1. **Port Development in Relation to Economic Growth**

Japan is a long, narrow island country. The remarkably high proportion of coastline, which spans 34,600km, to total land area (380,000 sq km) has generated an extremely large number of ports. Approximately 42% of the entire population of Japan lives near a harbor. Ports are the mainstay for 99% of Japan's foreign trade and 42% of its domestic distribution.

Trade with China stimulated cultural development in Japan, and the limited amount of space prompted a national policy establishing foreign trade early on. The development of ports and harbors has therefore been particularly important to the economy, and the Japanese government plays a leading role in maintaining the country's ports, as well as its shipping.

1.1. **Pre-19th Century (Ancient times to the Edo Period)**

**Japan, A Shipping Nation**

Exchanges between Japan and the continent (China) began to flourish from the 6th century. At this time, the Inland Sea of Japan, which formed a large, natural shipping canal, was a particularly important waterway. In the 11th century, an artificial island (Kyoga Island) was constructed at the site of what is now Hyogo Prefecture where trade ships from the continent could anchor. Sakai Port in Osaka began to flourish in the 16th century when it served as the main port of call for the Chinese and Europeans (the Spanish and Portuguese). Japan entered the Edo Period in the 17th century, an approximately 250-year period of official national isolation. Ports that had previously been opened to foreign countries now focused on domestic distribution, and the bulk of Japan's current port structure foundation was established during this period. The country's commodity distribution bases were in Osaka and Tokyo, with the "Eastern Roundabout" and the "Western Roundabout" as the two main shipping routes. The Eastern Roundabout ran along the Pacific Ocean, connecting Northeastern Japan with Tokyo, while the Western Roundabout ran along the Sea of Japan and the Inland Sea, tying Northeastern Japan with Osaka. In the mid-19th century, international trading ports were opened in Yokohama, Nagasaki and Hakodate, followed by Kobe and Osaka at the end of the Edo Period and the beginning of the Meiji Period.

1.2. **1870 to 1945 (Meiji Period to World War II)**

**Industrial Promotion Policy**

Japan's ports and harbors matured under the Meiji government's policy of industrial promotion, national wealth and military strength. Ports, harbors, railroads, roads and other types of social infrastructure were established at this time. The Meiji government's policy of modernization under a centralized government was designed to help Japan catch up with advanced Western nations.

Yokohama and Kobe were established as major foreign trading ports during the Meiji Period. These ports were also key to promoting the concentration of industry around metropolitan areas, as the coastal region was developing into a heavy chemical industrial belt under the government's
aforesaid policy. Yokohama Port, the center of raw silk thread distribution, and Kobe Port, an import/export base for cotton, wool and other raw materials for the textile industry, both flourished at the time as gateways for international distribution.

Under the government policy regarding ports and harbors enacted in 1873, ports were deemed "government-owned structures," which brought them under government jurisdiction. These facilities were ranked (Class One, Two and Three), and the government was directly responsible for the improvement of the five major Class One ports, which were central to the country's international trade. Class two and three ports were either under the sole jurisdiction of local governments or managed by several prefectural and municipal governments. At this time, however, the Japanese constitution did not provide for autonomous local government, and the responsibility for these ports fell to the governor of the prefecture, who was appointed by the national government. Local government merely served as the management body, bearing the expenses involved in managing the ports and harbors, while the administration of these facilities was actually directed by the national government.

From the 1880s, fiscal restrictions forced the new government to shift its industrial promotion policy toward the development of industry through private capital. State management companies were sold off to the private sector. The resulting remarkable growth in private business was one of the reasons that industry was concentrated in four major industrial belts along Japan's coastal area (Keihin, Chukyo, Hanshin and Kitakyushu).

Tool for Regional Development
This type of coastal industrialization produced industrial complexes around areas that relied on shipping for profits. The industrial policy in Japan therefore began to focus on these four major industrial belts. The development and maintenance of ports also began to reflect this emphasis on industrialization. Adopted in 1907, the guidelines for port policies expanded the traditional policy of developing international trading ports to include the promotion of regional economies. The Public Waters Reclamation Law was enacted in 1921 to develop land for the expanding coastal industry and support the construction of ports and harbors. The development of these lands, which had previously been entrusted to private companies, fell to the national government and local public entities in 1940 as the demand for industrial land in coastal areas increased.

1.3. From 1945 (World War II to Present)

Modern Port Management System
The Port and Harbor Law was enacted during the postwar period, in 1950, as Japan's first basic law concerning the construction, improvement, management, and operation of ports and harbors. This law clearly stated that ports were to be managed by port management bodies, and the foundation for the current Japanese system of port management by local government entities was established.