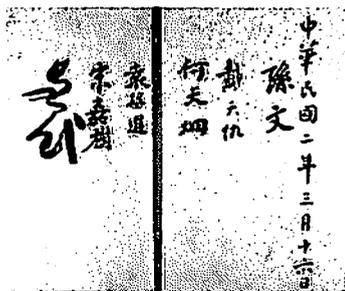
Centering on heavy industry, the second method involved management diversification. With the Yasukawa - Matsumoto business (in 1935 this became the Yasukawa - Matsumoto *Gomei Kaisha*, a kind of general partnership) serving at the top, Osaka Textiles (1906, ¥300,000, Yoshimi Hiraga), Meiji Boseki (1908, ¥2 million, Yasukawa), Wakamatsu Commercial Bank (1912), Yasukawa Electric (1915, ¥250,000, Daigoro Yasukawa), Kyushu Steel (1917, ¥5 million, Mr. Yasukawa), Teikoku Metal

Mine owners of property except zaibatsu all over the country in 1916 (1,000yen)

1	Keiichiro Yasukawa	Onga, Fukuoka	1,000
1	Nisaburo Hirose	Enokojima, Osaka	1,000
3	Tasuke Kaijima	Kurate, Fukuoka	800
4	Takichi Aso	Iizuka, Fukuoka	500
4	Keizo Oake	Shinagawa, Tokyo	500
6	Kanichi Nakano	Nakakanbara, Nigata	400
7	Chouemon Tanabe	Iishi, Shimane	300
7	Denuemon Ito	Kaho, Fukuoka	300
9	Tojuro Hori	Kanoashi, Shimane	250
10	Kenjiro Matsumoto	Onga, Fukuoka	150
10	Entaro Iida	Kojimachi, Tokyo	150
10	Kojiro Oosawa	Kyobashi, Tokyo	150
10	Ginjiro Tanaka	Azabu, Tokyo	150
10	Akira Yokoyama	Kanazawa, Ishikawa	150
10	Tokujiro Nakano	Kaho, Fukuoka	150
10	Syumichi Koga	Uenishiyama, Nagasaki	150
10	Shinai Narukiyo	Hayami, Oita	150

Casting (1917, ¥2 million, Kenjiro Matsumoto), Kyushu Pig Iron Making (1918, ¥2 million, Rikuro Takagi) and Kurosaki Corporation (1918, ¥1 million, Kenjiro Matsumoto) were all established in succession during the boom years of the First World War.

Research in recent years has shown that Keiichiro Yasukawa and Kenjiro Matsumoto should not be considered to have been mere coalmine



Visitors' register (Sun Yat-sen)

owners or regional industrialists; rather, if we look at their business development activities and political connections, we can see that they also fulfilled the role of regional *zaibatsu* and national industrialists (by Yoshiya Suetake). Yasukawa gained the positions of baron and member of the House

of Peers, and Matsumoto also served as officers for such national organizations as the Industry Club of Japan. At the same time, with their sights set on establishing an international presence in important commercial regions (i.e., the cooperative Japanese - Chinese discussions sponsored by Yasukawa), they engaged in talks with visitors to the reception hall at the Mastumoto estate, which included such dignitaries as Sun Yat-sen, Takashi Hara, Shigenobu Okuma and Tsuyoshi Inukai.

On the relationship with Yasukawa - Matsumoto and the Yawata Steel Works

Yasukawa - Matsumoto and the government-run Yawata Steel Works enjoyed a close relationship.

Yasukawa carried out a decisive role with regards to attracting the state-owned steelworks to the Yahata site. Without Yasukawa, it is safe to say that the state-owned steelworks would never have come to Yahata. Furthermore, as President of the Wakamatsu Harbor Construction Company, Yasukawa implemented dredging of the harbor to create a shipping channel, thus ensuring a means of maritime transportation for the Yawata Steel Works. The company also sold the Takao Coalmine to the Yawata Steel Works, effectively guaranteeing a coal supply for the facility. At the same time, this sale also represented yet another opportunity for Yasukawa to expand his company's operations.

The development near the end of the Meiji period of Yasukawa - Matsumoto as a *regional zaibatsu* as a result of its business diversification activities also impacted the Yawata Steel Works. The favorable economic conditions for coal and nationalization of the railroad that resulted

from the Russo-Japanese War resulted in a surplus of capital for Yasukawa - Matsumoto and the company used this as a funding source for its operations. In an effort to develop a corps of technical experts for the mining and manufacturing industries, the company oversaw the establishment of the Meiji College of Technology, which provided much-needed human capital for the steel works as well as for regional industrialization efforts. As a *regional zaibatsu*, Yasukawa - Matsumoto's investment in heavy industry ventures such as Teikoku Casting, Kyushu Pig Iron Making, Kyushu Steel, Kurosaki Firebrick Corporation and Yasukawa Electric Co. was rare at the time. Kyushu Steel Co. was later taken over by the Nishi-yawata Steelplants and Kurosaki Firebrick Corporation was established as a firebrick spin-off for the Yawata Steel Works. Given this relationship with the Yawata Steel Works, Kenjiro Matsumoto assumed the role of company director of Nippon Steel Company at its founding in 1934- a position he would hold until 1945.

1. Attracting the State-Owned Steel Works to Yahata

The three government-managed iron and steel works that preceded the Yawata Steel Works (Kamaishi, Nakaosaka and Hiroshima) were all strategically located near iron ore deposits and all had experienced setbacks with regards to their operations. The importance of coal as a raw material played an important role in the introduction of Western iron and steel making operations in the 1890s. The modern iron and steel works of the time required 4-5 tons of coal to produce a single ton of steel products. It is for this reason that a site for the new steel works in the vicinity of Moji, which was blessed with ample means of transportation and positioned near coalfields, was considered so likely early on. Fuyuki-

chi Obana, who would become the first head of pig iron making operations at the Yawata Steel Works, made clear his preference for this site in 1890, as did Kaichiro Imaizumi, who would become the first head of steel manufacturing at the Works, in 1895. A proposition in favor of this site was also made to the House of Peers in 1892.

In February 1895, right before the end of the Sino-Japanese War, the House of Representatives approved the establishment of a steel works for the first time. The commission set up to judge the matter duly considered the proposal to establish the steel works and, in February 1896, the budget for establishing the facility was recognized by the Diet, leading to an official proclamation for a State-owned Steel Works.

Directly thereafter, the speaker of the Lower House, Kotaro Hirao-ka, investigative committee Yoshinosuke Hasegawa, Wakamatsu Mayor Yohachiro Haga and Yahata Mayor Taneyoshi Haga all attended a meeting at the house of Keichiro Yasukawa in Wakamatsu. This marked the beginning of efforts to attract the State-owned Steel Works to Yahata. In addition to the administrative efforts of the Fukuoka Prefectural Governor and the head of the Onga district, Eichi Shibusawa, an “important player in the financial community”, also provided valuable support. During this time, Shibusawa served as an adviser to Mitsubishi, the Chikuho Railway Company and the Wakamatsu Harbor Construction Company.

Near the end of April, Ministry of Agriculture and Commerce Undersecretary Kentaro Kaneko (chair of the Investigative and Site committees) visited Fukuoka Prefecture. Kaneko planned on attending a national business convention to be held in Hakata and also wanted to check out possible sites for the State-owned Steel Works. Upon arriving

in Moji, he was “entertained at the offices of Yasukawa Matsumoto.” On May 1, Kaneko gave a congratulatory address at the opening ceremony of the Wakamatsu Coal Exchange (Keiichiro Yasukawa served as chairman of the Exchange). Afterwards, he went on an inspection tour of Wakamatsu Harbor and toured the Yasukawa Akaike coal mine before returning to Wakamatsu.

On May 9, Yasukawa was selected as Chairman of the Wakamatsu Harbor Construction Company. Toward the middle of May, Shigenobu Okuma and Masayoshi Matsukata, who would both work to organize the cabinet in September of the same year, visited Wakamatsu in quick succession on the occasion of the new construction of the Chikuho Mining Industry Club (Mr. Yasukawa served as Chairman of the Board). Often referred to as “Testu Matsukata” (literally “Steel Matsukata”), Matsukata was the Prime Minister who submitted the first draft for a national steel works to the Diet. Hiraoka and Yasukawa had as their aim “to make Dokai Bay the forerunner in the efforts to attract the State-owned Steel Works.” Near the end of that month, a special convention was held in Yahata at which it was decided to provide 100,000 *tsubo* (331,000 m²) of land for the State-owned Steel Works.

Toward the end of June, shortly after they had assumed office, Chief Officer Teiun Yamanouchi and Main Technical Official Michitaro Oshima paid a visit to the area for the purposes of carrying out a site survey. The party observed the coalmines of Chikuho and then spent the night at Yasukawa’s Akaike facilities. In Wakamatsu, they checked out coal recovery and distribution activities, local business customs and the like, and also participated in an inspection tour of the Kokura and Dairi areas. After returning to Tokyo, Oshima inquired into the price of land,

water and other resources in Kokura and Dairi.

Near the end of August, with a business trip to Europe looming, Main Technical Official Oshima examined proposed sites in Kitakyushu. This examination was concerning “the determination of a final site” for the Works. Oshima did not restrict his search to Edamitsu; he traveled as far as the headwaters of the Okubo River in Dairi, and also surveyed the Itabitsu area “in great detail.”

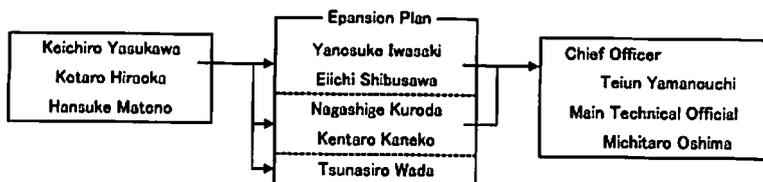
Chief Officer Yamanouchi and Main Technical Official Oshima observed that “Dokai Bay is blessed with abundant fuel sources, but the mouth of Wakamatsu Bay is shallow, making it all but impossible for large ships and ocean liners to navigate.” Chief Officer Yamanouchi and Main Technical Official Oshima temporarily fell into despair yet again. Oshima concluded that “the best site is Dairi.”

The drawback to the Yahata site was the shallowness of Dokai Bay. In response to this, and with the conviction that “when Dokai Bay reaches a depth of 20 *shaku* (feet), Yahata will occupy a position of superiority to Dairi”, Wakamatsu Harbor Construction Company President Yasukawa set about resuscitating political maneuvering. With regards to the *Harbor Construction Expansion Plan*, he won over the likes of Kuroda, a major



Dokai Bay was too shallow in 1896

stockholder and former feudal lord, as well as Kaneko, Shibusawa and Mitsubishi. Through the efforts of Undersecretary for Agriculture and Commerce Kaneko, Yanosuke Iwasaki, who was often called “the creator of the Matsukuma cabinet”, Shibusawa and Tsunashiro Wasasaki, a member of the examination committee who would later becomes its director, Yamanouchi and Oshima were also persuaded to back the Yahata site. Shown as a diagram, this political maneuvering would look something like this:



These activities by Yasukawa bore fruit. The day after the party of Main Technical Official Oshima departed to Europe and the United States to observe steel production methods and purchase equipment (10/20/1896-9/27/1897), an order went out to the administrative official in charge of acquiring land for the State-owned Steel Works to make an official visit to Yahata. Within the year, a contract for the purchase of some 200,000 *tsubo* (662,000 m²) of land in Yahata had been completed. Locals such as Yahata Mayor Haga had offered their cooperation by offering the land to the State-owned Steel Works e at a very attractive price. Less than half of the ¥200,000 budget for land acquisition had been used - ¥90,000 - and more than 10,000 *tsubo* (33,100 m²) of land had been donated to the cause.

On February 6, 1897, the following public edict was released: “The Ministry of Agriculture and Commerce has decided to establish the State-

owned Steel Works under the Ministry of Agriculture and Commerce in Yahata Village, Ongagun, Fukuoka Prefecture.”

In addition to being a prominent mine owner in the Chikuho coal-fields, Yasukawa was also now the head of a vast coal shipping network that included rail, a harbor and coal dealers. What's more, through his political and economic connections, he had been able to play a decisive role in bringing the State-owned Steel Works to Yahata.

NOTE:

Correspondence (dated September 10, 1896) sent to Hansuke Matono (the adopted son-in-law of Kotaro Hiraoka), who was active in Tokyo at the direction of Yasukawa, described the type of political maneuvering that was to occur with regards to efforts to attract the steel works to Yahata by means of the conditional construction of the harbor in Dokai Bay.



The constructing site for the State owned Steel Works at Yahata in 1895

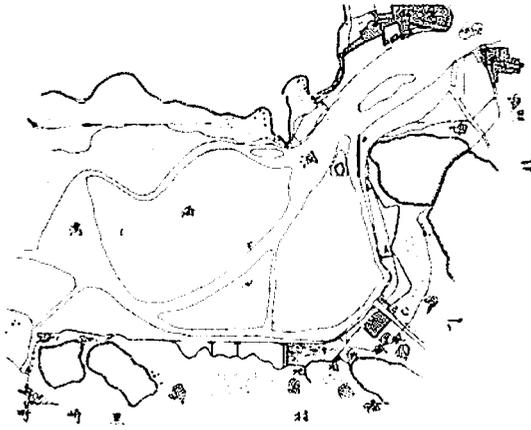


2. Subsidies for the Wakamatsu Harbor Construction Company

A condition for the establishment of the State-owned Steel Works at Yahata was the dredging of, and construction of a harbor in Dokai Bay. However this was a big burden for a company with only ¥400,000 in capital at the time. Construction to create a 20-foot deep channel that could accommodate 3,000-ton steamships was carried out in two phases. The first phase involved the dredging of a 13.6-meter wide, 6-meter deep shipping channel and the construction of a breakwater; construction costs for these two projects came to ¥1.6 million. The second phase was made up of the remaining dredging work and cost some ¥800,000.

As president of the Wakamatsu Harbor Construction Company, Yasukawa was very active in fundraising efforts, especially as these pertained to the securing of two government subsidies totaling some ¥1 million.

Yasukawa depended heavily on the political strength of elder statesman Kaoru Inoue, and also gained the support of Eiichi Shibusawa (a *zaibatsu* kingpin and major player in the Tokyo financial community who was also a major stockholder in both the Wakamatsu Harbor Construction Company and the Kyushu Railway Company), Yanosuke Iwasaki (Mitsubishi), Takashi Masuda (Mitsui), Ichibee Furukawa, Shin Uryu (Nippon Yusen), Kihachiro Okura, Soichiro Asano, Mitugu Sengoku (President of the Kyushu Railway Company) and Tsunashiro Wada (Chief Officer of the Yawata Steel Works) in securing a basic policy of government subsidies for the harbor construction. The first phase involved a subsidy of ¥500,000 for the Yawata Steel Works and the second phase saw a government subsidy for the same amount awarded by the Ministry of Home Affairs. Besides these subsidies, capital was also raised



The dredging of shipping channel in 1901

from the different *zaibatsu* and the heads of the local coalmines. Especially important was the fact that, by laying the all-important groundwork with members of the House of Peers and utilizing the political clout of Inoue, Yasukawa and others were able to secure the second subsidy from the National Treasury in 1900 despite the fact that successive cases of aid being provided to local companies had produced an outcry, causing the subsidy to be rejected twice in the lower house of the Diet. Shortly thereafter, in October 1900, Yasukawa stepped down as president of the company. He worked thereafter in the capacity of company director, leaving this position in March of 1909. Kenjiro Matsumoto took over the position of company director and became president of the company in April 1919, a position he would retain until November 1951.

Involving highly complicated political maneuvering, the construction of the shipping channel that was so important for the Yawata Steel Works was completed in 1906.

3. The Transfer of the Takao Coalmine

The draft plan for the establishment of the Yawata Steel Works went through major changes as a result of Main Technical Official Oshima's inspection of steel works in Europe



Takao Coalmine

and the U.S. Taking into consideration international competition, the scale of the facility was doubled. The plan was to introduce Germany's multi-product technology and manufacturing systems, with the goal of creating a "mixed enterprise" - a facility capable of handling everything from raw materials to finished products - modeled after the Gutehoffnungshütte Steel Works, which was requested to design such a system. A supplemental budget of ¥6.5 million was approved by the Diet in 1898, bringing the total budget to close to ¥10.6 million, and efforts aimed at the acquisition of iron and coal mines were undertaken (the iron mine in question was the Akatani Iron Mine in Niigata Prefecture).

The coal of the Chikuhō regions was formed during the relatively newer Tertiary Period, and thus it produced a large quantity of ash and had poor coking qualities. It was therefore not particularly effective as a coking material and had to be combined with other coking coals. Coal from Takao, Namazuda (Mitsubishi), Onoura (Kaijima), Shakanoo (Furukawa), Shoshi (Sumitomo) and Shimoyamada (Furukawa) were Chikuhō varieties that could be used as raw coal (according to a 1895 report by Kageyoshi Noro).

In May 1899, the Yawata Steel Works purchased the Takao and Uruno Coalmines, combining them to make the Futase Coalmine. Takao was selected because, compared to the other candidates, it was relatively

easy to obtain and possessed relatively attractive acquisition terms.

Referred to initially as the Aida Coalmine, the Takao Coalmine was established in 1880 by Keiichiro Yasukawa's older brother, Hisomu Matsumoto. Prior to purchase, the Takao Coalmine consisted of a mining area of 720,000 *tsubo* (about 2.38 million m²), and produced an estimated 170,000 tons of coal annually. When combined with the adjacent Uruno Coalmine, the total mining area was 1.56 million *tsubo* (roughly 5.16 million m²), making the development of large-scale mining operations a real possibility. This new coalmine could also match the annual demand for 90,000 tons of coal placed on it by the Yawata Steel Works. On the other hand, the Takao Coalmine had been used as collateral for a loan (until full payment in February 1898, the named owner was Yanosuke Iwasaki) and if repayment of the loan proved impossible, the coalmine would have to be relinquished. Matsumoto had also left open the option of retiring the coalmine as "a way of concluding a generation of business operations." The significance of the Takao Coalmine for the Yasukawa - Matsumoto operations differed from the circumstances surrounding the other candidate mines. The coalmines of the Mitsubishi, Furukawa and Sumitomo *zaibatsu* systems, and the Onoura coalmine of Kaijima were each a pillar of their respective production bases and therefore could not easily be relinquished. The base for coalmining operations at Yasukawa Matsumoto was the Meiji Coalmine. This mine was the center of frequent and tiring efforts to buy back stock shares from the financiers in Osaka. In the end, having sold the Takao coalmine for ¥1.22 million, ¥450,000 of which they received, Yasukawa - Matsumoto purchased all outstanding shares in the Meiji Coalmine Co., thus converting it to private management and making it the cornerstone of their business operations.

The purchase price of the Futase Coalmine by the Yawata Steel Works was established at ¥1.22 million, or ¥0.27 per ton, based on the 4 million tons of coal anticipated to be extracted from the site. When considering that the market price for the buying and selling of coal in the mining area was ¥0.5 per ton at the time, this has to be considered a very reasonable price.

In December 1899, the steel works established the Futase Branch coalmining facility and began operations. In 1910, the central mine shaft was completed and Futase became a major coalmine that came to represent the Chikuhō region, providing 320,000 of the 520,000 tons (62%) of coal received by the Yawata Steel Works. As expected, the coal from the Futase Coalmine was insufficient as a coking material. To improve its coking properties, coal to be blended with the Futase variety was imported from Benxi and Kaiping, China. However, Futase coal still made up 2/3 of the content of this coking coal, and its reasonable price provided a valuable economic boost to the Yawata Steel Works.

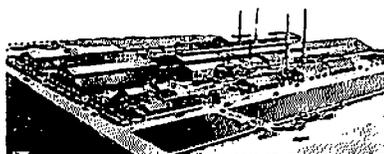
4. Diversification of the Yasukawa-Matsumoto business and the Steel Works: The Cases of Teikoku Casting, Kyushu Steel, Kyushu Pig Iron Making and Kuroaki Firebrick Co.

Investment in heavy industry by Yasukawa - Matsumoto had its beginning with Teikoku Casting Co. With the business boom that accompanied the First World War, steel makers grew in abundance. Dependent on the import of rollers used in steel, copper and brass production, almost all of these producers attempted to produce these rollers domestically. With capitalization of ¥2 million, Kenjiro Matsumoto assumed the position of president of Teikoku Casting Co. and had a plant

facility built in Wakamatsu. During the recession that followed the war, Toyo Iron and Steel Works (Tobata) was entrusted with the management of the steel works and Tobata Casting Co. purchased the Wakamatsu plant. This is now the Hitachi Metals Wakamatsu Works.

Kyushu Steel Co. was planned as a joint venture with a Chinese concern, the Han Ye Ping Iron and Coal Company.

With this aim of creating a joint venture with Han Ye Ping, the Japanese government arranged a sizable international loan of ¥15 million from the Yokohama Specie Bank for the Han Ye Ping Iron and Coal Company in 1913. Troubled by a lack of capital, Han Ye Ping targeted ¥6 million of this to pay off old debts and planned on using the remaining ¥9 million as operating capital to give its operations a new lease on life. It was decided to increase the production of pig iron by augmenting the production of Hanyang Iron Works, the first integrated iron and steel works in Asia, by building two ultra-new blast furnaces capable of 450 tons of daily production at the Chinese company's Da Ye iron facility. When compared to the first two 100-ton and the third 250-ton blast furnace (a fourth 250-ton blast furnace was completed in 1915) of the Da Ye facility, along with the third 200-ton blast furnace at the Yawata Steel Works at that time (a fourth 235-ton blast furnace was added in 1914), this 450-ton blast furnace effectively amounted to a doubling of produc-



Teikoku Casting Co.



Han Ye Ping's Da Ye Pig Ironworks

tion capacity. The design of these blast furnaces was overseen by the former Main Technical Official of the Yawata Steel Works, Michitaro Oshima, who had become the Chief Technical Advisor for the Japanese government, a position created as a part of the international loan to Han Ye Ping. (Oshima served in this capacity from January 1914 until his death in January 1921. Thereafter Susumu Hattori, who had similarly previously served as Main Technical Official of the Yawata Steel Works, became Chief Technical Advisor and continued in this position until February 1928.) With the four blast furnaces at the Hanyang Iron Works and the two blast furnaces at Da Ye Iron Works, annual production of 440,000 tons was anticipated. A supply agreement was concluded with the Yawata Steel Works. This agreement provided that 80,000 to 120,000 tons of coal would be provided to the facility on an annual basis as of 1916 and thereafter, with this figure to be increased to 250,000 tons in and after 1921. Therefore, even allowing for a certain amount of coal to be consumed by the facilities themselves, a surplus was anticipated. It was this prospect that prompted Yokohama Specie Bank President Junnosuke Inoue to propose the Chinese-Japanese joint venture. Proffering his own proposal for “a policy of friendship rooted in an economic union between Japan and China”, Yasukawa offered his hardy support.

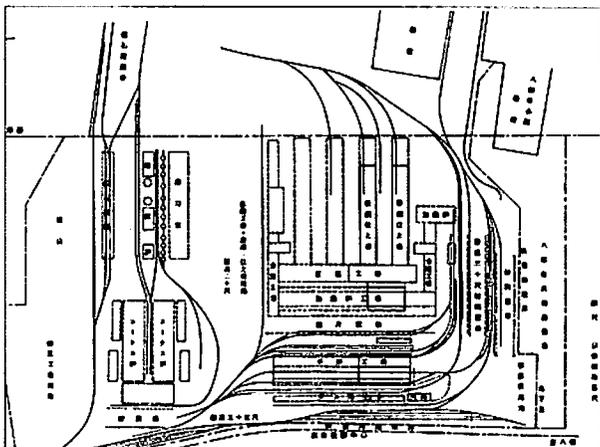
Around August of 1915 Yasukawa started to look more closely at the proposed agreement as well as possible sites for the facility. Taking into consideration the various advantages to the Yawata Steel Works, the company settled on the adjoining Maeda area for the facility. Susumu Hattori, who was the vice-minister for the Yawata Steel Works at that time (Section Head from October 1903, Assistant Director from August 1914), had settled on a design budget of ¥4.25 million for the steel

manufacturing facility. The centerpiece of this design was to be the creation of three 50-ton basic open-hearth furnaces; these were to be the same size as similar furnaces at the steel manufacturing facility of the Yawata Steel Works at the time.

Never recognized by the administration of Yuan Shikai, the proposed joint venture came to a temporary impasse. The possibility of “constructing the pig iron part of the facility first” was investigated and subsequently a 20-ton blasting furnace was built inside the Maeda facility. This was to become Kyushu Pig Iron Making, which was established in September 1918 and dissolved in 1927.

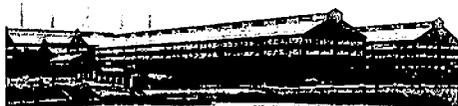
Events took a sudden turn when Sheng Xuanhuai and Yuan Shikai passed away in quick succession in 1916. In September of 1917 the joint management agreement was concluded and the joint venture company was established. With initial capital of ¥10,000,000, Han Ye Ping’s contribution consisted of the Yasukawa loans; even though it was technically a Chinese-Japanese joint venture company, from a purely financial standpoint, the company was almost completely dependent on Yasukawa.

The onslaught of the First World War caused a delay in construction of the plant. In 1920, a shipment of plant equipment arrived from the United States, and in 1923 construction of the facility was completed. However, supplies of pig iron destined for Kyushu Steel from the Da Ye Iron Works had come to a halt, and there was a delay in construction of the new blast furnaces at the Da Ye facility. The operations that Technical Adviser Hattori was leading were also not going well due to difficulties with coking operations. A lack of finances meant operations couldn’t get off the ground. In order to assure a steady supply of raw pig iron, Kyushu Steel requested an allocation of the pig iron from the Han



facilities of Kyushu Steel Works

Note: there is a blastfurnace, Kyushu Pigiron Co., at the lower part.



Kyushu Steel Co.

Yan Ironworks destined for the Yawata Steel Works, but the Yawata Steel Works was given priority in receiving pig iron. From 1923 and thereafter as well, operations at Kyushu Steel continued to be delayed based on the view that “a stable supply route for cheap pig iron has not yet been established, so it is better to maintain the status quo for now and wait until things get better.” In August of 1925 the joint management agreement was rescinded and it was decided to transfer Kyushu Steel to the Yawata Steel Works. In February 1926, a provisional merger agreement was concluded with the Chief Officer of the Yawata Steel Works.

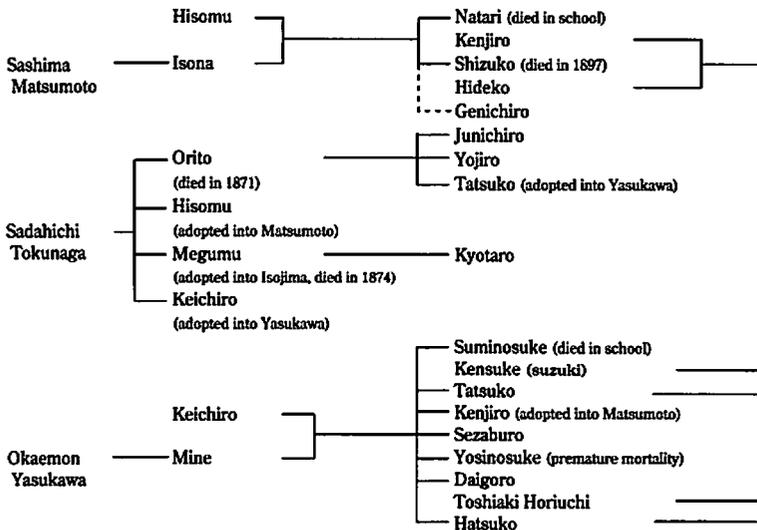
However, the bill to purchase Kyushu Steel was subsequently rejected by the Diet. Since its founding some ten years before, Kyushu Steel's cumulative deficit had climbed to almost ¥3.71 million. Yasukawa accordingly decided to pursue a strategy of management outsourcing for the company. In June 1928 an agreement was concluded, and, in November of the same year, the steel works, through its Nishi-yawata Plant (commonly known as the "No. 4 Steel Plant"), began steel manufacturing operations by means of an open-hearth furnace as well as operations at a steel plate manufacturing facility. In January 1929, operations also began at a die steel plant. This was an important means of expanding production for the Yawata Steel Works, which was implementing the third phase of its expansion plan.

Founded in October 1918, Kurosaki Firebrick Co. came into existence as a result collaborative efforts between Sunao Kora, the firebrick technician at the Yawata Steel Works, who desired more independence, and the in-house firebrick operations of Kyushu Steel. A facility with the same standards as those of the firebrick workshop of the Yawata Steel Works was constructed on the land adjoining Kyushu Steel. In May 1919 operation began and silica brick began to be manufactured. The market for steel manufacturers and gas operations had begun to expand. (After the Second World War, in 1956, Kurosaki entered into a business tie-up with the Yawata Steel Works.)

5. The Meiji College of Technology and the Yawata Steel Works

Administered by Yasukawa - Matsumoto, the Meiji College of Technology (opened in 1909, became a public institution in 1921) graduated nine classes consisting of a total of 443 students during its time as a

private institution. A breakdown of the graduates shows that 76 studied mining, 127 studied machine science (engineering), 53 studied metallurgy, 114 studied electrical engineering and 73 studied applied chemistry. The College turned out a great number of talented individuals in these fields. Students entering the private sector tended to go to work for larger local companies based in the Kitakyushu and Fukuoka Prefecture areas. Less than 10% of graduates went to work for the Yasukawa - Matsumoto group, with 18 working in mining and 14 others working in various other areas. Mitsui Miike hired 27 and 10 went to work for the Yawata Steel Works. One out of four graduates - 112 in total - found employment with businesses in the Chikuho / Kitakyushu area. The College can be thought of as a supplier of technical experts to the Kitakyushu region, which became one of the four great industrial areas in Japan.



Family tree of Yasukawa Matsumoto

ACKNOWLEDGEMENTS

This paper is to be offered as reference material for the next investigations by the Expert Committee of the World Cultural Heritage Promotion Council on the Modern Industrial Heritage Sites in Kyushu and Yamaguchi. As a member of the Modern Industrial Heritage Society in Fukuoka, I wrote this at the request of Kitakyushu City, who permitted its release.

Compared to the Japanese version, in the English text here, not all diagrams and tables are shown.

I would especially like to thank OWLS Co.,Ltd. for the English translation.

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