

Moving the Border of Empire: The Role of the Colonial Ministry (*Takumushō*) in Manchuria and the Defeat of Parliamentary Centrism in Japan

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Abstract:

This paper attempts to examine the political significance of the fact that Japan's colonial administration, which had previously been independent and "external," became an "internal" cabinet issue with the establishment of the *Takumushō*, Japan's Ministry of Colonial Affairs (henceforth Colonial Ministry). Therefore, it will analyze the political conflict between the Colonial Ministry and the Imperial Kwantung Army over the issue of the reorganization of the South Manchurian Railway Company from the perspective of the Colonial Ministry. As a result, it will become clear that the Colonial Ministry sought to establish its initiative in the economic policy affairs of the newly formed state of Manchukuo by effectively exploiting the will of the Imperial Diet. In the end, it is concluded that the issue of the reorganization of the South Manchurian Railway Company was not only a conflict between political institutions but also a highly political conflict between parliamentary centralism and the forces aiming to eliminate it, which ultimately became a foothold for the Kwantung Army to make political inroads into the Cabinet.

Keywords: *Ministry of Colonial Affairs (Takumushō [Colonial Ministry]), the South Manchurian Railway Company, Kwantung Army, parliamentary centralism, Manchukuo*

1. Introduction

The purpose of this paper is to clarify the political structure of Japan during the interwar period, especially during the period of the national unity government from 1932 to 1935, by analyzing the power struggle among administrative agencies over the acquisition of economic interests in Manchuria that occurred in Japan after its founding of Manchukuo in 1932. What is important here is the perspective of examining the impact of the Manchurian issue on the process of the retreat of parliamentary principles in prewar Japan's administration. In other words, this paper aims to clarify

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the significance of the fact that Manchuria, which was initially “external” to Imperial Japan, became an “internal” issue of the Japanese Empire with the founding of the state of Manchukuo.

To clarify the above question, this paper reexamines the issue of the reorganization of the South Manchurian Railway Company (hereafter, SMR), which arose from the fall of 1933 to 1934. From its establishment in 1906, after Japan’s victory in the Russo-Japanese War, until 1945, the SMR was a core actor in Japan’s strategy to expand its interests in Manchuria. Especially after the outbreak of the Manchurian Incident in September 1931, it functioned as a key economic actor in the management of “Manchukuo” in cooperation with the Kwantung Army. However, during the period when party politics gained influence from 1924 to 1931, the SMR was clearly under the influence of the party cabinet and was actively connected to the new concept of international cooperative diplomacy known as the Washington System. It was the reorganization of the SMR and, by extension, the establishment of the Cabinet’s Office of Manchurian Affairs (*Taimanjimukyoku*) that determined this change in the nature of the SMR. With the establishment of the Cabinet’s Office of Manchurian Affairs, Japan’s administrative authority over Manchuria and the supervision of the SMR formally came under the direct control of the Prime Minister and was effectively taken over by the Army and the reformist bureaucrats (*Kakushin Kanryō*). From this point on, Japan’s administration in Manchuria functioned as a base for fascist control by the military and reformist bureaucrats (Young 2017; Mimura 2021). The reorganization issue of the SMR was the trigger for this important historical transition.

Needless to say, this trend was led by the Kwantung Army, which was the driving force in founding Manchukuo. Therefore, previous studies have focused on how the Kwantung Army expanded its power in this way. However, the Kwantung Army did not envision the establishment of the Cabinet’s Office of Manchurian Affairs from the very beginning of the founding of Manchukuo. Although the Kwantung Army had increased its influence, its initial objective was to eliminate the expansion of the Japanese central government’s influence over Manchukuo, and the reorganization of the central government authority was not envisioned in earnest. Why, then, did a problem that was initially limited to Manchuria eventually expand to include the reorganization of the central government’s power structure?

An important factor in understanding this point is the existence of the Colonial Ministry (*Takumushō*). The Colonial Ministry was established in June 1929 by the Tanaka Giichi cabinet and was the agency in charge of colonial affairs. However, Japan’s Colonial Ministry differed from a Western Colonial Ministry in that it was responsible not only for colonial administration but also for overseas immigration policies and economic development administration at the same time. Most importantly, the Colonial Ministry was established by the Tanaka Cabinet, a political party (Rikken Seiyūkai party) cabinet, with the objective of having colonial and overseas administration encompassed by the principle of a responsible cabinet system based on parliamentary centralism (Sogō 2023).

The greatest significance of the establishment of the Cabinet’s Office of Manchurian Affairs was that the Army succeeded in stripping the Colonial Ministry of its administrative authority over Manchuria. If this is the case, then it is necessary to reconsider this series of institutional reforms not as a mere power struggle but as a process by which the Manchurian administration diverged from the logic of parliamentary centralism in modern Japan. This approach will lead to a clarification of part of the logic behind the decline of political influence in modern Japan from the perspective of controlling its expanding empire.

2. Literature Review

As a result of the establishment of independent administrative agencies in each of the regions that Imperial Japan gained as a result of its victory in the wars, by the 1920s, the various administrative agencies in Manchuria were operating independently without sufficient communication between them. As a result, disputes over authority and conflicts over administrative procedures often arose among them. This was known as “the Problem of the Four-headed Manchuria Policy (*Yontō-Mondai*),” and was seen as one of the reasons for the stagnation of Japan’s Manchurian development policy in the 1920s. This “Four-headed” problem specifically refers to 1) the Kwantung Agency (*Kantō-Chō*) for civilian operations, the administrative office of Kwantung Province; 2) the Kwantung Army (*Kantō-Gun*), a military command outpost of the Japanese Army; 3) the SMR (*Mantetsu*), which was a national policy company that also conducted various administrative functions in the areas immediately adjacent to the SMR line; and 4) the Mukden Consul General (*Hōten Sōryōji*), the central agency of the Foreign Ministry in diplomatic relations with Manchuria. Although the Colonial Ministry was established in an attempt to resolve this complex situation, the division of power remained, and no fundamental solution was reached. What finally brought about a settlement and the seizure of the Manchukuo administration by the Kwantung Army was the political conflict that led to the issue of the reorganization of the SMR and the establishment of the Cabinet’s Office of Manchurian Affairs, the subject of this study.

Hence, the political conflict over this issue has provided a basic framework for investigation since the 1960s (e.g., Shimizu 1968; Makita 1974; Takahashi 1981). In particular, the political process from “the Problem of the Four-headed Manchuria Policy” in the 1920s to the issue of the reorganization of the SMR in 1933, and the aspects of the three-party conflict between the Ministry of Foreign Affairs, the Military, and the Colonial Ministry, and the process of its resolution, have already been clarified in detail and empirically in the works of Akira Hara and Akira Baba (Hara 1976; Baba 1983).

More recently, attempts have been made to place the SMR reorganization issue in a broader context. Yūko Hamaguchi traces in detail the process by which the Kwantung Army successfully eliminated the Colonial Ministry and other administrative agencies by skillfully utilizing the logic of “Manchukuo as an independent state” (Hamaguchi 2000). In addition, Ryōtaro Shimizu sharply observed the concept of the leaders of the Kwantung Army to overcome the division of state administration and military command and the lack of unity between administration and diplomacy that modern Japan had been facing. According to Shimizu, this issue was “an institutional turning point in the transition of the political system, the collapse of the party politics system” (Shimizu 2011). While this perspective is deeply relevant to this paper, the main focus of Shimizu’s discussion is the conflict of authority between the Kwantung Army (and the SMR) and the Colonial Ministry (and the Kwantung Agency) after May 1934. However, as will be examined in detail in this paper, the process leading up to May 1934, when the confrontation between the administration and the military command materialized, was extremely important, and the function of the Diet was deeply related to this process. This is the point that this paper seeks to address.

Other related works include Yukiko Kuramoto’s emphasis on the leadership of the Kwantung Army in Manchukuo’s economic policy (Kuramoto 2018) and the clarification of the role of the Kwantung Army from the perspective of the management history of the SMR (Noguchi; Trevor 2013). Thus, the greatest interest in previous studies has been in how the concept of the Kwantung Army

leaders and SMR top officials for the unification of the Manchurian administration came to fruition. In addition, since many historical documents remain that provide information on the Kwantung Army and SMR sides, it is not surprising that interest has been concentrated on this perspective.

However, a major problem remains that there has been no examination of this issue from the perspective of the Colonial Ministry, which was the most powerful force to oppose this process. Although it has been clarified that the Colonial Ministry was strongly opposed to this movement, it has been portrayed as a passive response to the infiltration of their authority by the Kwantung Army. For this reason, the conflict between the Kwantung Army and the Colonial Ministry has been seen only as a matter of sectionalism.

Indeed, a certain amount of attention has also been paid to the Colonial Ministry, and it has already been pointed out that the Colonial Ministry was attempting to expand its organization by making the most of its grip on Manchukuo in order to overcome its organizational weaknesses (Katō 2006). However, because of this, despite the fact that the Colonial Ministry during the period presented a number of logical arguments for expanding its authority that addressed an important problem in the political structure of the time, these arguments were not given much emphasis because they were seen only as part of measures to expand their own authority.

3. Theory, Methodology, and Sources

This paper focuses on the fundamental reason for the formation of the Colonial Ministry, which emphasized the inclusion of colonial administration in parliamentary centralism and attempts to overcome the problems in the previous research by discussing the activities of the Colonial Ministry in connection with the Diet. In earlier research, the Colonial Ministry's opposition was regarded as a passive reaction to the announcement of the Kwantung Army's policy of reorganizing the SMR. In contrast, this study is unique in that it emphasizes the Colonial Ministry's activities prior to the issue of the reorganization of the SMR. In other words, it is a method for understanding the Colonial Ministry's opposition to the SMR reorganization issue as an extension of the Colonial Ministry's conception, which sought to expand its influence over administration in Manchuria by expanding the functions of the SMR. In addition, by focusing on discussions over the issue of the SMR's capital increase in the 64th Diet session in 1933 and the SMR's reorganization issue in the 65th Diet session in 1934, which have not received much attention in the previous research, it will be possible to examine the impact of the Diet on the issue of Manchurian administrative unification. Based on this unique method of analysis, the goal of this paper is to reevaluate the issue of the unification of the Manchurian administrative organs, not simply as a struggle for authority between government agencies but as a highly political conflict between parliamentary centralism and the Military and the Kwantung Army, which wanted to eliminate parliamentary power.

This paper analyzes the "Yamazaki Motomiki Documents" (Yamazaki 2011) and the "Hatta Yoshiaki Documents" (Hatta 1995) as basic historical documents that can reveal the details of the activities of the executives of the SMR, which were also the basic evidence in previous research. However, we will also utilize the documents of Tsutsumi Yasujirō, the Parliamentary Vice Minister of the Colonial Ministry, which have not been utilized very much so far. This batch of documents includes some information that reveals the Colonial Ministry Bureau's original SMR reform policy, which brings to light the Colonial Ministry's concept for the economic development of Manchuria. By utilizing these sources, it will be possible to reconsider the viewpoints that have been discussed,

mainly on the activities of SMR executives and the Kwantung Army leaders, and to grasp the issues of Japan-Manchukuo relations during the relevant period from multiple perspectives.

4. Analysis

(1) Prehistory of the SMR Reorganization Issue

1) The Issue of the Capital Increase of the SMR in the 64th Diet Session

First, this section examines the law of the SMR capital increase submitted to the 64th Diet session, the first serious Diet session after the founding of “Manchukuo” in March 1932. However, before proceeding, it is necessary to give a brief overview of the developments following the establishment of the Colonial Ministry, the main subject of this paper, and the situation of the SMR leading up to the outbreak of the Manchurian Incident.

As mentioned above, the Colonial Ministry was newly established in June 1929 under the Tanaka Giichi cabinet and was responsible for colonial affairs. The Colonial Ministry, although modeled on Western colonial ministries, was conceived in a uniquely Japanese context and thus had its own special characteristics. Its most distinctive feature was that it encompassed not only affairs related to Japan’s official colonies and special interests (Taiwan, Korea, South Sakhalin, the Kwantung Leased Territory, Micronesia, and the areas immediately adjacent to the South Manchurian Railway line) but also the affairs concerning the immigration of Japanese living overseas and the guidance and encouragement of overseas economic development projects, mainly subsidizing overseas companies.

It is important to note here the affairs under the jurisdiction of the Colonial and Industrial Bureau within the Colonial Ministry (*Takumushō Shokusanjyoku*). According to Article 6 of the Official Regulations of the Colonial Ministry, the Colonial Bureau was to be in charge of 1) affairs related to industry, transportation, communications, finance, taxation, and monopoly in the colonies, 2) affairs related to the supervision of the operations of the SMR and the Oriental Development Company (*Tōyō Takushoku Kabushikigaisha*), and 3) affairs related to “guidance and encouragement of overseas development projects in the areas designated by the Takumu Minister.” At this point, it is important to mention that the Colonial Ministry took possession of the supervisory authority over the Manchurian Railway and, under Article 7 of the Regulations, immigration and overseas development affairs in other foreign regions were placed under the jurisdiction of the Overseas Bureau of the Ministry of Colonial Affairs. It is interesting to note that the “areas designated by the Takumu Minister” were specifically China (especially Manchuria) and Siberia. This means that from the very beginning of its establishment, the Colonial Ministry positioned Manchuria and Siberia as an extension of its colonial industrial policy and clearly distinguished them from other overseas regions (Sogō 2023).

However, the Tanaka Giichi Cabinet, whose ruling party was the Rikken Seiyūkai, which actively promoted this orientation of the Colonial Ministry from the perspective of “Industrial Nationalism (*Sangyō Rikkoku*),”¹ was deposed on July 2, 1929. As a result, the full-fledged operation of the Colonial Ministry was carried out under the government of the opposing party, Rikken Minseitō. However, under Foreign Minister Shidehara Kijūrō, the policies of the Ministry of Foreign Affairs

1 Specifically, this refers to the Tanaka Cabinet’s plan to solve the overpopulation problem by promoting industrialization of the heavy and chemical domestic industries and economic expansion into the colonies and Manchuria with the aim of achieving self-sufficiency in raw materials (Sogō 2023: 87).

were positioned as the central policy of the Hamaguchi Osachi Cabinet, making it difficult for the Colonial Ministry to carry out its original founding concept (Inoue 2020). Furthermore, the decision was made to abolish the Colonial Ministry under the second Wakatsuki Reijiro Minseitō Cabinet, which sought to strengthen the consolidation of power through a radical reform of the administrative organization (Sogō 2021).

On the other hand, what about the SMR? The SMR was one of the colonial government agencies that was particularly affected by the aftermath of the party cabinet through personnel changes. Each political cabinet first tried to control the SMR through personnel changes in the upper echelons. The Hamaguchi cabinet appointed party figurehead Sengoku Mitsugu as SMR president. The SMR, under the leadership of President Sengoku, returned the leadership of its aggressive power expansion measures, including the Chinese railroad construction plan as a national policy company, to the Ministry of Foreign Affairs and placed emphasis on improving its corporate structure. The SMR strived to restore itself to health as a corporation by decisively implementing large-scale restructuring and administrative reorganization (Katō 2006). It was clear that this was running counter to the founding policy of the Colonial Ministry.

Under these circumstances, the Manchurian Incident broke out on September 18, 1931. The upper echelons of the SMR, including Sogō Shinji, a member of the board of directors of the SMR, who had been criticizing the policies of the Minseitō Cabinet toward Manchuria, actively joined the military invasion that was led by the Kwantung Army. As a result, at the time of the founding of “Manchukuo,” a cooperative relationship between the Kwantung Army and executives of the SMR had already been established (Katō 2006).

It is important to note here that the founding of “Manchukuo” and the fact that the Manchurian territory was effectively under Japanese influence provided the perfect opportunity for the Colonial Ministry to demonstrate its founding concept, i.e., gaining centralized control over overseas administration. Therefore, from this point onward, the Colonial Ministry was activated with the aim of taking the lead in the policy of economic collaboration between Japan and Manchuria.

After confirming the above assumptions, we would like to examine subsequent developments. Even though the Kwantung Army was to seize control of the administration of Manchukuo, it was the Japanese government that determined the policy of Japanese-Manchukuo economic control.

At first, the Saitō Makoto cabinet asked the Bureau of Natural Resources (*Shigenkyoku*), which had been established in the Cabinet Secretariat and over which the Military had a strong influence, to prepare a draft plan of Japanese-Manchukuo economic control. However, on October 19, the Cabinet reached the conclusion that “since this is an extremely important issue, it is not something that should be referred to a committee, etc., but something that should be decided after careful deliberation at a Cabinet meeting,” and indicated that the Cabinet would decide the opinions of the ministries concerned. The Saitō cabinet tended to emphasize the coordination of opinions among ministers of state. In response to this move, the Colonial Ministry established a council under the Ministry to advocate its views at Cabinet meetings and to establish its own policy proposals (*Dalian Newspaper [Dairen Shinbun]*, hereafter DN), October 20, 1932, page 1).

Under such circumstances, a movement emerged to increase the capital of the SMR in order to strengthen its functions to be able to carry out economic and industrial policies in Manchuria. Hatta Yoshiaki, Vice President of the SMR, was not very enthusiastic about this, stating in a newspaper, “I do not feel that the issue of capital increase is necessary at the present time, but it will be important in the future” (DN: December 11, 1932, page 1).

In contrast, the Colonial Ministry was extraordinarily enthusiastic about increasing the capital of the SMR. During a visit to Dalian and Manchuria, Tsutsumi Yasujirō, Parliamentary Vice Minister of the Colonial Ministry stated, “It is most expeditious to let the SMR be at the forefront of industrial development in Manchuria and Mongolia,” and insisted that the capital increase of SMR must be implemented by all means. He also criticized the Colonial Ministry’s role as a supervisory agency during the Minseitō Party cabinet meeting, saying, “The government’s policy as a supervisory agency has been mistaken to date, and it has been misinterpreting what it means by supervision and putting the brakes on the SMR, but [...] the Ministry intends to do more to support the Manchurian Railway in the future” (DN: January 2, 1933, page 1). In response to this move by the Colonial Ministry, Hayashi Dentarō, then president of the SMR, stated, “The government will decide the amount and timing of the capital increase as it sees fit since we have left the capital increase plan to the Colonial Ministry in general” (DN: January 8, 1933, page 1). It should be noted that the issue of capital increase was actively promoted by the Colonial Ministry rather than by the SMR. Colonial Ministry’s logic for the proposed capital increase of the SMR was that it was necessary because “it is appropriate that the SMR should be responsible for the management of and investment in important industries in Manchukuo in the future” (Tsutsumi: No.199). The Colonial Ministry took the capital increase as an opportunity to position the SMR as a leader in the industrial development of Manchukuo. This was fundamentally at odds with the Army’s vision, which will be discussed later.

Although the Ministry of Finance was initially reluctant to approve a capital increase for the SMR, the Colonial Ministry was able to persuade the Ministry to submit a bill for an 800-million-yen capital increase to the 64th Diet session, which was then approved. It is important to note that the House of Councilors (Upper House) passed the following supplementary resolution here.

In view of the increasing importance of the mission of the South Manchuria Railway Company, and in order to take the best possible measures to carry out the new plan in conjunction with this capital increase, the government should, on the one hand, eliminate the troublesome procedures for the company and allow the parties concerned to take the appropriate measures, and, on the other, establish a fair method of guidance and supervision to prevent the company from becoming careless in its operations, and ensure that all will be well. (Jimukan)

In other words, the desire of the Diet was to strengthen its supervisory function over the SMR in conjunction with the capital increase of the SMR. The process from the capital increase proposal to the supplementary resolution had a major impact on the issue of SMR’s reorganization in October 1934.

What is even more interesting here is the high possibility that the supplementary resolution to the SMR capital increase plan would be discussed in prior consultation under the Colonial Ministry. At the March 23 meeting of the House of Peers Special Committee on the SMR Capital Increase, questions centered on what the government thought of the SMR as a means of developing the economy of Manchukuo along with the capital increase.² It is important to note that Ōkura Kinmochi, a member of the House of Peers who was present at the meeting, visited the official residence of the Takumu Minister together with Ōbuchi Mitsuki, Director of the SMR, and discussed the issue of the SMR

2 This Diet session is “The 64th Imperial Diet, House of Peers, Special Committee on the Draft Law Concerning Subscription of Shares in the South Manchuria Railway Company,” (No. 3, March 23, 1933), (*Stenographic record of the proceedings of the Imperial Diet*).

capital increase with Takumu Ministers Nagai Ryūtarō, Kitajima Kenjirō, Director of the Colonial Bureau of the Colonial Ministry, Hayashi Dantarō, President of the SMR, Ōbuchi, and Takenaka Masakazu, Director of the SMR. The participants from the House of Peers were Matsuoka Kinpei, Nabeshima Naoaki, and Ōkura of the Kōseikai³. Although the details of the meeting are unknown, it is highly likely that the supplementary resolution was coordinated in advance with the Colonial Ministry, since Matsuoka, Nabeshima, and Ōkura “discussed the supplementary resolution for the capital increase plan” in a separate room immediately after this meeting. On the following day, the 24th, a round-table meeting was first held by the SMR Capital Increase Committee to discuss the supplementary resolution. As planned, committee member Maeda Toshisada proposed the supplementary resolution, and Ōkura and others expressed their support for it, and it was approved (Ōkura 1973: 103-104, March 23 and 24, 1933). In light of the above, it seems highly likely that the supplementary resolution was intentionally created by Ōkura and others with close ties to Colonial Ministry and SMR executives. The supplementary resolution was then accepted as the “will of the Diet” and Colonial Ministry formulated its own plan for reforming the SMR. This made the issue of reorganizing the SMR even more complicated.

2) The Colonial Ministry’s Plan to Strengthen Supervision Over the SMR after the 64th Diet Session

As seen in the previous section, the 64th Diet session issued a supplementary resolution to strengthen and expand supervision over the SMR in conjunction with the capital increase. Perhaps in response to this, on April 2, it was reported in the newspapers that the Ministry of Colonial Ministry was reforming the organization and was planning to set up a new permanent supervisor for the SMR. It is noteworthy that Yoshiaki Hatta, Vice President of the SMR, responded negatively to this action by Colonial Ministry as follows:

I have not heard anything about it, nor is it possible. [...] The Kwantung Agency is the supervisory authority for the SMR, and the Military agency supports it. Therefore, there is no way to set up a new supervisory department. Furthermore, I do not see the need for a supervisory department, even if the company’s capital were to increase and its business were to expand. (DN: April 2, 1933, page 1)

As Hatta said, the SMR was already under the supervision of the Kwantung Agency first, the Colonial Ministry second in terms of the government system, and in effect the Kwantung Army. On top of that, further strengthening of supervision would have severely restricted the activities of the SMR, and the executives of the SMR were negative about this movement. Rather, the Kwantung Army and Vice President Hatta were seeking to shift supervision of the SMR from the colonial government authority to the military, and already in the previous year, SMR executives had been promoting reorganization in cooperation with the Kwantung Army. From their point of view, any move to interfere by the central government was a target to be eliminated as they sought to secure control of Manchukuo’s administration through ties among local agencies. Moreover, this was still an era in which the return of party politics was still a prerequisite in central government. In order to eliminate the interference of the party cabinet, which would be restored in the near future, it was necessary to

3 One of the House of Peers Agencies.

eliminate the influence of the Colonial Ministry as much as possible, and for this reason, the SMR executives were cooperating with the Kwantung Army to reform the organization, and they found their justification in the fact that Manchukuo was an “independent state.” In this sense, this issue can be seen as a confrontation between the Colonial Ministry side, which considered Manchuria as an extension of the interior, or in other words, a colony, and the SMR executives and the Kwantung Army, which sought to eliminate the influence of the home country on the basis that Manchukuo was an “independent state.”

The Colonial Ministry, on the other hand, devised measures to strengthen the supervisory function of the SMR. On April 16, Takumu Minister Ryūtarō Nagai stated, “As the SMR expands its business, it cannot be supervised in the conventional way, and we have recognized the need to do so without waiting for a supplementary resolution of the Diet” (DN: April 16, 1933, page 7). On May 2, it was further reported that a system was being drafted with the intention of “stationing a full-time SMR administrator in the field to supervise the SMR, establishing a permanent auditing system and appointing knowledgeable and experienced persons as councilors to form a council and make proposals, and establish the permanence of the president of the SMR (DN: May 2, 1933, page 1).

Although the above are newspaper reports, there is a historical document titled “A matter related to the reorganization and enhancement of the Colonial Ministry” that was actually prepared by the Ministry. The date of creation is unknown, but the statement “It has already been four years since the establishment of the Ministry” suggests that this document was created around July-August 1933. In this document, it was asserted that “in view of the original mission of the Colonial Ministry, since the outbreak of the Manchurian Incident, there has been a great deal of necessary planning of strategies to be implemented in Manchuria, and both the SMR and the Oriental Development Company (*Tōyō Takushoku Kabushikigaisha*) have expanded and strengthened their operations based on their national policy missions” and that in order to respond to this situation, “it is urgent that the necessary local officials be sent and stationed, and that the necessary officials of the Colonial Ministry be increased and its organization improved to enable it to carry out its administrative tasks in the development of Manchuria” (Tsutsumi: No.329). From this, it can be seen that the Colonial Ministry was trying to exert influence not only on the supervision of the SMR, but also on the overall industrial and economic policies in Manchuria by expanding its organization. In the context of the original mission of the establishment of the Colonial Ministry and in light of its response to the situation after the Manchurian Incident, it was quite natural for the Colonial Ministry to expand its organization in this way. As this document clearly shows, the SMR reorganization issue was an extension of the context that had existed since the establishment of the Colonial Ministry.

In fact, the specific plan for organizational reform presented in the previous document states that a new Inspector General of the SMR would be appointed and that he would concurrently serve as the head of the Shinkyō (capital of Manchukuo) Office for Branch Workers, thereby “further exercising the functions of the Office for Branch Workers of the Colonial Ministry in immigration and other various affairs, and in order to promote communication with the Colonial Ministry and cooperation with the relevant local government authorities.” It is clear that the ministry was going beyond the supervision of the SMR to take on the industrial affairs of Manchukuo as well.

As can be seen from the above, from the 64th Diet session onward, the Colonial Ministry was seeking to use the supplementary resolutions of the Diet to resolve the contradictions that had existed since its establishment (a weak organization compared to a grand vision) and to expand its policy influence in Manchukuo. This was not a passive action in response to the Kwantung Army’s trend

toward reorganization of the SMR, but a very natural move considering the purpose of establishing the Colonial Ministry.

Finally, on October 5, 1933, this movement culminated in the “Policy for the Improvement of the Supervision System for the SMR,” prepared by the Industry and Commerce Bureau of the Colonial Ministry. The resulting proposals are presented here: 1) a Colonial Ministry supervisor (*Kanrikan*) would be stationed in Manchuria and would be in close contact with the Kwantung Agency and the Kwantung Army regarding supervision of the SMR’s operations; 2) a permanent auditor system (*Jōnin Kanjisei*) would be adopted to conduct strict auditing of company operations; and 3) a board of advisors (*Sanyokai*) would be established to ensure the permanence of the policies concerning SMR’s operations. The Board of Advisors would consist of a chairman (President of the SMR) and five advisors, who would be appointed by the Takumu Minister for a six-year term. The members consisted of one from the military, one each from the House of Councilors and the House of Representatives, one from the financial sector, and one from the business sector (*Jimukan*).

Of particular interest is proposal 3, the system of the Board of Counselors. This is in response to the aforementioned concerns of Hatta and the Kwantung Army; in that it was intended to establish a permanent policy in response to the adverse effects of the SMR being subject to political changes caused by party politics. Conversely, however, this means that the Board of Counselors would be the most authoritative agency for the SMR’s administration, and it is extremely important to note that the Colonial Ministry would be in charge of selecting its members. Furthermore, in terms of personnel composition, one person was to be appointed from each of the parliamentary forces of the House of Councilors and the House of Representatives, which can be understood as a clear plan to establish a policy-making body different from the Kwantung Army - Manchuria executive line.

The Colonial Ministry had already formulated such a definite plan as early as the fall of 1933. It was in this context that the military’s proposal to reorganize the SMR was leaked to the public, and the issue of reorganization spread throughout the political arena.

(2) The Battle for Parliamentarism: The Political Process of the Reorganization of the SMR

1) Conflicts over the SMR Reorganization Issue

From this point on, we will clarify the developments that took place after the Kwantung Army’s proposal for the SMR’s reorganization became known to the general public and political conflicts spread. Furthermore, the significance of the establishment of the Cabinet’s Office of Manchurian Affairs in December 1934 will be reexamined.

As mentioned in the previous section, the Colonial Ministry envisioned strengthening its supervisory authority over the SMR from its own context, and by September 1933, the plan was almost complete. In fact, in early September of that year, the Colonial Ministry submitted to the Army Ministry a “Draft Outline of the Japan-Manchukuo Economic Control Policy” (Hatta 1995: No.0273)⁴. The Kwantung Army was dissatisfied with the Colonial Ministry’s proposal, which gave the impression that an economic control organization in Manchuria would “forget that it would be an independent domestic enterprise in Manchukuo” and did not “indicate the existence of the Manchukuo government” (Hatta 1995: No.0273). In other words, the Colonial Ministry plan, which did not take into consideration the fact that Manchukuo was an independent country, was not acceptable to the

4 The original document is in the Economic Research Institute of the SMR: 31-37.

Kwantung Army.

The Kwantung Army, on the other hand, sought to recover all administrative, educational, and industrial policies of the SMR under the Manchukuo government (under the influence of the Kwantung Army), and to make the various industrial businesses under the SMR independent by making the SMR a holding company. It is clear that this proposal was in conflict with the Colonial Ministry's orientation, which had stated at the time of the submission of the SMR capital increase proposal that "it is necessary that the management and investment in important industries in Manchuria such as steel, ammonium sulfate, electricity, and coal mining be handled mainly by the SMR" (Tsutsumi: No.199). It was also intended that the Commander-in-Chief of the Kwantung Army (*Kantōgun Shireikan*) would take over centralized supervision of the SMR. The Kwantung Army's plan for the SMR's reorganization was aimed at reducing its authority and making it a pure railroad company, thereby creating the appearance of an independent Manchukuo state and concentrating the initiative under the Kwantung Army (Hamaguchi 2000). Therefore, it was in direct conflict with the Colonial Ministry's concept, both in terms of policy and authority.

The Kwantung Army and the Ministry of War prepared their proposal from October 9, and began negotiations with the Japan-Manchukuo Economic Control Committee (*Nichi-Man Keizai Tōsei Inkaï*) under the direct control of the government, in a silent rejection of the earlier Colonial Ministry policy that did not take into account the fact that Manchukuo was an "independent country" (Hatta 1995: No.0273). In the midst of this, on October 24, 1933, the military's plan to reorganize the SMR was revealed to the general public during an unguarded conversation with news reporters by Takazō Numata, a general staff officer of the Kwantung Army, who was negotiating with the central government. Since Numata himself stated, "I was unfamiliar with newspaper reporters during our talks in the car, and I answered their questions and talked too much" (Hatta 1995: No.0220), it is clear that the reports were very close to the truth and not leaked by someone else.

As a result of the public announcement of the proposed reorganization of the SMR, the SMR Employees' Association, which was dissatisfied with the activities of the executives linked to the Kwantung Army, declared a protest. According to previous research, it is understood that the Colonial Ministry also announced its concerns regarding the SMR and the Kwantung Army under the pressure of the SMR Employees' Association (Hamaguchi 2000). But what is important is that they expressed dissatisfaction with the SMR's move to proceed with negotiations without a supervisory authority, despite the fact that the Colonial Ministry was in the midst of researching SMR's reforms (Hatta 1995: No.0289). It can be confirmed once again that even before the information leak, the Colonial Ministry was already trying to carry out their own reform of the SMR in a different way from the Kwantung Army-SMR executives.

As shown by the opposition of the SMR Employees' Association, the Army's proposal to reorganize the SMR, which would have drastically reduced the authority of the SMR, was not acceptable to most local agencies, local businesses and Japanese public opinion. In addition, previous research has pointed out that the opinions of the SMR executives were not completely in agreement with those of the Kwantung Army at this time (Takahashi 1981; Hamaguchi 2000). While this is true, what is important is that the SMR executives were actively engaged in negotiations with the Kwantung Army based on the policy that "the local organizations should make further efforts to reassure the central government with sufficient strength and control in order to carry out their work completely and promptly." This was based on the judgment that "the Japanese central government has many obstacles in the way of making steady progress for the nation's sake because of the many

obstacles in the way of the local situation. This was based on the judgment that “since the central government was often unfamiliar with the local situation in Manchukuo, it would be an obstacle to making steady progress in the region” (Hatta 1995: 0268). In other words, the SMR executives and the Kwantung Army were in agreement on one thing: they wanted to carry out their policy toward Manchuria by eliminating central interference and promoting cooperation among local agencies.

For this reason, the time when the Colonial Ministry’s plan to strengthen supervision over the SMR had materialized was also a time of considerable crisis for the SMR executives. This is evident in their written explanation to the SMR shareholders, who were increasingly protesting after the announcement of the plan for the SMR’s reorganization, in which they claimed that “the SMR has suffered considerably from the evils inflicted upon it under the party cabinet,” and that it would “reorient itself to national policy and thus prevent the evils of the political parties.” Therefore, they continued, “It is necessary to change the comprehensive organization and make each project independent, and to operate them directly under the control of the Manchukuo State” (Hatta 1995: No.0291). In short, in order to correct the nature of the SMR, which had been influenced by the party cabinet, the SMR executives actively sought to cooperate with the Kwantung Army.

It was natural that there would be opposition, especially from the Colonial Ministry, to the proposed reorganization of the SMR, and at the end of October, “the Colonial Ministry also decided to take an active role in the SMR reorganization issue,” and expressed opposition to the SMR’s reorganization (Yamazaki 2011: 390). Here, the Colonial Ministry began to consider “whether or not to make a distinction between administrative organizations that should be under military control and those that should be under civilian control” (DN: October 30, 1933, page 1). In other words, in addition to strengthening the existing supervisory authority over the SMR, the Colonial Ministry indicated a clear distinction between general administration and military administration. This was in direct opposition to the local trend of consolidating the administration in Manchuria under the Kwantung Army.

The SMR Employees’ Association also moved to prepare its own reform proposal, separate from the Kwantung Army’s. It is noteworthy that this proposal was very similar to the earlier Colonial Ministry’s plan: “The supervisory authority shall be the Colonial Ministry, and a permanent supervisory system with authority shall be established under the supervision of the Colonial Ministry” (DN: November 8, 1933, page 1). Then, on November 13, the Colonial Ministry announced the aforementioned policy for the establishment of a council of advisors (*Sanyokai*) and insisted on a distinction between the military and civilian line of command (DN: November 13, 1933, page 1). Furthermore, despite the fact that Mutō Nobuyoshi, the Commander of the Kwantung Army also served as its Director General, the Kwantung Agency also prepared its own proposal based on the Colonial Ministry proposal. It was an attempt to expand the authority of the Kwantung Agency by merging the functions of the Kwantung Army’s Special Affairs Department (*Kantōgun Tokumubu*) as well (DN: November 14, 1933, page 1). This shows that even if the Army had taken control of the personnel of the top posts, this did not immediately mean that it could control the bureaucrats of the Kwantung Agency. Although the bureaucrats of the Kwantung Agency did not have the power to oppose the Director-General of the Kwantung Agency, the fact that the Colonial Ministry, a power that could suppress the military, openly criticized the Kwantung Army, energized the Kwantung Agency bureaucrats and enabled them to criticize the Kwantung Army directly. Within the SMR, there were also signs of support for this policy, indicating that Colonial Ministry’s policy of distinguishing between the military and administrative line of command was receiving considerable support from the

local agencies and businesses in Manchuria (DN: November 14, 1933: page 1). Thus, the situation in which the Kwantung Army also took control of administrative affairs was not necessarily supported by the SMR or the Kwantung Agency, but rather, the majority of lower-ranking officials and bureaucrats were opposed to it. They tried to counter the Kwantung Army-SMR executives by relying on the Colonial Ministry, the supervising agency.

In response to these movements, the Kwantung Army had no choice but to compromise (Hamaguchi 2000). Here, there was an opportunity for the Colonial Ministry to seize the initiative. The Colonial Ministry did not miss this good opportunity, and by the end of November, it began to actively express its plans for the reform of the SMR. So, what were their arguments? In fact, it was the aforementioned House of Councilors supplementary resolution in the 64th Diet session that was used by the Colonial Ministry as an argument for strengthening its supervisory authority.

At the beginning of October, Hatta, Vice President of the SMR, seemed to have lost track of this Colonial Ministry's move. Takumu Minister Nagai Ryūtarō stated, "In next Diet session, it will be necessary to make a considerable reply regarding the supplementary resolutions in the previous Diet session, such as the supervision of the SMR," but Hatta and the Kwantung Army wrote that this was "of unknown content" (Hatta: No.0289). Although Araki Sadao, the Minister of War, was optimistic that it would be impossible for the Colonial Ministry to strengthen its supervision of the SMR, this move gradually put the Kwantung Army in a difficult position.

2) Embodiment of the Colonial Ministry's Concept and the 65th Diet Session

With the opening of the 65th Diet session approaching on December 16, the Colonial Ministry held a joint meeting with the SMR President Hayashi Dentarō and Vice President Hatta Yoshiaki, where Takumu Minister Nagai formally expressed his intention to address the SMR reorganization issue. Nagai then expressed the Colonial Ministry's view on the supplementary resolution that the supervisory authority should be strengthened in order to fully carry out the capital increase of the SMR, saying, "Needless to say, it is necessary to ensure strict supervision over the management of the 800 million yen of funds of the SMR so that it will not fail in its mission" (Diplomacy Times Co. December 1933: 247-248). In addition, the Colonial Ministry's newsletter also emphasized that the Ministry had been researching the issue since the resolution of the wishes of both the House of Councilors and the House of Representatives, and reported that it was trying to ensure continuity in the fundamental policy of the SMR by establishing a council of advisors' system. Furthermore, the distinction between the administrative and military branches of government in Manchuria was asserted as follows:

Originally, the military commander was the commanding authority, and administrative matters such as the supervision of companies and industrial control were the responsibility of the Minister of State in providing assistance to the Emperor (Hohitsu Sekinin). In other words, this was a matter that belonged to the Emperor's supreme administrative authority, and for the Commander-in-Chief of the Kwantung Army to be involved in the industrial sector was, so to speak, a violation of the Emperor's administrative authority as clearly defined in the government system, and was therefore a violation of the Constitution. The industrial functions of the SMR are closely related to Japan's domestic industry, and especially from the viewpoint of strengthening the Japan-Manchukuo economic bloc, the supervision of the SMR must be maintained by the Takumu Minister in the central government, in order to maintain contact with all parties

concerned and to respond to the central government's national policy on industry. (Takumu Review Co. December 1933)

Thus, the leaders of the Colonial Ministry strongly criticized the Kwantung Army's interference in administrative affairs concerning the control of industry. Certainly, under the Meiji constitutional system, the Ministers of State were responsible for assisting the Emperor in all administrative affairs except for matters of command. By formulating the logic of the responsibility to provide assistance, the Colonial Ministry attempted to break the Kwantung Army's involvement in industrial policy and seize the initiative in the policy of industrial control between Japan and Manchukuo. Here, the opposing views of the Colonial Ministry, the SMR Employees Association, and the Kwantung Agency, who sought to expand their influence in Manchuria based on the policy of imperial expansion and relying on the responsibilities of the Minister of State in the Meiji Constitution and the Diet were clarified, as were the views of the Kwantung Army and the SMR executives who sought to gain centralized control of local administration by respecting the pretenses of an "independent nation."

The fact that these actions by the Colonial Ministry were not passive in any way is evident in the fact that Tsutsumi Yasujirō, Parliamentary Vice Minister of the Colonial Ministry, indicated to Yamazaki Motoki, Director of the SMR, that "Regarding the issue of supervision of the SMR, we will proceed by establishing a permanent supervisory system, and a council of advisors, regardless of the SMR reorganization issue" (Yamazaki 2011: 393). In this way, the Colonial Ministry which had expressed the concept it had developed since the 64th Diet session, prepared a budget for the establishment of a full-time imperial-appointed SMR Supervisor (*Chokunin Kanrikan*) within the Kwantung Agency and obtained approval from the Ministry of Finance (DN: December 28, 1933, page 1). According to the reply to the question in the 65th Diet session prepared by the Colonial Ministry, "In order to cope with the increase in the number of duties in the supervision of the SMR, both the Colonial Ministry and the Kwantung Agency have requested an increase in the number of staff, but it is difficult from a financial standpoint to achieve both at once" (Tsutsumi: No.243).⁵ In addition, Takumu Minister Nagai seemed to be "always concerned that he had explained in the last Diet session that there would be no change in the current situation with regard to the capital increase" (Hatta 1995: No.0289). This probably means that Nagai did not have the logic to overcome the Ministry of Finance's opposition from a budgetary standpoint since he had stated in the last Diet session that he would not make any radical changes. Presumably, the Ministry of Finance raised the suspicion that the establishment of the Council of Advisors constituted a radical change. As a result, the Colonial Ministry had no choice but to make only mild reforms. From this point of view, it is understandable that what was proclaimed as policy in the Diet had an extremely important meaning in terms of the reform of the SMR.

On January 8, 1934, the Colonial Ministry held a meeting of the top leadership of the Ministry, where they agreed that the SMR reorganization issue "should be resolved through parliamentary

5 This is from the "Budget Explanation FY1934 (Yosan Setsumi Showa 9nendo)," (Tsutsumi: No.327), which stated that the Kwantung Agency's budget "Since the outbreak of the Manchurian Incident and the establishment of the Manchukuo State, the scope of operations of the SMR has expanded considerably and its capital has recently been increased to 800 million yen, and the supervisory structure of its operations has been deemed necessary to enhance this. In recognition of this, the Kwantung Agency has increased the number of imperial-appointed clerks, directors, and others, and the necessary expenses of 35,000,000 yen have been appropriated for this purpose."

discussion, with reforms adapted to the current national conditions” and finalized the policy (DN: January 10, 1934, page 1). The policy was “to respect the resolution of the previous Diet session on the SMR capital increase plan and to carry out the reorganization within the scope of this plan with the greatest possible convenience and strict guidance and supervision for the execution of the SMR’s projects” (DN: January 10, 1934, page 1). After all, the biggest argument for the Colonial Ministry’s plan to expand the SMR’s supervisory authority was the supplementary resolution by the Diet.

Furthermore, as a result of detailed discussions at a ministry meeting based on the original plan prepared by the Kwantung Agency (DN: January 23, 1934, page 1), the Colonial Ministry’s SMR reform plan was completely solidified on January 22, 1934. There, the scope of the SMR’s business was specifically stated, covering almost all major industries: iron and steel, light metals, petroleum, automobile and weapons industries, raw ore mining, coal mining, ammonium sulfate, natural gas, gold mining, electricity, and logging. It is clear that the Colonial Ministry was still trying to have an industrial policy toward Manchukuo be carried out by the SMR. On top of that, the establishment of a standing permanent supervisory system and council of advisors was also clearly stated (Tsutsumi: No.240).⁶ Although it did not materialize as a budget proposal, the Colonial Ministry would go into the 65th Diet session with a strong stance.

Naturally, there were many questions from both houses of the Diet regarding the reorganization of the SMR, since the issue had already become public knowledge. In response, Prime Minister Saitō Makoto declared his opposition to the transfer of supervision of the SMR to the military, and it is reported that the Colonial Ministry was extremely optimistic (DN: January 31, 1934, Page 1).

What is noteworthy, then, is the question from Ōkura Kinmochi and Takumu Minister Nagai’s response to it. As late as October 1933, Ōkura, who had collaborated with the Colonial Ministry in the previous Diet session, was still advocating the necessity of establishing a supervisory authority for the SMR to decide on general policy rather than administrative supervision as before and was of the opinion that “the SMR, as it is now, should be an industrial organization in Manchuria” (DN: October 11, 1933, page 1). He stated that he was dissatisfied that, although the Cabinet had rejected the Kwantung Army’s proposal to reorganize the SMR, the Colonial Ministry had failed to submit an alternative proposal to the 65th Diet session. He also requested that a fundamental solution be prepared and submitted to the next Diet session based on the House of Councilors’ supplementary resolution of the previous Diet session. Ōkura then stated that the situation where the Colonial Ministry supervised from a distance should be improved and expressed his agreement with the purpose of the establishment of a full-time supervisor by the Kwantung Agency. He also warned against the situation in which military personnel supervised the SMR, using the reaction of the SMR Employees Association as an example, and advocated that the supervision should be carried out by a business expert.

Takumu Minister Nagai agreed with Ōkura’s opinion and stated, “The SMR is an important industrial sector and that should be regarded as the purpose of its existence, and we will concentrate our efforts to improve the railway so that it can fulfill its purpose without hindrance.” Furthermore, he indicated that the Japanese government would direct SMR, since it was the central government that

6 Although the specific members of the council of advisors were omitted, it was stated that “The Chairman shall be the President of the SMR, and the Counselors shall be appointed by the Takumu Minister for a term of six years from among those with relevant knowledge and experience.”

would determine national policy.⁷ Also, in response to a question from Ōkura, Nagai clearly stated that “the special department of the Kwantung Army is a transitional entity in this day and age,” and that the Colonial Ministry should establish the general plan for industrial construction in Manchuria.⁸

In this way, the policy of Manchuria’s economic development based on the SMR was presented in the Diet. In keeping with this momentum, at a cabinet meeting on March 30, Takumu Minister Nagai proposed and received approval that “the future economic construction of Manchuria should be based on the policy of [...] remodeling the current organization of the SMR as the foundation” and that “the SMR should be responsible for transportation, the national defense industry, and general basic industries in Manchukuo” (DN: March 31, 1934, page 1). Thus, the initiative for economic and industrial development policy in Manchuria was shifting to the Colonial Ministry.

In addition, it seems that Nagai Ryūtarō, who joined the Saitō Makoto Cabinet from the Rikken Minseitō Party and served as Colonial Minister, had a great deal to do with the policy of the Colonial Ministry that has been discussed so far, as it was moving toward realization. Before the Manchurian Incident, Nagai was a supporter of Shidehara Kijūrō’s internationally cooperative diplomacy, but after the Incident, he shifted to an extremely aggressive theory of establishing a Japan-Manchukuo economic bloc and advocated imperialist expansion (Sakamoto 2009). Nagai’s orientation was to promote a policy of external expansion with parliamentarism at its core, which was described as “constitutionalism on the inside, imperialism on the outside.” Nagai’s views after the Manchurian Incident were very much in line with the policies of the bureaucrats of the Colonial Ministry, which had been in this context since its establishment. Therefore, the opinions of the colonial bureaucrats and Colonial Minister Nagai regarding the policy’s formation were smoothly implemented without conflict. In this sense, the conflict between the Colonial Ministry and the Kwantung Army over the administration of Manchuria was closely linked to the conflict between the political parties and the military. Moreover, because both sides shared the premise of aggressively advancing into Manchuria, the conflict over the administration of Manchuria had become a fierce struggle to take the initiative.

What action, then, did the Kwantung Army and SMR executives take in the face of such a disadvantage? The only way was to strip the Colonial Ministry itself of its authority, and since the Colonial Ministry was closely tied to parliamentary responsibility, this would inevitably lead to a challenge to parliamentarism by the military command.

3) The Consequences of the SMR Reorganization Issue: The Deviation of the Manchurian Administration from Parliamentarism

As we have seen above, the Colonial Ministry’s plan to strengthen supervision of the SMR had been making considerable progress since the fall of 1933, and the Kwantung Army and the SMR executives were on the defensive. With the Colonial Ministry in place and the Minister of State positioned as the supreme authority under the Constitution, it was impossible for the local agencies to push through with their plans on their own. Even when the SMR executives, who had fallen on hard

7 The above Diet session is “The 65th Imperial Diet, House of Councilors, Budget Committee No. 1 (Dai 65 kai Teikokugikai Kizaki Yanika Dai 1 gou)” (February 14, 1934), (*Stenographic record of the proceedings of the Imperial Diet*).

8 This Diet session is “The 65th Imperial Diet, House of Councilors, Budget Committee, Subcommittee No. 6, No. 1 (Dai 65 kai Teikokugikai Kizaki Yanika Dai 6 bunkakai Dai 1 gou)” (March 2, 1934), (*Stenographic record of the proceedings of the Imperial Diet*).

times due to the public outcry, asked the Colonial Ministry for permission to prepare a plan to remodel the SMR, the Colonial Ministry indicated its intention to discard the proposal based on its own judgment (Yamazaki 2011: 397-398). For this reason, after the Colonial Ministry concept was presented to the Military in late September 1933, the Kwantung Army and the SMR executives began to envision structural reform of the Cabinet itself. The SMR executives asked the Military authorities to “establish a supervisory system for the SMR and clarify its organizational authority” (Hatta 1995: No.0218). The SMR executives, who hated the strengthening of the Colonial Ministry’s supervisory authority, asked the Military to reform the SMR’s supervisory organization itself.

The Military side, on the other hand, intended to handle the issue of the supervisory structure by turning it into a minister-to-minister political issue after it had been prepared (Yamazaki 2011: 383-384). However, the SMR side was apparently concerned about this and asked the Cabinet Bureau of Natural Resources (*Naikaku Shigenkyoku*) to mediate as a third party. Matsui Haruo, the Bureau of Natural Resources observed that the Military’s true intention was rather to “effectively take control of the central government and supervisory structure with its own hands” by using the SMR reorganization issue (Yamazaki 2011: 384-385). What started out as an issue of reforming the Manchurian administrative organs gradually expanded into reforming the administrative organs of the central government. It is noteworthy here that the Military initially stated that it had a “limited policy” of transferring some of the authority of the Colonial Ministry to the president of the Kwantung Agency, and then stated that “this would not be necessary if the ideal cabinet in terms of Colonial Ministry were to be formed (Yamazaki 2011: 385). In other words, the fundamental factor that led to the expansion of the local concept into reform of the institutions of the central government was the fact that the Colonial Ministry was moving toward its own reform concept of the SMR. Namely, it was precisely because they were in a difficult situation that they had no choice but to take steps to reorganize the Cabinet. In this way, an all-out confrontation between the Colonial Ministry and the Military (between administrative and command authority, imperial expansion, and the logic of an “independent nation”) had begun.

However, during this period, the Minister of War, Araki Sadao, was outnumbered by other cabinet ministers, a situation that was extremely inconvenient for the Military. Baron Araki was the leader of the Kōdō-ha (Imperial Way) faction of the Japanese Army, which gained control of the Military after the Manchurian Incident. However, when Araki’s lack of political power as Minister of War under Saito’s cabinet was exposed, his influence in the Military rapidly declined (Sasaki 1979). The only way for the Military to realize its policies was to count on the ability of the Minister of War to obtain the budget, but Araki lacked this ability. Therefore, the Military removed Araki as Minister of War and replaced him with Hayashi Senjūrō, a member of the Tōsei-ha (Control Way) faction. This was a very important event in the transition of power in the Japanese Military, but at the same time, this decision was to push the Colonial Ministry decisively toward defeat.

At this point, it is important to review the conflict between the Kōdō-ha Faction and the Tōsei-ha Faction. The Kōdō-ha faction was basically oriented toward independence under the Emperor’s command authority (*Tōsui-ken*) and elimination from involvement in politics, rather than active involvement in politics through the Minister of War, in order to establish hegemony within the Military. In other words, the policy of the Kōdō-ha Faction was to promote the independence of the Military, but not to expand the Military’s political involvement. In contrast, the Tōsei-ha Faction aimed to establish a total war system from the 1920s and was oriented toward active involvement in politics (Kitaoka 2012). The Military bureaucrats who rallied under Nagata Tetsuzan and Hayashi

Senjūrō aimed to expand the Military's influence by getting involved in overall national policies. At the heart of their policy direction was a Manchurian policy centered on the establishment of a self-sufficient zone through a Japan-Manchukuo economic bloc, with an eye toward war against the Soviet Union. Therefore, under War Minister Araki and with Mutō Nobuyoshi (he was also a member of Kōdō-ha) as head of the Kwantung Army and Kwantung Agency, the involvement of the War Ministry in the issue of Japan-Manchukuo economic control was basically passive, which worked to the advantage of the Colonial Ministry. The Colonial Ministry's demand for a strict distinction between the military and administrative line of command was a source of great concern to the Kwantung Army and the Tōsei-ha Faction, and the move by the Tōsei-ha Faction to eliminate the Kōdō-ha faction was also of critical importance to the Colonial Ministry.

The fierce battles between the Colonial Ministry (plus the Kwantung Agency) and the Kwantung Army (plus SMR executives) over administrative authority in Manchuria after the conclusion of the 65th Diet session are detailed in previous studies, so they will be omitted (Shimizu 2011). In this process, the local Kwantung Army became heavily involved in central policy-making. The Kwantung Army had no choice but to reduce the authority of the Colonial Ministry through the Military. Then, in July 1934, the cabinet of Saito Makoto was overthrown by the Teijin Incident. It is said that the Military was behind this incident. The new cabinet was thus formed by cabinet minister Okada Keisuke, but Army Minister Hayashi made it a condition for his retention that the prime minister also serve as Minister of Colonial Affairs. If Okada did not accept this condition, a successor could not be found, and the cabinet could not be formed. The Military had exploited a critical weakness in the Meiji Constitutional system, in that the Cabinet could not be formed without the consent of the ministries (especially the Army), since each minister was to give assistance to the Emperor independently. Nevertheless, the Colonial Ministry and the Kwantung Agency took a thoroughgoing war posture, but there were limits to what could be done with the de facto absence of the Takumu Minister, who was the supreme constitutional authority.

Finally, the Cabinet established the Cabinet's Office of Manchurian Affairs, to which all supervision of Manchukuo administrative agencies was transferred. The Cabinet's Office of Manchurian Affairs was an extremely influential military organization, with the Minister of War Hayashi serving as its president and its clerks selected from the Army and Navy. The Kwantung Army ultimately succeeded in diverting Japan's industrial policy toward Manchuria from the logic of the Colonial Ministry, which was based on parliamentary responsibility to the control of the War Ministry. Thus, the context that had existed since the establishment of the Colonial Ministry under the party cabinets was obliterated.

5. Conclusion

Previous studies have evaluated that the Colonial Ministry's influence was gradually watered down from the time of its formation. However, the context of the Colonial Ministry, with its clear parliamentary responsibility and its vision of economic development toward Manchuria as Imperial expansion, remained alive. The Manchurian Incident was an opportunity for the Colonial Ministry to be revitalized to fulfill its original mission. It is important to note that this paper reveals that the Colonial Ministry, backed by the Diet, sought to seize the initiative for economic development policy in Manchuria, using the SMR as a lever. This reveals that the concept of the Kwantung Army and the SMR executives, who wanted to establish a local control system in Manchuria, had been pushed into a

corner to a considerable extent.

The Colonial Ministry was not simply a reactionary force against the Kwantung Army, as previous studies have described. Rather, it was precisely because the Colonial Ministry, tied to the logic of parliamentarism, was so powerful that the Kwantung Army and the Military ultimately had to eliminate the very logic of parliamentarism itself. It is at this point that the Colonial Ministry should be regarded as having become truly “watered down.”

The establishment of the Colonial Ministry in June 1929 meant that the colonial and overseas administration, which had been “external” until then, was clearly incorporated into the “internal” Cabinet. For this reason, the influence of the military, which had gained control over the colonial territories and the “outside” region, was extended to the reform of the “inside” cabinet structure. This indicates that the contradictions between the “inside” and the “outside” of Imperial Japan encouraged the military to expand its influence. From then on, parliamentarism in imperial Japan was in retreat.

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