

# The History of Seibu in Photos (Part 1)

## I The Early Days of Seibu Railway (1892–1969)

### Part 4

### Competition Comes to Tourist Transit as People Gain Time and Means to Enjoy Leisure

Tamako and Sayamako are both artificial lakes. As their official names “Murayama Reservoir” and “Yamaguchi Reservoir” suggest, they were built to ensure a stable supply of water for Tokyo. At a time when the very idea of artificial lakes was unusual, these two drew attention for their potential as tourist destinations—nestled as they are in valleys of the Sayama Hills with their numerous side gorges and thick stands of mixed woods. Railway operators took an interest in extending their lines to them, further evidence of how crucial rail service was when personal car ownership was still far off in the future.

The Tamako Railway was established in 1928 and launched service to its Murayama-chosuichi Station (currently Musashi-Yamato Station) in 1930, the year after the Musashino Railway started service between Nishi-Tokorozawa and Murayama-koen (currently Seibukyujo-mae Station). That year the former Seibu Railway also launched service on a branch line extending from Higashi-Murayama to a station near Murayama Reservoir (currently Seibuen Station), and the Musashino Railway renamed its Murayama-koen Station “Murayamachosuichi-giwa (Murayama Reservoir Banks)” Station to emphasize its proximity to the lake. In this way, three railroads were in effect competing to bring tourists to the lakes in an era when few people had the time and means to go on leisure excursions.

Among the leaders of these companies was one person with a different perspective: Yasujiro Tsutsumi. Tsutsumi, who had established property developer Hakone Tochi and led it to success in resort and residential land development,

was convinced that property development and mass transport systems were inseparable (and indispensable to one another). Thus the concept driving his building of the Tama Railway was that railroads constitute a core piece of infrastructure underpinning the emergence of new towns and communities.

#### Getting into railroads as part of advancing the property development business: Yasujiro Tsutsumi's foresight

After resort development, Tsutsumi's next vision was for developing academic towns. Beginning work on his Kokubunji Academic Town Concept in Kodairamura in 1925, Hakone Tochi acquired permits for an electric railway between Higashi-Murayama and Kokubunjimura. Tsutsumi envisioned having university students make up the railway's core customer base, premised on persuading universities to set up campuses in Kokubunji, but—perhaps because his plans were a bit ahead of their time—he was unable to prompt a school that could function as an anchor to move there. In 1933 Tokyo University of Commerce (currently Hitotsubashi University) opened a school offering preparatory courses, but this was not enough to get residential subdivision sales going. It was then that Tamako caught Tsutsumi's attention, and he made a business decision: Sales of residential tracts would get on track once universities started locating to Kokubunji, but until then he would turn to Tamako to ensure the railway's survival.

Since its inception, Musashino Railway had followed an aggressive, forward-looking business strategy, but starting in the late 1920s, the tides of the times gradually engulfed the company, and the Great Depression of 1929 dealt it a decisive blow. To advance its aggressive business strategy, the company had borrowed heavily, and with the Great Depression it fell deeply into the red. Though cement interests were actually running the company at the time, Tsutsumi counted



In 1928, the year of its establishment, the Tamako Railway started train service between Kokubunji and Hagiyaama and between Hagiyaama and Moto-Kodaira. Service was extended from Hagiyaama to Murayama-chosuichi (the station's initial, temporary name) two years later. The photo above shows an electric Tamako Railway train stopped at the Moto-Kodaira Station. Kodaira-gakuen Station, which was later abandoned with the opening of today's Hitotsubashi-gakuen Station, appears behind the train in the photo at right.





A leaflet advertising the launch of Tamako Railway train service. At the time, passengers were transported to Tamako by car from Hagiyaama because the tracks between Hagiyaama and Murayama-chosuiichi were still under construction.

among its shareholders through Hakone Tochi. In 1932, real power shifted to him, and from then onward he shouldered the task of rebuilding Musashino Railway.

### From tourism and academic town development to department stores: the start of today's diversified business operations

The development of the Oizumi-gakuen university town is said to have been the catalyst for Tsutsumi's involvement in Musashino Railway. Though now a well-known residential community, Tsutsumi had great difficulty getting sales of residential tracts off the ground because of slow progress persuading universities to move to the area after the land was subdivided. One issue was that of the location of a site Hakone Tochi had donated about 2km from the Higashi-Oizumi Station (currently Oizumi-gakuen Station): If Musashino Railway were to go under, Hakone Tochi's project would not survive unscathed. Events more-or-less took their own course, leading to Tsutsumi's involvement in resurrecting Musashino Railway.

Though rebuilding the company was no smooth ride, the first light at the end of the tunnel appeared in 1937, when creditors agreed to a settlement based on Tsutsumi's turnaround plans. This led to massive improvements in Musashino Railway's performance as a transport business as well as in its financial position. The reasons were numerous and included a better overall business climate and a rise in passenger numbers with the extension of the Tokyo City Streetcar tram network to Ikebukuro, but the company's recovery could never have happened without Tsutsumi's capacity for running the businesses and ability to negotiate favorably with creditors amid the toughest of situations. Once the company's recovery got on track, however, Tsutsumi was able to embark on the diversification that characterizes Seibu Holdings today, by acquiring through merger the company that ran Toshima Park in 1939, then moving into department stores in 1940 with the takeover of Musashino Department Store (currently Seibu Ikebukuro Department Store).

As we have seen so far, from 1920 onward, in the outlying areas to the north and west of central Tokyo numerous rail lines were built by the former Seibu Railway, Musashino Railway, and several other companies to compete for passengers, leisure travelers as well as commuters going to and

from work and school. The railroad companies faced a hard fight for market share, with fierce turmoil breaking out that not infrequently led to battles over control of the railway businesses.

The government began to think that the time had come to bring some order to the competition among transit providers, and in 1938 a law to coordinate the activities of overland transport businesses—the Land Transport Business Coordination Act—was promulgated. In conjunction with the law, a proposal was drawn up in 1940 (the year Tsutsumi took over as president of Musashino Railway) for consolidating the railway businesses that called for breaking up suburban Tokyo into four “blocks”—evidence of just how fierce the competition for market control was.

### Railroads in areas to Tokyo's north and west enter a new era with the merger of Musashino Railway and Kawagoe Railway

One wonders how all this appeared to Tsutsumi now that he was president of Musashino Railway. Competition is of course something that should be welcomed; but when it overheats, it can also push the whole sector into a downward spiral it might not be able to climb out of. If that were to happen to railways, which had finally taken root in society, it could undermine their progress as an industry and the use of rail services as a way of life. Thus the shift from competition to consolidation through mergers and take-overs would ultimately benefit passengers as well as the industry itself. As an entrepreneur, Tsutsumi probably saw this turn of events as a natural outcome of what had transpired to date.

Where this was all leading became clear in 1943. In addition to his duties as president of Musashino Railway, Tsutsumi began serving as president of Musashino's old rival, the former Seibu Railway, whereupon he took the first steps toward merging the two companies. The merger itself was consummated shortly after the war, in September 1945, since the Ministry of Transport intervened with an audit because of the former Seibu Railway's stake in a company involved in increasing food production. The company that resulted from the merger was named Seibu Agricultural Railroad, but “agricultural” was dropped from the name in November 1946 when the company reverted back to Seibu Railway, the name it has carried ever since. Though the usual custom in such mergers-by-acquisition is for the surviving entity to retain its original name—in this case, Musashino Railway—Tsutsumi broke with convention: he didn't want the former Seibu Railway's employees being made to feel like second-class employees because the company they worked for had been taken over.