



---

Information Bulletin of  
**The Union of National  
Economic Associations  
in Japan**

---

# **INFORMATION BULLETIN OF THE UNION OF NATIONAL ECONOMIC ASSOCIATIONS IN JAPAN**

This Information Bulletin is designed to serve as an introduction of the academic activities of member associations of the Union to the economic societies throughout the world. The copies will be distributed by the secretariat of the Union to libraries and institutions in other countries whose names have been given by the member associations of the Union.

## **Managing Editors**

Toshinobu KATO, Asia University  
Fumimasa HAMADA, Keio University  
Shoji NEDACHI, Nihon University  
Terushi HARA, Waseda University  
Masaru SAITO, Chuo University  
Junko NISHIKAWA, Tokyo Metropolitan  
College of Commerce

Mitsuhiro HIRATA, Waseda University  
Koichi TANOUCHI, Hitotsubashi University  
Masatoshi KAWANABE, St. Paul's University  
Masahiro SUGIYAMA, Waseda University  
Yoshinori SUZUKI, Kanagawa University  
Kazuo NIMURA, Hosei University

## **Editorial Committee**

Yoshio OKUDA, Chuo University  
Shinya SUGIYAMA, Keio University  
Hideo TAMURA, Chuo University  
Shusaku YAMAYA, Toyo University  
Yoko SANO, Keio University  
Hisanori NISHIYAMA, Meiji University  
Shizuya NISHIMURA, Hosei University

Satoru TAKAYANAGI, University of Tsukuba  
Masahisa HAYASHI, Yokohama Municipal University  
Yasuo KAWASHIMA, Meiji Gakuin University  
Kiyoshi OKAMOTO, Hitotsubashi University  
Toshio WATANABE, University of Tsukuba  
Hiroshi TSUKAHARA, Nagoya Economic University

## **Directors of the Union**

### **President**

Takashi SHIRAISHI, Kyorin University  
Takashi FUJII, Nagoya University  
Masao HAMABAYASHI, Hitotsubashi University  
Kyojiro SOMEYA, Waseda University  
Tomoji ICHINOSE, International Christian University  
Masao UNO, Waseda University  
Minoru MACHIDA, Waseda University  
Yoshiro MATSUDA, Hitotsubashi University  
Yoshiaki SHIMABUKURO, Toyo University  
Yasuo OKAMOTO, The University of Tokyo  
Takehisa HAYASHI, The University of Tokyo

### **Secretary General**

Norio TAMAKI, Keio University  
Heizaburo SONODA, Nihon University  
Satoru TAKAYANAGI, University of Tsukuba

### **Auditor**

Shigeto TSURU, Meiji Gakuin University  
Yasuzumi IWAO, Chuo University  
Yoichi ITAGAKI, Hitotsubashi University  
Noboru YAMAMOTO, Soka University

### **Emeritus**

Business letters to be addressed, Secretariat of The Union of National Economic Associations in Japan, C/O Professor Norio TAMAKI, Keio University, Mita 2-15-45, Minatoku, Tokyo 108, Japan.

## **INFORMATION BULLETIN**

*The publication of The Information Bulletin is part of a program, aimed at promoting international exchanges of economic studies, commemorating in 1981 the 30th anniversary of the establishment of the Union of National Economic Associations in Japan, when the first issue of The Information Bulletin appeared.*

*The purpose of The Bulletin is to introduce all over the world the development of Japanese economic studies. We would be most pleased if The Bulletin will assist every sort of academic societies and institutions throughout the world in becoming familiar with the economic studies in Japan. It would also be our pleasure if economic researches in Japan, introduced in The Bulletin, could interest scholars abroad and thus contribute to the advancement of economic studies in other countries.*

*The Information Bulletin No.7, 1987, provides records of the papers given, and the discussion taken place, at the latest annual conferences of Japanese economic associations during the past academic year of 1986 — 1987. Included in The Bulletin is a special article, entitled CONTEMPORARY ISSUES FOR THE STUDY OF ECONOMIC POLICY IN JAPAN. Finally, as an appendage to The Bulletin, a list of the member associations, containing relevant organizational information, is presented.*

*The Information Bulletin is an annual publication, with each annual issue being completed in March of each year. A copy will be sent, with compliments of the Union, to universities, libraries and economic research institutions, which have strong relationships with the member associations of our Union, throughout the world.*

# CONTENTS

Special Article	Page
CONTEMPORARY ISSUES FOR THE STUDY OF ECONOMIC POLICY IN JAPAN .....	1
<b>Activities of the Member Associations for 1986 — 1987</b>	
ACCOUNTING ASSOCIATION, THE JAPAN .....	4
AGRARIAN HISTORY SOCIETY, THE .....	6
AGRICULTURAL ECONOMIC SOCIETY OF JAPAN, THE .....	9
ASIAN POLITICAL AND ECONOMIC STUDIES, THE JAPAN ASSOCIATION FOR .....	12
AUDITING ASSOCIATION, JAPAN .....	14
BUSINESS ADMINISTRATION, JAPAN SOCIETY FOR THE STUDY OF ..	16
BUSINESS ENGLISH ASSOCIATION, JAPAN .....	19
BUSINESS HISTORY SOCIETY OF JAPAN .....	21
BUSINESS MATHEMATICS, JAPAN SOCIETY OF .....	23
COMMERCIAL SCIENCES, JAPAN SOCIETY OF .....	25
COMMODITY SCIENCE, JAPAN SOCIETY FOR.....	27
ECONOMIC SOCIOLOGY, THE SOCIETY OF .....	30
ECONOMIC THOUGHT, THE SOCIETY FOR THE HISTORY OF .....	33
ECONOMICS AND ECONOMETRICS, THE JAPAN ASSOCIATION OF ..	35
ECONOMIC GEOGRAPHERS, THE JAPAN ASSOCIATION OF .....	37
ECONOMIC POLICY ASSOCIATION, JAPAN .....	39
FINANCE ASSOCIATION, JAPAN .....	41
FISCAL SCIENCE, JAPANESE ASSOCIATION OF .....	43
FOREIGN TRADE, JAPAN ACADEMY FOR .....	45
INSURANCE SCIENCE, THE JAPANESE SOCIETY OF .....	47
INTERNATIONAL ECONOMICS, THE JAPAN SOCIETY OF .....	49
MONETARY ECONOMICS, THE JAPAN SOCIETY OF .....	52
ORGANIZATIONAL SCIENCE, THE ACADEMIC ASSOCIATION FOR ....	55
PERSONNEL AND LABOR RESEARCH, JAPAN SOCIETY FOR .....	57
PLANNING ADMINISTRATION, JAPAN ASSOCIATION FOR .....	59
POLITICAL ECONOMY, JAPAN SOCIETY OF .....	61
POPULATION ASSOCIATION OF JAPAN, THE .....	64
PUBLIC UTILITY ECONOMICS, THE JAPAN SOCIETY OF .....	66
REGIONAL SCIENCE ASSOCIATION, THE JAPAN SECTION OF THE ..	68
SECURITIES, THE SOCIETY FOR THE ECONOMIC STUDIES OF .....	71
SOCIALIST ECONOMICS, ASSOCIATION FOR THE STUDY IN .....	74
SOCIAL POLICY, THE SOCIETY FOR THE STUDY OF .....	77
SOCIO-ECONOMIC HISTORY SOCIETY .....	79
STATISTICAL SOCIETY, JAPAN .....	81
TRANSPORTATION ECONOMICS, JAPAN SOCIETY OF .....	82
<b>List of Member Associations .....</b>	<b>85</b>

# **THE UNION OF NATIONAL ECONOMIC ASSOCIATIONS IN JAPAN**

日本経済学会連合

*The Union of National Economic Associations in Japan was established in 1950, as a sole nationwide federation of associations of scholars and experts on economics, commerce, and business administration. In order to obtain membership to the Union, an association is subject to a strict examination of its academic activities. As of 1987, the Union had a membership of 35 associations as in the table of contents.*

*The aims and objectives of the Union are to support scholarly activities of its member associations and to promote academic exchanges both among members themselves, and between Japanese and overseas academic societies. The main activities of the Union are: (1) the publication and distribution of academic materials concerning Japanese economics and papers presented by member scholars, (2) the sending of member scholars to overseas conferences, (3) holding and supporting of international conferences in Japan, (4) providing financial assistance to member associations inviting foreign scholars to Japan, and (5) collecting information on activities of member associations and the issuing of a news bulletin.*

*The Union published in 1974 "KEIZAIGAKU NO DOKO" (The Trend in Japanese Economics), based on a survey of economic studies undertaken in postwar Japan. The Supplementary volume covering Japanese economic studies after 1974 was published in 1982.*

*The Union and the International Economic Association (IEA) jointly held the Fifth World Congress of the IEA in Tokyo from August 29 to September 3, 1978. The Union joined the International Institute of Public Finance in holding the Institute's 37th Congress at Tokyo in September 1981. The Union dispatched 20 member scholars to the Eighth World Congress of IEA held in India in 1986. Most recently the Union successfully sponsored the IEA Tokyo Round Table Conference on 'Institutions in a New Dynamic Society' held between 15 and 17 September 1987.*

*The Union celebrated in 1980 the 30th anniversary of its founding by launching a variety of activities, including the publication of The Information Bulletin. In editing The Bulletin Mrs. E.O.A. Checkland at Cambridge, England, has been assisting us by giving suggestions and correcting English, and we are most grateful to her for her kind co-operation.*

*Address: Professor Norio TAMAKI, Secretary General of the Union,  
Keio University, Mita 2-15-45 Minato-ku, Tokyo 108, Japan.*



## CONTEMPORARY ISSUES FOR THE STUDY OF ECONOMIC POLICY IN JAPAN

Toshinobu KATO, Reishi MARUYA,  
Kenji YAMADA, and Yoshinobu TAKAHASHI\*

Japan Economic Policy Association established in 1940 is going to celebrate her 40th anniversary in 1988 for its reconstruction three years after the end of World War II in 1945. Out National Convention in 1988 should be the 40th Year Anniversary Meeting after her postwar reconstruction. Considering the present status of the Japanese Economy, some will say there exist very few reasons for this punctuation. However, when we see the bird-eye-view of the 40 years postwar history of our Association, we can point out the following achievements:

(1) In 1955, the Association has celebrated her 15th anniversary after the reconstruction, and adopted a research project under the title "The Changes in Japanese Economic Policy during the Ten Years after the End of World War II".

This project has produced a series of academic contributions including, "Sengo Nippon no Kogyo Seisaku" (The Industrial Policy in Postwar Japan) compiled by Taikichi ITO, 1957; "Sengo Nippon Keizai no Bunseki" (An Analysis of Japanese Postwar Economy) compiled by Tokutaro YAMANAKA and Moriyoshi CHOH, 1958; "Nippon Keizai-seisaku no Tenkai" (The Development of Japanese Economic Policy) compiled by Kiyozo MIYATA and Keizo FUJITA, and "Sengo Nippon Keizai-seisakushi Nenpyo" (A Chronological Table of the Economic Policy in Postwar Japan) compiled by Kikuo YAMAOKA and Hiroshi MATSUO, 1962. These contributions have served for the formation of the policy fundamentals filling the gaps during the periods of less research and study by war, by economists educated in the higher educational institutes before and/or during the War.

(2) In 1970, to celebrate the 30th anniversary of the foundation of the Association in 1940, another project to study the theory of contemporary economic policy was undertaken. The results of the studies conducted by a number of scholars during several years were compiled in the following book, "Gendai Keizai-seisaku no Kaimei" (An Analysis of Contemporary Economic Policy) compiled by Hiroshi KATO, Takashi FUJII, Koojiro NIINO, and Masanori ITO, published by Toyo Keizai Shimpou-sha, Tokyo, 1978. And also, to mark the 40th anniversary of the foundation of the Association, a committee was set up to encourage international scholarly exchanges in 1979, and a seminar meeting at the 1980 National Convention followed a lecture by Dr. J.F. Lesourne, Professor of the Conservatoire National des Arts et Metiers and was the Chairperson of the OECD Iter-Future Project.

Leadership group of the Association promoted the research projects and international scholarly exchange programs were those trained at the higher educational institutes in the postwar era, forming a second-generation group of scholars active on

the platforms of the Association, across and beyond the fences of social and/or subjective evaluations attributed to scholars in major established universities and institutions. Three out of the four editors of the publication just mentioned by the second generation, are now elected as members of the Academic Council of Japan, and doing efforts for the formation of research fundamentals for economics in general including international scholarly exchanges. It goes without saying, of course, we do have many excellent economists representing the second generation in addition to these four scholars.

(3) Anniversary Research Project started from the 1983 Convention, celebrating 40 years history since the foundation, was a five years' study project aiming to publish its performances in 1988 Anniversary Convention for the 40 years after the postwar reconstruction of the Association. We can summarize the ideas contained as follows:

The combination of the subjective intention of the second generation in the Association to form a third-generation by sharing the common objectives in promoting research activities and the objective moments shared by the younger generations—in the form of a “objection making” for the search of a new theory of economic policy to rescue the downturn of macroeconomic policies in the world wide scale since the mid-1970s—has resulted in the ceremonial study project stated above. Following are the research projects designed, administered, and practiced by us.

Downturns shared by the advanced market economies into low-growth stages via changes in the exogenous conditions, redirected the directions for the economic policies toward the “internationalization of economic policies”, on the one hand, but on the other hand, toward those “problems of consensus building and practice of it” in research for economic policies, “problems of institutional adjustment vs. market adjustment”, “theories directed to flows vs. theories directed to stocks”, “problems of multiplization of value and technology”, plus the needs for reconsidering problems of “population”, “education”, and “resources”. The theme for the ceremonial research project embracing these problems is decided as “Changing Fundamentals of Economic Policies and its New Direction”. Under this general theme, each of practical topics were studied and discussed converging three fields forming the traditional general theory of economic policy, (1) Subjectives Issues, (2) Policy Theory Issues, and (3) Fundamentals Policy Issue.

At the starting point of the project, individual assignments were given by the steering committee composed of us four: for field (1) above, “postulate of policy behaviours” and “organizations of the policy subjectives”; for field (2) “W. Eucken's process theory and the policy arrangement mechanism”; for field (3) “how to evaluate the scientific technology at the view of economic policy” and the “resource problems”. We have steered the research in an open-end system, by setting the results of the research and discussions of the assignments as the subjects for the second-round research and discussions. Research reporting meetings were set twice a year, once in May with the annual convention, the other in winter recess of the universities at seaside or mountain retreat places, where reporters and discussants gather for two days full of research and discussions. Repeating these processes, we could now get the harvest, upon which we four paid our editoial efforts.

The volume now in press is titled “Keizai-seisaku-gaku no Hatten” (Development



of Studies of Contemporary Economic Policy ), Keiso-Shobo Publishing Co.. Each title of the contributed papers in this volume suggest the contemporary (issues) of economic policy in Japan, and also following are the list of articles:

1. Introductory Key Address Toshinobu KATO

Part I Issues of Policy Subjectives

2. Basic Address of Part I Reishi MARUYA
3. Change of Policy Objects and Multiplization of the Issues of Policy Value  
Takashi TOHJO
4. Generalization of Public Choice in Economic Policy  
Hiroyuki KAWANOBE
5. Pluralism and Multi-functionization of Policy Subjectives  
Masaki ADACHI

Part II Issues of the Policy Theories

6. Basic Address of Part II Kenji YAMADA
7. Scheme of Economic Policies and the Issues of Contemporary Economic Policy  
Naomi MARUO
8. Japan's Economic Policy in the Softization Masu UEKUSA
9. Contemporarization of Socialism's Economic Policies  
Isao TOCHIMOTO

Part III Issues of Fundamentals Policy

10. Basic Address of Part III Yoshinobu TAKAHASHI
11. Earthwide Environment, Resources, and Change of the Fundamentals of Economic Policy  
Suguru SAITO
12. New Order of Information Communication and Wideningness of Market  
Kokichiro HAYASHI
13. Change of Population Structure and Fundamentals of Economic Policy  
Mitoshi YAMAGUCHI

Conclusion by the editors

- 
- \* T. KATO, Professor of Economics and Demography, Asia University  
 R. MARUYA, Professor of Economics, Kobe University  
 K. YAMADA, Professor of Economics, Gifu College of Economics  
 Y. TAKAHASHI, Professor of Economics, Kagoshima University of Economics  
 and Sociology

## THE JAPAN ACCOUNTING ASSOCIATION

The Japan Accounting Association's Forty-Sixth Annual Meeting with over 800 members attending, was held at Kansai University in Osaka May 21 to 24, 1987.

An open forum entitled "Zeni (Money)" was held on Thursday, May 22, at the Conference Room of the Osaka Chamber of Commerce and Industry. Yukimasa MIZUTANI, a Buddhist from University of buddhism, Shoichi ROUYAMA, a monetary economist from Osaka University, and Hidetoshi KAWAI, an accountant from Aichi Gakuin University, focused upon the most familiar, the most capricious thing, that is money, and talked over its meaning in relation to the cultural, economic and business lives in Japan. This forum was successfully coordinated by Tatsuyoshi TAKAYANAGI (Kansai University).

Two reports from the Special Committees of the Association were presented on Saturday afternoon, May 23.

1. "Accounting Principles for Business Enterprises and Accounting Provisions of the Commerce Law" chaired by Kiyomitsu ARAI (Waseda University).

2. "Comparative Analysis of the Basic Problems of Accounting for Public Organizations from an International Perspective" chaired by Hiroshi YOSHIDA (Kobe University of Commerce).

On 24 May, a special topic entitled "Accounting Education and Research towards the Promotion of International Understanding of Economic Progress" was debated by three speakers: Yukio FUJITA (Waseda University), Yasuo KAKURAI (Hosei University) and Masa'atsu TAKADA (Kobe University). This session was arranged and presided over by Shogo NAKAJIMA (Ferris Women's College) to arouse interest in the 6th International Conference on Accounting Education, which is scheduled to be held on 7 to 10 October, 1987, at Kyoto International Conference Hall.

Meanwhile, three reports from the Study Groups were presented and discussed at another meeting the same afternoon:

1. "Costing in the Information Society" chaired by Shigeo AOKI (Asia University).

2. "Research in the Statement of Changes in Financial Position" chaired by Nobuo KAMATA (Nanzan University).

3. "Present State, Problems and Prospect of Accounting Information Disclosure" chaired by Tatsundo YAMAGAMI (Osaka City University).

The three plenary sessions on "Accounting Theories at the Turning Point", held on Saturday afternoon, May 23, were particularly exciting. Panel discussions for each session were followed Sunday afternoon.

Tadashi NAKAMURA (Hitotsubashi University) presided over the first plenary session entitled "Towards A New Institutional Accounting". Hideyoshi ANDO (Hitotsubashi University), Yasuo MORIKAWA (Meiji University), Hiroyasu OKITSU (Kinki University) and Tsunehiro TSUMORI (Kyushu University) talked on current issues of financial accounting from different viewpoints and provided an interesting session.

The second session was under the chairmanship of Hiroshi ISHIZUKA (Waseda University). The topic of this session was "On the Usefulness of Accounting Information" and the speakers included Muneharu OTSUKA (Waseda University), Michio KUNIMURA (Nagoya Municipal University), Mitsuo KOUMURA (Oita University) and Kazuo HIRAMATSU (Kansei Gakuin University). The discussion centered upon "Efficient Market Hypothesis" in the accounting researches.

The third session entitled "A New Paradigm of Management Accounting" was presided over by Tetsuo KOBAYASHI (Kobe University). We had the good fortune to have Giichi TOYOSHIMA (Tohoku University), Takao MAKITO (Nagoya University), Masao TSUJI (Waseda University) and Bokuryo NAGAHAMA (Osaka University) as speakers. They discussed a variety of research methodologies for managerial accounting and raised further issues for future researches.

Sunday afternoon was devoted to panel discussions. The members who attended the session had the opportunity to exchange and discuss research ideas, and promoted a better understanding on the fundamental issues of current accounting theory.

The sessions on Saturday morning, May 24, and Sunday morning, May 25, consisted of five interesting parallel meetings during which thirty members of the Association submitted papers on a variety of topics.

One of the highlights of the annual meeting was the Friday evening welcome party. Over 400 people joined this event held in the Osaka International Hotel's grand ballroom. The members received excellent dinner and Sake fresh from the wood.

The members of the organizing committee for the convention of 1987 were eight accounting professors of the Faculty of Commerce, Kansai University: Ikuta UENO, Souichi SHIMIZU, Yoshinobu SUEMASA, Fumio SAKAI, Tatsuyoshi TAKAYANAGI, Nobumasa MATSUO, Takayoshi OKABE and Nobuo MYOUJIN.

The next annual meeting will be held at Keio University, in Tokyo, on September 11 to 14, 1988.

(Ikuta UENO)

## THE AGRARIAN HISTORY SOCIETY

The Agrarian History Society consists of four sections. They are economic theory, current economic analysis, economic history of Japan, and economic histories of foreign countries. Although the Society holds many local meetings, the Spring Symposium and the Autumn Conference are the Society's main national occasions. The two meetings are co-ordinated so as to promote a greater understanding of the main theme of the year. In 1986 the group of economic theorists was in charge and took up the problem of the "crisis" of the world economy mainly after the 1970s to the present. They intended to make approaches to the problem from the viewpoint of finance as well as of the system of reproduction.

Two specialists of international monetary problems turned the spot-light on the recent "crisis", from the financial and monetary viewpoint, at the Spring Symposium which was held at the University of Tokyo on June 28, 1986.

In the chair were Minoru SEKISHITA (Ritsumeikan University) and Shinjiro HAGIWARA (Yokohama National University).

First, Hiroshi OKUDA (Oita University) read this paper on the Euro-currency market and the "dollar system". He explained how the "dollar system" was established in place of the IMF arrangements on the basis of international monetary cooperation supported by main capitalist countries. He stressed the role of Euro-dollar market under the "dollar system" in producing world-wide credit chains by means of supplying short-term money in the form of syndicate loans to the developing countries. He argued that it was this role of Euro-dollar market that put those debt countries in critical situation with the result of shaking up the "dollar system" as a whole.

Ryoichi MOHRI (Japan College of Social Welfare) read the second paper on the difficulties of the IMF and the problems of accumulated debts. As the IMF lost control, so the multi-national banks themselves developed as rulers of the world financial market. Dividing those countries bound with accumulated debts into five groups such as African, Latin American, Asian NICs, OPECs, and some socialist nations, MOHRI excluded the United States, the most indebted nation in the world, on the grounds that she would be able to liquidate herself with her own money.

The Autumn National Conference was held at Ryukoku University on October 25 and 26, 1986. The theme of the symposium was "the Structure of Reproduction under the Dissoluting Process of the 'Cold War' System, an Analysis of U.S.-Japan-Asian NICs line or Economic Relations". Masanari KOBAYASHI (Musashi University), Katsunori KAIDO (Kanagawa University) and Yoshihisa KURAMOTO (Tokyo College of Pharmacy) acted as chairmen. Four papers were read as follows; (1) "American Capitalism under the Dissoluting Process of the 'Cold War'" by Katsumi MINAMI (Chiba University), (2) "The Historical Role of the NICs and its Character, Mainly on the Korean Case" by Nobuyoshi NAKAGAWA (Osaka City University), (3) "The Structural Crisis of Post-War Japan, in its Last Phase" by Satoshi NIHEI (Senshu University), (4) "The 'High Technology' and Development of the 'Crisis'" by Miyoko

SHIMAZAKI (Japan College of Social Welfare).

MINAMI developed his own theory of reproduction to explain how and why American capitalism had been undergoing a rapid change since the middle of the 1970s. Using the concept of *IB* which represents military industry separated from *IA* which means the heavy industry in general, he tried to place the military industry within the theoretical framework of reproduction. According to him, American capitalism which successfully reorganized the post-war capitalist world under the 'cold war' system by monopolizing technological know-how of military production, found itself in a dilemma after the Vietnam War that it should open up its monopolized *IB* technology to the other heavy industries not only of America but also of the other countries. Micro-electronics industry (ME) thus established around 1975 has made a remarkable progress in those ten years only to bring the two results, (1) unbalanced structure of American production ruled by ME at the sacrifice of heavy industries in general, (2) uprise of Japan and some Asian countries as competitors of American ME industry. The 'cold war' whose dissolution started with the fall of IMF system in 1975 entered its new stage after 1985 when American became to an indebted nation mainly because of the structural change of her production.

NAKAGAWA defined Korean economy as dual in structure and as dependent in relation to foreign countries. under the dual structure a few zaibatsu families fostered monopoly capital while squeezing out small enterprises. The zaibatsu groups could acquire capital and technology from both Japan and America which speeded up industrialization. Beginning with consumer goods production in 1962, Korea quickly established her own reproduction system in such a short time as twenty years. The case of Korea is, therefore, not of a new *development of undevelopment* as Gunder Frank defined, but on *dependent development*, NAKAGAWA argued.

NIHEI tried to prove the dissoluting process of the "cold war" system in Japan, by analysing annual statistics of corporations. According to him, the first sign of dissolution was found in the early 1970's when Japan suffered both dollar and oil shocks. During the 1970s Japanese heavy industry was severely challenged, the iron steel industry failed to adapt, while the electric machine and automobile industries succeeded in so modifying themselves by undertaking technological innovation and cost minimization as a means of promoting foreign exports. The decline of exports which started in 1984, because of the raised market price of yen, however, put an end to the period of export oriented growth. Japanese industry has entered into the second stage of the "cold war" dissolution since then.

SHIMAZAKI examined the role of Japanese ME industry in the second stage of the "cold war" dissolution. First, she explained how the ME revolution started and what it meant to Japanese economy. Second, she pointed out that Japanese ME industry, owed its birth to American military innovation, found its course of development not in military production but in the two civil lines of production, ME controlled machines and ME goods for consumers. Finally she concluded that ME revolution greatly contributed to deepening the recent crisis by producing excess skilled labour, deterioration of subsidiary producing system, and reorganization of local industries, for

instance.

Active discussions followed the papers. To pick up some questions for example, Fumitake MATSUMURA (Osaka University of Economics) asked MINAMI about the relations between ME and the decline of American industry. To NAKAGAWA Hideo KOBAYASHI (Komazawa University) stressed the importance of land reform. To NIHEI Isamu KITAHARA (Keio University) expressed his doubt on NIKEI's way of evaluating surplus value rate in his analysis. Many questions were asked of SHIMAZAKI on ME revolution though they remained unanswered because of the limited time.

(Junko NISHIKAWA)

## THE AGRICULTURAL ECONOMIC SOCIETY OF JAPAN

The 1986 annual convention of the Agricultural Economic Society was held on the 1st and 2nd of April at Utsunomiya University. The general theme of the symposium held on the 1st day of the Convention was 'The Paddy Field Reorientation Program and the Production Structure of Agriculture' in Japan. The aim was to clarify whether or not production adjustment policies adopted since 1969 in the face of the surplus of rice in Japan have changed the basics of the growth of the production capacity of the Japanese agriculture. Toshihiko ISOBE (Chiba University) and Yoichi TASHIRO (Yokohama National University) served as moderators for the symposium.

Shigeru USAMI (Utsunomiya University) presented a paper entitled 'Production Structure of Agriculture at Present'. He argued that the primary mode of agricultural production in Japan since the 17th century had been the small-scale farm household tilling an average land of roughly 1 to 3 hectares. These small-scale units either worked as discrete tillages or in groups in small local communities. This system was supported by an abundant supply of household labor and the 'village community'. This type of farming included diversified and complicated modes of labour intensive agricultural production, ranging from rice and vegetable production on flat land to miscellaneous grain production, mulberry planting, and orcharding on slopes and on plateaus. Natural pasturing had been carried out on the hinterlands of these flat lands and slopes, and all these agricultural activities had become increasingly more integrated under the aforementioned production system. The high economic growth in the post-war period caused drastic changes in this traditional structure. Some areas developed processing-oriented stock-raising, which relied on low-priced imported feed, and facility-intensive horticulture were developed. Even so in agricultural regions in general, the part-time farming became the prevailing form supported by the monocultural rice cropping system and the labor-saving mechanization in farming. Although the domestic food self-sufficiency ratio was lowered, there was also a surplus of domestic agricultural products. Now, although the production capacity has increased, there is a variety of opposite agricultural conditions as well as a policy of crop conversion.

The 2nd presentation was delivered by Toshiyuki KAKO (Ehime University) on the 'Size Problem in Rice Production before and under the Rice Production Adjustment Program'. The mechanization of rice farming from seed-sowing to harvest which was established almost simultaneously with the Rice Production Adjustment Program, opened up a technological possibility of large-scale rice farming. However, because the technology is indivisible, this expanded the disparity in terms of production efficiency between farming strata. In the 1970s, the economy of scale was observed on the part of farming strata tilling 2 to less than 3 hectares of rice paddies in the prefectures in Japan. In the case of Hokkaido, the same was observed in the case of farming strata tilling less than 5 hectares. Since 1978, however, the profitability of rice farming tended to be reduced year after year: the number of rice farming households which went below the break-even point increased, particularly among small-scale rice paddy tilling families.

Under these conditions, the options to reduce production costs were either to expand paddy acreage through buying and selling of rice paddies or by renting rice paddies or to expand the scope of management through group farming. He also made a point that, along with the scaling up, i.e., the increase of rice paddy acreage, it is sought to increase the yield per acre, and to raise production efficiency through the collectivization of discrete (dispersed) paddies.

Mikitoshi SUZUKI (Tokyo University of Agriculture and Technology) made the third presentation entitled, 'Agrarian Problems under the Paddy Field Reorientation Program'. He pointed out that new land problems arose under the Production Adjustment Program as given below: the first problem is that, as a result of the policy of enforcing crop conversion, that is converting from rice crop to other crops, a new relationship (compensation for rice production rights) which allows for the income loss due to the conversion by means of land rent. This obstructs the establishment of crop conversion in a normal manner. The second is that, although it is necessary to have the orderly utilization of land in a collective manner and rent for tenancy adjustments and other related matters as new norms for the ownership and utilization of land in rectifying the first problem, no prevailing consensus has yet been reached on this point. The third problem is that farming households lost interest in positively cultivating their land - the tendency of Japanese agriculture to become stagnant becomes ever more marked. These were the inevitable results of the Production Adjustment Program which was not endorsed by the profitability of agricultural management. In order to overcome these policy constraints, he stated that the strengthening of co-operation among farming households as tillers is inevitable.

Toshiaki KITADE (Meiji University) delivered the 4th and the last presentation entitled the 'Rice Production Adjustment and the Subjects of the Price Policies of Agricultural Product'. The primary subject of the Price Policies of Agricultural Products is to stabilize the supply of relatively more important foodstuffs to the Japanese people, and, by so doing, raise the food self-sufficiency ratio. What is necessary in attaining these objectives is to equalize profitabilities between different agricultural products, and, by so doing, to work out a stable crop rotation system for a variety of crops. He took up the case of the system of rotation of wheat and soy-beans, and examined conditions which establish this kind of system in lieu of a single rice crop system. In short, he emphasized that an effective combination of the Price Policies and the Production Program will make it possible for rotation crops to become firmly established in Japan.

Kazuhiro EJIMA (Kyushu University), Teizo HIGUCHI (Iwate University), Yoshito JINNOUCHI (Kagoshima University), Keizo MOCHIDA (Wako University) commented on the above-mentioned presentations respectively. Their comments were diversified. However, worthy of notice were the following points. The first is the positioning of state monopoly capitalistic framework in evaluating the agricultural production capacity structure in the post-war period. The second is the skew in the development of production technology under the said framework. The third is the growth potential of personal (discrete) agricultural management under the Production Adjustment Program. The fourth is an evaluation of 'subjective' factors of the economy of scale in connection with



the growth potential. The fifth is an evaluation of large-scale diversified farming in the grain cropping system. The sixth is the direction in which the gap between structural policies and production policies is to be resolved. The seventh is discussion of the behavior of farming households on the basis of marginal production cost, etc.

On the following day, i.e., April 2nd, 58 different reports were submitted on topics of authors' choice.

The 1987 annual convention is to be held at Kyushu University, the theme is the 'Prospects for the Japanese Agriculture in an Age of Internationalization'.

(Toshihiko ISOBE)

## THE JAPAN ASSOCIATION FOR ASIAN POLITICAL AND ECONOMIC STUDIES

The 40th National Convention of the Japan Association for Asian Political and Economic Studies was held on November 15 and 16, 1986 at Takushoku University in Tokyo. The common theme for the convention was "Liberators of Asia and Their Legacies", and four reports were presented, followed by lively discussions.

The first report was "Sukarno and Berdikari" by Hiroyuki MORI (Rikkyo University). He attempted to analyze why Sukarno was ejected despite his apparent success. During 1964—1965, the Sukarno administration engaged in the economic reconstruction, which had been long overdue, by adopting the independent policies such as land reforms and nationalization of foreign assets, under the communist party slogan of Berdikari (standing on one's feet). MORI examined the significance of economic measures in this period, first by clarifying the endorsement situation, then, from a historical viewpoint, by reviewing the land problems existed in the 19th century or in the period preceding that.

The second report was "Ho Chi Minh and Vietnam after Le Duan" by Motoo FURUTA (University of Tokyo). In his report, FURUTA stated that achieving the unification was far more difficult than initially expected. Today, after more than 10 years since the southern part was liberated, there exists no peaceful international environment yet for the people to engage fully in the construction of their country. Despite many deficiencies, created under the wartime economic system, efforts are made for a conversion toward peacetime economic management. But they face various subjective and objective difficulties. Furthermore, as if symbolized by the death of Le Duan in July this year, generation changes of executive leaders may not be far away. This difficult situation, facing Vietnam today, seems to draw 'Ho Chi Minh' into the reality. The party leaders find Ho's slogan as the most effective weapon for launching measures, indispensable for establishing subjective conditions for the current conversion, such as the formation of consensus within the party concerning the economic reforms, the control of 'negative phenomenon' like the corruption of party executives, and the maintenance of party unity. Meanwhile, for the ordinary people who are dissatisfied with the slow improvement of living conditions, Ho's slogan becomes a powerful basis in criticizing the present situation and accusing the corruption of party executives or members and the social injustice. When the nation faces difficulties, many people can return to the starting point, where they have the common understanding of 'Ho Chi Minh'. In a way, it is the 'fundamental strength' of Vietnam. But it is also true that Ho is not the 'magic wand' which solves current problems. It will be important for 'Vietnam after Le Duan' that the people should reach a stage as soon as possible where they can safely relegate Ho to the past. It was a superb report, vividly discussing the afflictions confronting the newly unified Vietnam.

The third report was "Sun Wen and Mao Tse-tung and Their Legacies" by Shigeaki UNO (Seikei University). UNO questioned what did Sun Wen and Mao Tse-tung have

in common? In part, it was their attitude to object to the modernization models of Europe. It was closely connected with the reality of European modernism in Asia. But the superiority of European modernism was evident, and China had to take it in even while criticizing it. This anguish is signified in the spirit of independent rehabilitation. Sun Wen shares this spirit, too, and this is another thing in common between Sun Wen and Mao Tse-tung. Thirdly, they both placed emphasis on the construction of material civilization as well as spiritual civilization. Characteristically, China used to put unusual emphasis on the construction of spiritual civilization.

As a result, however, ideas and activities of Sun Wen and Mao Tse-tung brought about various problems. Firstly, the modern ideology of Europe had scarcely been studied in its formation process or theoretical structure, but it was mainly evaluated for its conclusion. Secondly, the Chinese tradition and traditional ideological style were rarely analyzed objectively, but often reproduced without criticism. Thirdly, China's spiritual civilization was never grasped from historical and systematic viewpoints, and sometimes it was arbitrarily adopted or rejected, depending on various ideas. It was also utilized as a measure or force to mobilize the masses. Nevertheless, the ideas of Sun Wen and Mao Tse-tung played a great role in the liberalization of the Chinese people. They also played a critical role in the civilization of China. They were certainly significant as revolutionary ideas in a transitional period. And it can be said that, continuously from the latter half of the 19th century, China has been in a period of transition. For this transitional stage, it is very difficult to present effective and solid theoretical system. At present, there would not be any other way but to individually accumulate ideas and measures which had been meaningful in various stages of history. Symbolizing such trend, there is the method of pursuing and learning from the reality. It will be tens of years from now that their legacies get generalized.

The fourth report was "Significance of Gandhi and Nehru from Contemporary Viewpoint" by Taketo HORIMOTO (National Diet Library). First, he studied the roles of two giants, Gandhi and Nehru, in the Indian politics of protest up to the initial period of independence. He pursued the common features and differences of the two, and discussed what they brought to India. He stated that Gandhi contributed to the popularization of independence movements in India and Nehru contributed toward the creation and stabilization of parliamentary democracy and socialism.

(Toshio WATANABE)

## THE JAPAN AUDITING ASSOCIATION

The Japan Auditing Association holds an annual convention in addition to two regional branch meetings (East-Japan, West-Japan). The 10th annual convention of the Association was held on June 5 and 6, 1987, at Aoyama Gakuin University, Shibuya, Tokyo. Reports were given by the Special Committees and on free-theme subjects. A round-table discussion on the unified-theme was held at the end of the meetings.

The Special Committees presented three reports, "Auditing for Small Company" (chaired by Tatsuyoshi TAKAYANAGI, Kansai University), "Information System Audit" (chaired by Nobuo HIDA, Chuo University) and "Present State of the Audit Firms" (chaired by Saburo ISHIDA, Kansei Gakuin University).

The unified-theme was "Present Condition and Problems of Information System Audit". Three research reports about the theme were presented, followed by discussion. All three reporters referred to "Auditing Standards for Information System", which was announced officially by the Ministry of International Trade and Industry (MITI) in 1986, and they talked about EDP-audit and its extension. The outline of their reports is given in the following.

Masayuki HORIE (Nihon University) emphasized, in his report "The necessity and present problems of System Audit", the difficulties of the developing stage and the risks inherent in information systems. If the system holds information publicly on the on-line system for common use, then safeguards must be built-in to preserve confidentiality. Further, the ratio of those practicing System Audit was still low, although auditing laid stress on integrity and security. These were difficult to guarantee. As about 30 percent of system auditors belonged to the Information System section, would there be a problem concerning their independence. Horie concluded that making a sound structure for the System Audit is an urgent business, and emphasized the necessity of trying to ensure integrity and security standards and auditing standards, education and maintenance of capable auditors at all times.

Akira MATSUO defined, in his report "System Audit and external audit by CPA", System Audit, and emphasized the necessity of clarifying standards so that an external auditor can evaluate system, to make it suitable for audit. He said that we should always be ready to respond to public interest and internationalization, and consider the integrity, security, effectiveness and efficiency of the system. Enterprises spend much money trying to develop systems which correspond to international standards, but we do not know if their efforts succeed. He emphasized that Certified System Auditor owes a duty to evaluate the EDP-system for managers as objectively as possible and has a role of mediator between managers and others. He also analyzed the ratio of system auditors' work as one third to help the financial audit, one third to evaluate the system itself and one third to enlighten others. He reminded his audience that security will be needed more and more in the future, but for the present, it is urgent business to solve the problems of security that top managers as yet scarcely consider.

In the report, by Hisayoshi KOBAYAKAWA, titled "On the Auditing Standards

for Information System by MITI", he made a definition of System Audit from the following 5 points: firstly, the subject and its qualification is an independent system auditor; secondly the objects is the information processing system which centers on EDP; thirdly the method is to examine or to evaluate synthetically; fourthly the report is to give advice and recommendation to the persons concerned; and fifthly the aim is to ensure that the safety measure actually works effectively. He also stated that the Auditing Standards are effective not for the external audit but for the internal audit. It should be noted that the information system is socially important, and that it is difficult to deal with data on the fundamental human rights, which affects human life or economy, or the fundamentals of society. Indeed it may be the case that the system would bring about more problems than firms can themselves deal with, and that standards of external auditing would need to be set. This kind of external audit may become necessary in future. He emphasized the need of preparation for it and the need of more research and clearer definition of the above 5 points.

In the discussion, chiefly, following problems were discussed.

- (1) Is evaluating the effectiveness of the system included in the general idea of the audit?
- (2) What about the relationship to the traditional audit for financial statement?
- (3) What sort of limits is there to prevent computer crimes?
- (4) Can concrete standards about the audit of efficiency be set up?
- (5) How should the relationship between the person in charge of a plan and design of the system and the system auditor be established?
- (6) Are there limits to the relationship with the communication network and the extent and technique of the audit of communication lines?

In general we could agree the following points: evaluation can be also included in the general idea of the audit; the credibility and safety of the system audit can become a part of the traditional audit to produce a financial statement, though these two audits were originally separate; general and fixed standards of evaluation about the efficiency of the system cannot be set up as things are; the system auditor needs to make efforts to maintain organizational independence, though cooperative relationship between the person in charge of the system and the system auditor depends on the manager's effort; audit at each enterprise tends to examine problems between enterprises.

Our association plans to publish a book about System Audit as Monograph No. 1 within next year.

(Masa'atsu TAKADA)

## **JAPAN SOCIETY FOR THE STUDY OF BUSINESS ADMINISTRATION**

The 60th Convention celebrating the diamond jubilee of the Japan Society for the Study of Business Administration was held at Komazawa University in Tokyo from September 2nd to 5th, 1986. Commemorative lectures were delivered by Goichi KATAYAMA (Professor Emeritus of Kyushu University and Professor at Fukuoka University) and by Yasuzumi IWAQ (Professor Emeritus of Chuo University and Professor at Nagoya University of Economics). A large number of people braved the rain to attend the Convention, and the audience enjoyed the presentations.

First, KATAYAMA made a presentation on the 'Management and Economy in relation to Law . . . on the Capitalization Stipulation in the Commercial Code as Revised in 1981,' the gist of which is given below.

'The question of stipulating capitalization is not a mere legal question: it has bearings on private ownership under the capitalist system as well. Certainly, Commercial Law provides basic frameworks for organizational structures and economic activities of enterprises, and its stipulations are coercive, but economic activities are carried out under value-judgements in accordance with the movement of capital invested in the real world of business administration and economy. Therefore, at present, that is, after the lapse of nearly 4 years since the revision of the Law, it is of great significance to examine corporate activities in the real world in relation to the stipulation on capitalization. In particular, the politics and economies in the advanced capitalist countries appear to be returning to the starting point of capitalism, however, within that trend, conflicts will be intensified among privately owned capital, individual enterprise's capital, sector capital, and gross capital. Conflicts will also arise between the logic of capital and that of politics and economics.'

Next, IWAQ gave a speech entitled, the 'Essence of Business Administration in the context of Managerial Strategy and Military Strategy.' In this paper it was argued that:

'An enterprise in a capitalist society is part and parcel of societal division of labor: at the same time, the entity is discrete. Thus, it has a dual nature. On the one hand, in a capitalist society, an enterprise represents a general societal labor as does the societal labor in the fields of politics, public administration, military affairs, mass control, and the management of a variety of other societal activities. On the other hand, again, in a capitalist society, it represents the behaviour of accumulating capital which means the maximization of profit for the owners of corporations. This kind of duality is also observed in managerial strategies. Especially, in understanding its essence, it is useful to contrast them with military affairs and military strategies. Further, managerial strategies involve highly political and economic ways of thinking. For example, this is also seen in Japanese-style management and some other managerial styles. Analyzing the theoretical base of business administration and managerial strategies, and grasping future trends have become important tasks for the study of business administration as well as for the Japanese people as a whole.'

The over-all theme for this year's Convention was the 'Progress of Informationization (information-centered society) and Corporate Management': 9 presenters submitted their study reports. Yukinobu YASUKI (Sapporo University) made a presentation entitled, 'Possibilities of Information Systems and Managerial Decision Making.' Under this rubric, he stated that it is necessary, in a model to be had by designers of DDS (Decision Support System), to grasp human behaviour as a process of information-processing. This involves hypotheses such as stratification or selectivity of attention when human beings confront semi-structural problems. He concluded that the examination of the efficacy of these concepts in each area of decision-making processes will become an important field in studying DDS.

Kiyonori SAKAKIBARA (Hitotsubashi University) made a very intriguing presentation entitled the 'Information-oriented Society and Organizational Renovation,' and discussed 'Corporate Strategy for Post-Maturation and New Corporate Organizations.' He emphasized that 'there are two types of corporate strategies to be used for deploying new businesses: one is internal and the other external growth strategy. Although it is quite feasible in the context of Japanese enterprises to work out strategies to revitalize existing corporate divisions, it appears that they are in difficulties in formulating strategies for creating new businesses and those related to technology and know-how. In future, new strategies will become increasingly necessary for enterprises: in such a case, new human resource strategies and new corporate organizations will be called for.'

Masatoshi HIRATA (Seinan Gakuin University) read a paper entitled, the 'Progress of the information-centered society and Corporate Management,' and he stated that it will become increasingly necessary to establish BES (Business Expert System) on the basis of DSS with the progress of informationization. In this case, he said, the problem will be what the establishment of decision-making behaviour-like information system, which is the objective of BES, will signify. In examining and evaluating BES, what is particularly worthy of notice is the claims made by advocates of evolutionary organizational theory. He concluded that what gives life to BES is the organization.

Akiyuki INOUE (the Takasaki University of Economics) delivered a speech entitled, the 'Progress of Information Telecommunications and Industries and Enterprises in Japan.' With a clear-cut awareness of the problems. He made the following points:

'The progress of information technology is bringing about a tremendous change in enterprises. At the same time, however, there is an increasing danger that sophisticated information telecommunications equipment and devices as well as technology might be used for military purposes. The case in point in the exportation of optical telecommunication equipment to the United States for military purposes by a Japanese telecommunications equipment and device manufacturer. He concluded that, at the present time when military cooperation with foreign countries on the part of Japanese information industries, (in particular, in relation to SDI) more attention should be given to this problem.'

Kiyoshi SAKAMOTO (Wako University) took up the question of 'software and the question of the transfer of skilled labor in production labor in its relationship to labor

productivity' under the title of 'Informationization (the progress of the information-centered society) and Skilled Labor,' and stated that software skilled labor will evolve in step with the increasing scope of compounded technological systems and their increasing sophistication. He concluded that the fact that the essence of software skilled labor lies in the creative capabilities of human beings signify that there are formidable limits to the transfer of software skilled labor.

Toshihiro KOJIMA (Wakayama University) clarified the interactions between DSS and OA (automation of clerical work) under the title of the 'Development of Managerial Information Systems and Corporate Management.' He stated that OA will further expedite the automation of processing clerical work: there are two axes to this development: one is a vertical sophistication starting from standardization to automation to automatic control: the other is a horizontal expansion which means making a continuous series of work of flows. He added that DSS will reintegrate decision-making and the preparation of data accompanying a decision-making process so that DSS will increase needs for data both inside and outside of a given corporation.

Under the title of 'Informationization (progress of information-centered society) and Organizational Design Strategy,' Tamiki KISHIDA (Nagoya University) pointed out that, although lissom organization pattern and the matrix organizational pattern are important, the two are not adversarial, rather, the two will come to play mutually complementary roles.

Next, under the title of 'Information and a Variety of Theoretical Problems in Corporate Management' Tooru MIYAGI (Komazawa University) took up a variety of problems involved in the inter-relationship between information and corporate management from the standpoint of the impact which information, informanization (the progress of information-centered society), and information technology have on corporate management is in the direction of minimizing costs of transactions, which is a form of information costs.

To wind up the session, Uichi NAKATSUJI (Kansai University) took up, under the heading of 'Information and Informanization (progress of an information-oriented society) in their Relationship to Corporate Management,' a wide spectrum of problems ranging from what information should signify for enterprises to what the progress of informationization (progress of information-centered society) means from the standpoint of 'placing primary emphasis on information exchange telecommunications against the backdrop of new mass communication media which broadcast information,' and examined the above-enumerated problems. He pointed out that there will be an increasingly stronger possibility in the future for enterprises in different industries to coalesce and mutually complement each other.

The Symposium focussed on the above-enumerated 9 presentations. Active discussions ensued between the panel and members of the Society who attended the meeting. The convention was fruitful in that both panel and audience gained much from the exchange of their views.

(Masanori MATSUMOTO)



## **JAPAN BUSINESS ENGLISH ASSOCIATION (JBEA)**

The 1986 (46th) annual convention of the Japan Business English Association was held at the 4th floor hall of the Library Building at Osaka University of Foreign Studies on October 17 and 18, 1986. The association will publish "Nippon Shogyo Eigo Gakkai Kenkyu Nempo" (The JBEA Annual Studies) in October 1987 containing ten papers presented at the 46th annual convention.

The subjects and résumés of these papers and their reporters are as under:

- (1) "The Construction of 'It + be adj. + of you . . . to do' in Business English" by Hideyoshi ARAKI (Nagoya University of Commerce): Following his study of "The 'It + be + adj. + for . . . to . . . ' Construction" presented at the 45th annual convention, this paper discusses acceptability of the 'It + be + adj. + of . . . to do' construction in comparison with a construction, such as 'You are kind to do so'.
- (2) "An Early History of Business English Education" by Megumu TERAZAWA (Sanno Junior College): It was explained that the training was initiated at Shoho Kenkyujo (Institute for Business Training), forerunner of Hitotsubashi University, where all commercial subjects were taught by the American William Cogswell Whitney. This paper further described how such education was given and developed at the Institute.
- (3) "Human Factors in Business Communication" by Shigeo URABE (Aoyama Gakuin University): In the study of business communication, the human-oriented approach is extremely important. This paper stressed such human factors in the field. With these factors in mind, various styles of business letters were studied and examined in accordance with corresponding business situations.
- (4) "The Principles of 'Simultaneity' and 'Directionality' in Business Communication" by Mikito F. NAKAMURA (Kansei Gakuin University): Different from the usual situation between a speaker and a hearer, those in business situation are overlapping and dynamic. In this point, it was noted that each situation immediately surrounding and ruling the participants is at all times governed by the principles of 'Simultaneity' and 'Directionality'. This paper discussed these two principles, which refers to communication by letter. The former is about the time lag between the moment when a letter is actually written and the one when it is received. The latter is about how the participants are related to each other, that is, one as seller and speaker, the other as buyer and hearer at a time, and at another time, one as buyer and speaker, the other as seller and hearer. In order to clarify the two principles, specific examples employed in actual business were given and described.
- (5) "Understatement and Polite Business Communication" by Yukiko ADACHI (Fuji Junior College): This paper is designed to discuss uses of understatement in both general and business English contexts. First, overstatement is examined so that understatement can be made clearer. Next, a question of 'why is overstatement deliberately employed?' Then, as a good-manners strategy, the use of understatement employed in business communication is closely examined with specific examples.
- (6) "A Few Notes on Substitution in Business English" by Mitsuo NAKAMURA (St.

Agnes' Junior College): This paper attempted to analyze four forms of substitution which business English offers and to clarify what business communicants should consider in applying these. His careful study of several thousand business letters indicates 1) 'this/these + noun', outnumbering other three forms, is an 'unmarked device, 2) 'that/those + noun' will find its place in situations where added emphasis is wanted, 3) in order to avoid repetition, how far communicants can go in using what is called 'elegant variation', and 4) 'do so' phrase tends to be employed in letters of a somber nature, such as refusal ones, as a whole.

(7) "Credit Card Fraud and The Criminal Law - A Survey of Legislation on Definitions" by Hirokazu SHIMA (Kinran Junior College): Credit Cards have greatly increased their market share in Japan as well as in the United States. With this trend, there have been an excessive number of credit problems among parties concerned. This paper studied such problems, placing emphasis on the issue of Counterfeit Cards in relation to the criminal law, dealing with legislation on definitions. In conclusion, the writer stressed that now is the time to start taking action against the crime.

(8) "Practices and Problems in International Business Communication - A Case of Japanese Companies in the United States" by J. W. GOULD (University of Southern California) and Yasushi FUKUDA (Seinan Gakuin University): The concept of business communication in Japan stems from Shogyo Eigo or commercial English, which is English applied to letter writing for international trade. After World War II, Japanese business English changed, but is still limited largely to foreign trade. This paper deals with the recent communication survey, conducted by the writers, on Japanese subsidiaries in the United States, revealing that a gap has developed between business practices and the teaching of business English. The writers emphasize not only international and English aspects of business communication but also all-around management and marketing communications, including facial communication in cross-cultural situations.

(9) "Trading Firms and The Letter of Credit" by Tetsuo TAKAOKA (Osaka College of Foreign Trade): As the most generally used method of payment in export trade, the Letter of Credit should be understood completely by people engaged in international business. On this point, the writer discusses these subjects 1) Article 10 of Uniform Customs and Practice for Documentary Credits (1983) Revision, 2) confirmed irrevocable L/C, 3) document-checking for negotiation under the stipulations, 4) important points to be mentioned at the routine work on the L/C.

(10) "Four Guidelines to Express the Intention to Exclude Legal Relations in Letter of Intent" by Takao NORISADA (Kansei Gakuin University): The clause to express the intention to exclude legal relations in the 'letter of intent' can turn an otherwise enforceable contract into an unenforceable one. This paper is to give letter drafters four guidelines to express the clause: 1) the intention must be expressed clearly, 2) the intention must be expressed conspicuously, 3) the intention must be read through 'construction against the drafter' 4) the intention must be inferred from the document as a whole.

The next annual convention is scheduled to be held on October 24 and 25, 1987 at Koran Women's Junior College in Fukuoka, Kitakyushu.

(Junzo HAYASHI)

## BUSINESS HISTORY SOCIETY OF JAPAN

The Business History Society of Japan held its 22nd annual conference on Oct. 18 and 19, 1986 at Tokyo University of Economics. On the first day, there were six reports on Japanese business history and six reports on foreign business history. All the papers stimulated vigorous discussion.

On the second day, reports and discussions developed around the agreed theme, "Modern Management and International Relations". The chairman was Keiichiro NAKAGAWA (Aoyama Gakuin University) and the commentators were Sakae TSUNOYAMA (Wakayama University), Kanji ISHII (The University of Tokyo) and Takafusa NAKAMURA (Ochanomizu University). The debates were chaired jointly by Hidemasa MORIKAWA (Yokohama National University) and Takeshi FUKUO (Tokyo University of Economics).

First, Organizer NAKAGAWA gave his report, "The Problems of International Relations in Business History" which suggested that the probing of these problems would help promote the study of business history in the future. Examining the researches of the business history in Japan, he noticed a certain academic progress, based on the study of international comparison. But there are some problems which could not be clarified simply with the study of international comparison, and in his ambitious attempt to clarify, NAKAGAWA insisted that more efforts must be made in establishing proper methods for the study of business history under international relations.

The second report was given by Tsunehiko YUI (Meiji University) under the title of "International Competitiveness of Japanese Companies in the Industrialization Process; Strategy & Organization 1975—1915". In analyzing the business achievements, specifically from the view-point of business strategy and organization, YUI attempted to explicate the international competitiveness of Japanese manufacturing companies during the industrialization process in the Meiji and Taisho eras.

The third report was presented by Masaru UDAGAWA (Hosei University). His report was "Japanese Business Management and Foreign-Capital Companies during War Time, 1916—1941". He introduced his detailed research about (1) the situation of foreign-capital companies in war time; (2) business activities of major foreign-capital companies; (3) the impact of the foreign-capital companies on the Japanese business management; and (4) the increasing rejection of foreign capital after the Manchurian incident and the countermeasures by foreign-capital companies.

The fourth and last report was "Japanese Business Management and the Introduction of Foreign Capital after World War II; 1945—1965 - Centering around the Oil Industry", given by Tomoaki SAITO (Kôgakuin University). His report concerned the oil industry in postwar Japan, discussing (1) the establishment of oil-refining system in consumer regions with capital tie-ups; (2) the occurrence of a gap between the oil-refining capacity and the sales competence after the capacity was increased with the borrowing of foreign capital by companies without foreign capital affiliations; and (3) the enactment of petroleum business regulation as an industrial measure toward liberalization.

On these four reports, various questions and comments were made, and discussions ensued.

The fourth conference of third series of International Conference on Business History, known as "Fuji Conference", was held Jan. 1 to 8, 1987, at the Fuji Education Research Center, Susono City, Shizuoka Prefecture, with generous support from the Taniguchi Foundation. The theme was "Trade Associations and Interfirm Cooperation in Business History", and the project leader was Matao MIYAMOTO (Osaka University).

In the conference, international comparison was made on the matters of conditions to establish a trade association; of economic and business functions; of political activities as a pressure group; and of regulations.

Foreign scholars presented their papers as follows: USA - "The American Trade Association Movement Revised" by L. Galambos (Johns Hopkins University); and "Trade Associations and Public Relations" by R. Tedlow (Harvard University; he was absent and only his paper was presented)/Britain - "Trade Associations and Modernization Crisis of British Industry, 1910—1935" by R.P.T. Davenport-Hines (London School of Economics); and "Servants of Two Masters: British Trade Associations in the First Half of the Twentieth Century" by J. Turner (University of London)/Germany - "Trade Associations in Germany in the Late Nineteenth and Early Twentieth Century" by T. Pielenkemper (Westfälische Wilhelms Universität)/France - "Trade Associations or Agreements and Controlled Competition in France, 1830—1939" by J.P. Daviet (Centre National des Recherches Scientifiques).

Japanese scholars and their papers are as follows: "The Development of Business Associations in Pre-War Japan" by M. MIYAMOTO (Osaka University); and "Functions of Japanese Trade Associations before World War II - the Case of Cartel Organization" by T. KIKKAWA (Aoyama Gakuin University).

These reports in this international conference will be compiled by H. YAMAZAKI (The University of Tokyo) and M. MIYAMOTO, and to be published by the Tokyo University Press during 1988. The proceedings of the third conference in 1986 were edited by Shin-ichi YONEKAWA (Hitotsubashi University) and Hideki YOSHIHARA and published as "Business History of General Trading Companies" by the Tokyo University Press in 1987.

Similarly as in last year. "The Japanese Yearbook on Business History, 1986" was published in English, jointly compiled by Keiichiro NAKAGAWA (Aoyama Gakuin University) and Hidemasa MORIKAWA (Yokohama National University). This book includes major research papers on the Japanese business history, translated in English, selected from all the researches (Japanese and foreign business histories) presented in Japan for the past year. It is very useful in knowing the academic outcome of the annual business history society activities.

The society also published "Japan Business History Review", Vol. 21, No. 1 (April, 1986); No. 2 (July, 1986); No. 3 (Oct., 1986) and No. 4 (Jan., 1987).

These publications are available from the society office. Anyone interested, please contact.

(Terushi HARA)

## JAPAN SOCIETY OF BUSINESS MATHEMATICS

At the 28th Annual Academic Meeting, June 7 and 8 1986, at Hitotsubashi University, fourteen speakers discussed thirteen research topics. Three papers were subsequently published in the Annual Report of the Japan Society of Business Mathematics.

The thirteen research topics included various managerial problems and thus could not be classified under a single topic. Daisuke SHIRAISHI (Nabari High School) discussed the computational error of simplex algorithm. Masao NAKANE (Asahi University) discussed the training of man power in information processing. Nobuhide TANAKA (Gakushuin University) discussed a graph-theoretical consideration for the rearrangement of networks - an extension of the same topic presented at the meeting last year. Kazuhiko YASUDA (Nagoya Commercial College) discussed the structural design of a production system. Hisao SHIBAHARA (Shohoku Junior College) discussed topological properties of an organization. Yasuo OHKI (Josai University) discussed the mathematical modeling of an organization. Yoshio IHARA and Eichi TANAKA (Nanzan University) discussed the evaluation of assets based on rational expectations. Yasuo MATSUYUKI (Tokyo University of Agriculture and Technology) discussed a simulated financial program for the municipal undertaking of transportation in Tokyo. Katsushige SAWAKI (Nanzan University) discussed the application of stochastic differentiation to portfolio selection. Hiromoto DOI (Kyorin University) discussed the development of decision analysis. Tadashi FUJITA (International Christian University) discussed the analysis of negotiations based on utility functions. Takashi YAMADA (The School of Medicine of the Japan Academy of Defense Forces) and Setsuo OHNARI (Hitotsubashi University) discussed the stability of equilibrium points in noncooperative games.

The following three papers were published in the Report. Takashi YAMADA and Setsuo OHNARI presented a paper entitled "On the Stability of Equilibrium Points in Noncooperative Games". They attempted to unify different types of equilibrium for the  $n$ -person noncooperative game and proposed a new definition of equilibrium. This concept of equilibrium was proved to be equivalent to the other definitions of equilibrium. Then they put forth a condition of stability which was stronger than the conditions of stability in the case of strictly proper equilibrium. Also, strictly perfect equilibrium was proved to be equivalent to strictly proper equilibrium.

Nobuhide TANAKA (Gakushuin University) presented a paper entitled "A Graph-Theoretical Consideration for the Rearrangement of Networks II". He discussed structures of graphs which could be used to rearrange computer networks. The development of microcomputers made it possible to construct a network in which each station had a uniform capability. This type of network could be treated as a non-labeled graph. The canonical name and structure of the nonlabeled graph played an important role in designing a procedure to rearrange the graph. He proposed an algorithm based on a cyclical expansion to reduce the graph to a tree. It was shown that the expanded

tree corresponded to a block graph. The tree revealed cycles and symmetries contained in the graph and could be utilized to construct a canonical form.

Hisao SHIBAHARA (Shohoku Junior College) presented a paper entitled "The Topological Property of an Organization". He analyzed the process of adapting the organization to suit a changing economic environment.

(Hiroshi MATSUO)

## **JAPAN SOCIETY OF COMMERICAL SCIENCES**

On May 23rd and 24th, the 36th annual national convention was held at Asia University in Tokyo. The special themes chosen for this convention were; the marketing of services, and new approaches to product development.

The first theme, 'Marketing of Services', was chosen because the tertiary industry in Japan now employs more than half of the total working population and its output is more than 60% of our gross national product. Furthermore, even in primary and secondary industries, their products are combined with services (software) to form finished products with higher added value.

The second theme, 'New Approaches to New Product Development', was chosen because the new product development has been gaining more importance not only in the area of marketing but also in other areas like organizational theory, study of economic development, and commodity science. The organizational theorists are interested in the new product development because successful companies have unique corporate culture which encourages the possibility of launching successful new products. Economists in the field of economic development keep a close watch on this function because many attractive new products entering the market are prerequisite for enough consumer demand to boost Japanese economy. Commodity scientists are interested in the common characteristics of new products which have won wide market acceptance. Under these circumstances, we, marketing scientists, are urged to present their own views on new product development. Sessions for the special themes were as follows:

### **Comments on the Special Themes**

Tomisaburo MIKAMI (Aichi Gakuin University)

#### **Session for Marketing of Services:**

'An Investigation on Structural Characteristics of Wholesale Trade and Service-Oriented Wholesalers'

Koji ASADA (Kyorin University)

'A Review of Services Marketing and Concept of Consumer—Toward New Dimension of Marketing Concept—'

Keizaburo ASAI (Keio University)

'An Investigation on Characteristics of Product Planning in the Marketing of Services—In Contrast with the Marketing of Tangible Goods—'

Shigeru SHIMIZU (Tokai University)

#### **Session for New Approaches to New Product Development:**

'Strategies for New Business and New Product Development'

Shinji TAKAI (Mitsubishi Research Institute)

'Store Shelf Marketing and Product Planning'

Hiroshi OTSUKI (Institute for Distribution Research)

'Theory and Techniques of Semiotic Marketing'

Katsumi HOSHINO (University of Tsukuba)

'Non-Profit Seeking Business Organizations and Direction of Marketing'

Shotaro UMEZAWA (Takachiho College of Commerce)  
 'Marketing Activities of USDS/Cooperators'  
 Yoshiaki WATANABE (Josai University)  
 Sessions for Free Topics:  
 'An Analysis of Factors Influencing Growth of Wholesale Trade'  
 Tooru HIRATA (Research Institute for Distribution Policy)  
 'Present State and Future Tasks of Distribution by Temperature-Zone by Cold Chain'  
 Kazuo HAYASHI (Distribution Reserch Institute of Agricultural Cooperatives)  
 'A Study in Production Management and Quality Control in Physical Distribution'  
 Hiroyuki HUKANO (Gijutsushi)  
 'Construction of General Index for Physical Distribution Management and Empirical Research Analysis'  
 Yutaka KARASAWA (University for Industrial Efficiency) and Keizo WAKABAYASHI (Tokyo Technical School)  
 'On Option Transaction'  
 Ryou KOYAMA (Asia University)  
 'New Development of Distribution Channel Strategy'  
 Mitsuo WADA (Keio University) and Yosuke FUJIWARA (Keio University)  
 'Using Karl Menger's View on Merchandise'  
 Kousaku HONMA (Okayama College of Commerce)  
 'Emergence of Meta-Marketing Study and Conditions Surrounding It'  
 Yoshinori KAMINUMA (Kanagawa University)  
 'The Ways to Know How Cities React to Restrictions on Establishing New Big Stores'  
 Isamu ITAKURA (Market Researcher)  
 'A Study in Local Characteristics of Numbers of Retailers'  
 Takeshi TAKASHIMA (Tokyo School of Small Business Corporation)  
 'Store Complex and OSP Analysis —Research on Ginza Street of Tokyo—'  
 Mitsuhiro NARA (Yokohama College of Commerce)  
 'Soviet Economic Reform and Distribution'  
 Kazuro UMEZU (Osaka University of Foreign Studies)

(Koichi TANOUCHI)



## **JAPAN SOCIETY FOR COMMODITY SCIENCE**

Japan Society for Commodity Science held its 37th National Convention on May 31 through June 2, 1986, at the Department of Economics, Yamaguchi University.

### **I. Symposium Theme - "Regional Character and Commodity"**

For developing the commodity formation theory, which is one of the major subjects at the convention, we picked up a theme that relates commodities with specific regional conditions. We laid emphasis not only on the research of particular regions, but also on the matters existing between domestic and international regions. This time we specially focused on Japanese and Korean areas and sought opinions from Japanese and overseas researchers.

Presentation 1: "About the Kagawa Rural Technopolis Development Plan" by Kazuaki KAWAMOTO (Kagawa University)

KAWAMOTO chose Kagawa Prefecture as an example for his study of the domestic region. Takamatsu City provides central functions for Shikoku region's economy and administration, and the prefecture possesses regional unity as the Setouch littoral area. Taking these facts into consideration and utilizing the available data, he discussed the possibilities of development in various industries, those linked to the sea, new materials, biotechnology and mechatronics, together with the possibility of cooperation between industry, government and academic circles.

Presentation 2: "Regional Character and Commodities in South Korea" by KIM Shi Jong (Pusan Industrial University, Korea)

KIM classified various elements, which raise the merchantability of commodities, into practical and social factors and examined each case taking South Korea, Japan and the United States. In South Korea, social factors are increasing, and as horizontal trade is expected to grow between Japan and South Korea, he made mention of further necessity to increase regional characteristics in commodity.

Presentation 3: "Economic Vitality in Commodity Production and Regional Formation between Nations" by Akiyoshi MOTOOKA (Ryukoku University)

MOTOOKA examined the changes in postwar period economy and the formation of world economy regions, by citing R. Vernon's Product Cycle Theory; Kaname AKAMATSU's Theory of the Wild Geese Flying Form; and Kiyoshi KOJIMA's Catching Up Product Cycle Theory. From the standpoint of underdeveloped nations, he also studied the theories of G. Frank and S. Amin, and pointed out that Japan and South Korea will gradually move into competitive relations.

After the presentations, Kazuhiko SAKAIRI (Bunkyo University), KIM Seok Cheon (Pusan Industrial University, Korea) and Fumio ITAGAKI (Yokohama College of Commerce) led a rigorous discussion. Various view-points were given, and we did not reach complete agreement. Perhaps further progress will be made at future meetings when there is more data.

### **II. Free Topics**

(1) "Commodity Research through the Development of Lectures on Industrial Matters"

by Kazuo TAKAHASHI (Shimane Prefectural Hamada Commercial Senior High School)

TAKAHASHI advocated that commodity education should pay more attention to regional characteristics, in order to heighten the students' interest at commercial senior high schools.

(2) "Research & Study on Consumer Actions" by Kyoko TAKAGI and others (Saga College)

They surveyed the purchasing and consumption of junk food to children, in Saga City and surrounding areas, providing unbalanced nutrition and excessive intake of calories. Are the mothers to blame for this new trend?

(3) "Education Technology and Commodity Education" by Mitsuo TAKEDA (Aichi Education Center)

TAKEDA discussed the active utilization of advanced new media (CATV, Videotex, etc.) in commodity education.

(4) "On Consumer Protection and Commodity in South Korea" by Hisao MORISAWA (Gifu Prefectural Akechi Commercial Senior High School)

As the South Korean Economy advances, consumer protection measures are improving, but MORISAWA noted that quality control and handling complaints were inadequate.

(5) "Development & Issues of South Korean Commodity Science" by AN Deh Ho (In Ha University, Korea) examined the problems of commodity science in domestic and international trade; of improving the quality comparison study; and of enriching the merchandizing plan.

(6) "V. Pöschl Theory" by HAN Hi Yong (Seoul University, Korea)

V. Pöchl was an orthodox scholar of German Commodity Science, and HAN looked into his activities and achievements at Mannheim University and Frankfurt University. HAN evaluated the establishment and the skillful management of the first commodity science institute in Germany.

(7) "Historical Study of Commodity Science in Fishing Equipment" by Kenichi MURAKAMI (Osaka Prefectural Fukushima Girls Senior High School)

Through historical studies it is clear that the success of the industry depends on the equipment used. MURAKAMI said that his fact must be taken into consideration as we look into the industry in the future.

(8) "Comparative Commodity Science on Salt" by Haruo MORIYA (Ryukoku University)

MORIYA classified the use of salt in Japan, roughly for food and for chemical industry. He examined the industry by comparing production methods, international commodity factors, circulation, price, and price-deciding mechanism.

(9) "Study on the Quality Control of Metals" by Seigo HIRANO (Hirano Seizaemon Store)

There are various ways to indicate purity of iron and they are not necessarily consistent. HIRANO explained that at present there is an acute need for more accurate measures of purity in metal trading.

(10) "Measurement Module of Cone Speaker" by Tatsumi INOUE (Kyushu Institute of Design)

INOUE analyzed the standardized design of the cone speaker (JIS C 5501). He maintained that, through the process, some technical matters surfaced, different from basic of development researches, and pointed out the need of a scientific theory which incorporated engineering research.

### III. Study Council on Commodity Education

The attendants discussed the theme, "Reconstruction of Commodity Education - Significance of Commodity Education and Clarification of Purpose".

Based on the results of fact-finding surveys, Michiko UMEYAMA (Consumer Living Consultant) requested that commodity science should not be confined to schools but should be related to social education, and aimed at business fields, consumer and administration. Minoru YANOTOH (Fukuoka Prefectural Orio Senior High School) pointed out the ambiguity, in the current high school education, concerning both the consumer-oriented viewpoint and trader-oriented viewpoint. He suggested the need of broad-ranging economic education in the coming advanced society. Takao IKEGAMI (Kinki University) clarified the factors in historical and research-based viewpoints in commodity science. He emphasized that the commodity study and education at universities should integrate the research methods of past and effectively utilize it in contributing to the society. The society's discussions were pursued energetically.

(Kenro TAKATORI & Isao NAKAMURA)

## THE SOCIETY OF ECONOMIC SOCIOLOGY

This society was established in 1966 to further interdisciplinary or transdisciplinary studies and research regarding the economic life of our age.

The 22nd annual conference was held at the Library and Information University, at Tsukuba, Ibaraki Prefecture, on September 27th and 28th, 1986; the main theme of the conference was "Information and the Social System".

The first paper at the general session, "The Information and Social System", was read by Yukimasa NAGAYASU (Waseda University). He first presented an idea of cosmology of information. In his perspective, humankind is seen to interpret the universe as a cosmos (not chaos) including human society in terms of information. Second, he developed a systematic theory of society based upon a general systems approach and using information concepts. Society is divided into two sectors, that is, the matter-energy sector and the information sector. The latter sector contains 'information activities', which are activities for the production, storage, communication, and consumption of information. Thirdly, he explained an evolutionary stage theory of human history, and asserted that there have been two stages of information revolution in the past, the first of which was led by the revolution of sophisticated religions in ancient times, and the second was led by the scientific revolution, starting in the 16th century. Although the contemporary revolution includes only the so-called new media and not the information itself, it begins to have an innovative role, synthesizing two different types of knowledge, the religious and the scientific. This may be called the third information revolution, through which our planet will become a 'global brain', a comprehensive communication network.

The second paper, "Information and Regional Community" presented by Morihiro SATO (University of Tsukuba), gave a quite intensive and concrete overview of a new information network in Tsukuba, a new center of research and development near Tokyo. He also introduced experimental plans in Japan to build an integrated 'information network system' involving new media. He first explained the 'informationalization' that is emerging in regional industries, referring to VAN in transportation, POS system in marketing, and CD card system in banking etc., all of which tells us that business organizations need to devise new business information networks together with the 'technopolis' plan led by MITI. Pointing out the newly arising information system, SATO asked us to take notice of informationalization in city zones, among which are 'teletopia' plans, 'intelligent' cities, research centres, as well as the rapid introduction of information systems in public administration. He concluded his presentation by saying that the contemporary information revolution would surely produce positive effects of various kinds, but that we had better not ignore negative effects such as over-centralization of information in society, the excessive integration of business organizations, and fair and open access to information in public sectors.

The third paper, "Information and Socialist Economic System", read by Wataru FUKUDA (Kobe University), mainly focussed upon the Soviet type of planned economy.

According to FUKUDA's remarks, it is said that a highly complex economy, such as the USSR which has twelve million kinds of products and fifty thousand corporations in industrial sector, cannot plan and manage itself through the coherent control of a planning center. In a socialist economy, the basic economic tasks for planning centers are as follows: what is to be produced, how and what amount to produce, with fair distribution of income and welfare. Contemporary problems concerning planning and information activities in the USSR are said to be the trade-off between the precedence of macro balance and imbalance in micro level, the characteristics of planning which make free initiative and competition difficult, and the uncertainties inevitably involved in planning systems such as developing an annual plan and getting materials and resources. The fact is that the vertical flow of information is predominant in socialist planning and there is no fluent horizontal communication between sellers and buyers reflecting people's real needs. The fundamental question in socialist economy, by FUKUDA, is how to develop new technological knowledge and where to find the rational systems of management without reinforcing totalitarian and inhumane control.

SATO's report and FUKUDA's research, although respectively dealing with different experiences in different social systems, seem to tell us that there are some common problems in developing the sophisticated information system.

There were some strong criticisms of NAGAYASU's opinion. Ken-ichi TOMINAGA (the University of Tokyo) raised questions regarding the sharp distinction between information and knowledge. Knowledge is what a human being forms in his inner subjective world by intake of the external world through cognition, while information is the transmission of the concurrence of a particular fact.

Other special topics were as follows;

- 1) J. A. Schumpeter's Transformation Theory of Economic Regime, by Hirokazu YOSHIO (Asia University).
- 2) Goetz Briefs's Theory of Economic Order with Special Reference to Pluralism, by Satoya NAGAO (Kobe University).
- 3) Economics as a 'Human Science' — Alfred Marshall's Methodology of Social Economy, by Shoichi HASHIMOTO (Kansai University).
- 4) A Methodological Introduction to Economic Sociology with Special Reference to a German Scholar Gottle's 'Lebenslehre', Masaki HACHINO (Hokuriku University).
- 5) Karl Popper's Philosophy of Social Science, a Complementary Discussion to the Report read at the East Branch Meeting of the Society of Economic Sociology, Yuzo YAMADA (Hitotsubashi University).
- 6) The Triad Monetary System in Tokugawa and Mexican Silver, Koji YOSHIKAWA (Aoyama University).
- 7) Advanced Information Society and Market Economy, Yoshihiro TAKAHASHI (Senshu University).
- 8) Informationalizing Society and Evolutionary Theory of Business Organization, a View from the Contemporary Paradigm of Information Theory, Takeo TSUCHIYA (Reitaku University).
- 9) Towards a Comparative Study of Corporate Culture, Japanese Management Controversies in Retrospect, Chiaki NAKANO (Institute of Moralogy).
- 10) Social Climate of Japan and the Problem of Market Competition, Takashi YAMAMOTO (Shinnittetu).
- 11) Conventional Mental Attitudes and Power Structure in Community, Concerning Lind's 'Middle Town' Analysis, Takashi GOTO (Hitotsubashi University).
- 12) Changing

Consumers Consciousness and the Supply Structure of Individual Retailers, a View from Economic Sociology, Hideo OSAWA (Nihon University). 13) Motivation Factors of Changing Consumers Society, Terue OHASHI (Daiko). 14) Adjustment Systems in Contemporary Economic Society, Yasuaki NAGAO (Osaka Prefectural University).

The 23rd annual conference is scheduled to be held at Doshisha University, Kyoto, October 3rd and 4th, 1987. The main theme that will be discussed at the general session is "Comparative Economic Cultures in International Perspective".

(Yukimasa NAGAYASU)

## THE SOCIETY FOR THE HISTORY OF ECONOMIC THOUGHT

The national convention of the Society for 1986 was held at Waseda University in Tokyo on November 8 and 9, 1986. There were presentations of 16 papers including those on Lord Kames, Ricardo, Marx, Böhm-Bawerk, Schumpeter, and Hayek. The common theme of the convention was 'The Scottish Enlightenment and the Formation of Political Economy' on which three papers were read. The comments and general discussion were under the chairmanship of Toshihiro TANAKA (Kwansei Gakuin University) and Satoshi YAMASAKI (Kagawa University).

Following chairman TANAKA's brief introduction on the purpose and significance of the common theme, Yasuo AMOH (Kochi University) made a presentation on 'The Scottish Enlightenment and Moral Philosophy; the case of Adam Ferguson'. He took the Scottish Enlightenment as epitomizing the development of moral philosophy, and found two lines of thought emerging. In the first, political economy emerged from moral philosophy, and in the second, moral philosophy was established as a comprehensive science. The speaker believed that Ferguson belonged to the second case, taking over Francis Hutcheson's ethical view of the civil society. Although he did not neglect economic problems, he believed that the civil society encouraged corruption. He continued to try to establish his moral philosophy as a comprehensive science.

Gentaro SEKI (Kyusyu University), the discussant, pointed out that the independence of political economy in Smith did not mean the dissolution of his moral philosophy, but Smith's system was the system of moral philosophy which contained scientific political economy as a part of it. He then asked what were the significant differences between Smith and Ferguson's moral philosophy? If Ferguson failed to give economic activities the emphasis that they deserved and which were noted by Hume and Smith, then Ferguson was out of date and backward-looking.

Secondly, Toshiharu NOZAWA (Chiba University) discussed 'The Scottish Enlightenment and Smith's *Wealth of Nations*'. He regarded the differences between the views of Smith and Fletcher/ Ferguson and how to overcome the difficulties of the civil society. He argued that Smith labelled the civil society as the society of 'sympathetic order' in which people are interlinked by the sense of justice, and that he intended to liberate civil society by the political activities of the state. This was Smith's answer to the social criticism by Fletcher and Ferguson through the formation of political economy in the *Wealth of Nations*. From this viewpoint the reporter focused on political methods for the liberation of the civil society in the *Wealth of Nations*. For this purpose he considered the aims of a progressive legislator; the conditions of political participation in the legislative process and the present situation of the social classes in relation to it. He also looked at Smith's design for the new political union of capitalists, landowners, economists, statesmen, and the people: and also the difficulties of labourers which prevented their political participation.

Shoji TANAKA (Hitotsubashi University), the discussant, recognized the value of the paper, but questioned whether it would be effective in understanding the real

significance of the formation of Smith's political economy. He then commented that Smith's political economy was developed in relation to the 'wealth and virtue' problem and as an answer to Mercantilistic views and the civic humanist ones. Smith's fundamental theme in the *Wealth of Nations* was his assertion that only if 'justice in exchange' could be assured, 'the distributive justice' would be realized. It is true that Smith noticed the difficulties of the labouring class and proposed the remedies for them, but this does not mean that he planned to create 'the progressive legislators'.

Lastly, Hisashi SHINOHARA (Kwansei Gakuin University) in his paper 'Dugald Stewart and the Scottish Enlightenment: His *Lectures on Political Economy*', showed that in the realm of political economy proper, Stewart took the framework of the *Wealth of Nations*, but laid more stress on the solution of social and economic problems of the lower class. Stewart confirmed the function of market mechanism, already proved by Smith, and added some revision. In the realm of politics in the broader sense, he argued that Stewart considered the improvement of commercial society as social improvement, and that he put stress both on the social improvement in the form of the diffusion of wealth to the lower class from the viewpoint of Smithian moral philosophy, and on the improvement as the diffusion of knowledge to the lower class by the common sense philosophy. The reporter closed his paper remarking that, Stewart's main contributions would be found in his plain systematization of Reid's common sense philosophy and in his writing of the first history of economic thought in Britain.

Akio HOSHINO (Kanto Gakuin University), the discussant, wondered whether Stewart's political economy was wider in the framework than Smith's, and claimed that Stewart's political economy and politics were not sufficiently unified with his moral theory. He mentioned that Stewart rejected the Smithian principle of sympathy, and accepted Condorcet's framework in his *History of Progress of Human Spirit* in discussing economic problems.

Kyoji TAZOE (Fukushima University), the discussant for the whole conference, believed that Sir James Stewart should be taken up in the discussion of the common theme. He asked how it was possible that the Scottish Enlightenment produced two great economic systems, Stewart's and Smith's. He then pointed out the methodological feature of the two systems, as the 'historic and genetic' approach and reminded the audience of Smith's views by citing from his letter to the editor of the *Edinburgh Review*.

In the general discussion, Noboru KOBAYASHI (Daito Bunka University) raised, briefly but importantly, a question of the understanding of political economy as the 'nomos of polis'. He supported TAZOE's view point, that James Stewart was essential for the discussion of this common theme. He also pointed out that Smith's thought itself should be taken critically by present day economists in Japan. He urged that the common theme, being so important, should be taken up again in the near future.

The next national convention 1987 is scheduled to be held at Kansai University in Osaka on November 14 and 15, 1987.

(Toshihiro TANAKA)



## THE JAPAN ASSOCIATION OF ECONOMICS AND ECONOMETRICS

The 1986 annual meeting of the Japanese Association of Economics and Econometrics was held, in the presence of a large gathering of economists; at Nagoya University on November 13 and 14, 1986. Seventy-one papers were presented in twenty-one sessions and, in addition, two panel discussions were held.

Reflecting the general interests of the Association's members, four sessions were organized on the topic of 'Public Economics and Its Applications'. "Welfare Effects of Changing Commodity Tax Rates Toward Uniformity: A Generalization." by Tatuso HATTA (Osaka University) and Takashi FUKUSHIMA (State University of New York), "Effects of Tax System on Corporate Finance and Capital Cost." by Yasuhiro YONEZAWA (University of Tsukuba), "Fairness, Neutrality, and Local Strategy, Proof in Planning Procedures with Public Goods" by Kimitoshi SATO (Asia University), "Urban Growth with Agglomeration Economics" by Takahiro MIYAO (University of Tsukuba) and "The Bilateral Control of Externality" by Hirofumi SHIBAYA (Osaka University) and Aiko SHIBATA (Tezukayama University) are just few examples of the papers presented in these sessions.

Commemorating the fiftieth anniversary of the publication of J.M. Keynes' *General Theory of Employment, Interest and Money*, two sessions were organized; 'Problems of Keynesian Economics' and "Macroeconomics Today; Fifty Years After Keynes' General Theory", Yusuke ONIZUKA (Yokohama National University) presented a paper entitled "Macroeconomic Policies and Balance of Payments in Relations to a Country's Development Stage," Hiroaki HAYAKAWA (Nagoya Gakuin University) presented a paper "Parametric vs. Non-Parametric Rational Expectations, Price Structure Information, and Policy Neutrality," and Kazuo KAKIHARA (Chiba University) presented a paper "Keynes' Methodology and Its Contemporary Significance," among others.

As in the other years, the two sessions of economic theory attracted a large audience. Problems of Information were the major focus of these sessions as papers like "Strategic Information Revelation" by Masahiro OKUNO (University of Tokyo), A. POSTLEWAITE (University of Pennsylvania), and Kotaro SUZUMURA (Hitotsubashi University), "Oligopoly, Information and Welfare" by Yasuhiro SAKAI and Takehiko YAMATO (both University of Tsukuba) were presented. In addition, a paper "The Global Correspondence Principle: A Generalization" by Tatsuo HATTA (Osaka University), J.N. Bhagwati (Columbia University) and R.A. Brecher (Carlton University), and a paper "Conventionally Stable Sets in Noncooperative Games: von Neumann-Morgenstern Stable Sets in Small Cooperative Games" by Mamoru KANEKO (Hitotsubashi University) attracted an appreciative audiences.

Reflecting continuing interests in empirical and theoretical analyses of Japanese economic institutions, many papers focused on the problems faced by contemporary Japan. This year, the Association concentrated especially upon labor economics and

financial markets. Two sessions each were organized under the titles of 'Comparative Analyses of Firm and Labor' and 'New Developments in Financial Markets.' In the former, a paper "Long-Term Contracts with Team Production: Towards a Theory of the Japanese Firm" by Yoshitsugu KANEMOTO (University of Tsukuba) and W.B. McLeod (Queen's University), a paper "The System of Loan Employees among Large Japanese Corporations" by G. Brunello (Osaka University) shed lights on Japanese labor practices.

The session of 'International Diffusion of Macroeconomic Policy and Policy Coordination' also drew a large audience. In this session, Hideo HAYAKAWA (Bank of Japan) read a paper on "Policy Coordination and International Stabilization," Masanao AOKI presented a paper on "Time Series Evidence of Effects of US Government Fiscal Expenditures on Japan and USA," Ryuhei OKUMURA (Nagoya University) gave a paper on "Real and Monetary Shocks in a Dynamic Two-Country Model," and Yasuo MURATA (Kansai University) presented a paper on "The Dynamic Optimal Policy in a Two-country Uncoordinated Game."

Two sessions of econometrics saw Takeshi AMEMIYA (Stanford University), an internationally distinguished econometric theorist, presenting a paper on "An Application of Nested Logit Models to the Labor Supply of the Elderly," written jointly with Keiko SHIMONO (Nagoya University), among others.

Two panel discussions were held. The first theme, 'Education of Economics' had panelists Hiroshi NIIDA (Yokohama National University), Shozaburo FUJINO (Hitotsubashi University), Takamitsu SAWA (Kyoto University), Toshihiko HAYASHI (Osaka University) and Hirotaka KATO (Soka University). The second theme, "Japanese Economy Abroad," by Motoshige ITOH (University of Tokyo), Kazuo KOIKE (Kyoto University) and Ken MATSUI (Tokyo International University). These panel discussions were also well supported.

(Masahiro OKUNO)

## THE JAPAN ASSOCIATION OF ECONOMIC GEOGRAPHERS

The 33rd National Convention was held on May 24 to 25, 1986 at Meiji University in Tokyo for discussions on the recent changes in Japan's industrial structure and serious inner-city problems. The successive debate to the previous year's convention was expected to analyze basic problems of changing regional economy which directly responds to the internationalization of Japan's economic activities. The relevant research work has been published in the *Annals of the Association of Economic Geographers*, (a quarterly journal of this association) and the symposium of the 33rd convention necessarily attracted many Japanese economic geographers.

As the organizers of the symposium stated at the beginning of discussion session, our debate on "the recent changes in industrial structure and metropolitan regions of Japan" had three objectives. 1) How have Japan's metropolitan regions been remodelled to adjust their existing functions and spatial structures to rapidly increasing internationalization? 2) What are the major problems of metropolitan regions caused by the restructuring and relocation of industries? 3) How have the governments contributed to the solution of emerging inner-city problems? Five reporters presented papers on the issues as follows: Seiji KOMORI (Kobe University of Commerce): Recent trends in industrial activities and urban centers under the situation of "soft-ware development". Hiroshi MATSUBARA (Seinan Gakuin University): The Changes in urban hierarchy and the internal structure of Tokyo. Hiroyoshi KOZU (Aichi University): An analysis of urbanization processes in the three major metropolitan regions. Toshio MIZUUCHI (Kyushu University): An analysis of the historical understanding of the inner-city. Yoshiyuki MITAMURA (Toyo University): Metropolitan regions and urban policies.

KOMORI firstly pointed out that stagnant inner-city areas were not directly caused by the decentralization of industries, but did reflect new trends in urban-industrial development. He believed that inner-city problems could be understood by focussing on some spatial structures of urban-peripheral relations. Population structure — less productive people now remain in the inner-city, technological structure — old city areas are no longer attractive to developing activities which employ large number of people, amenity functions — unsatisfied supply of amenity facilities in the inner-city fails to attract young professionals. Nevertheless, he commented, Japan's inner-city problems had not been so serious as those of U.S.A. and western Europe, because land use in Japanese big urban centers had varied over time. KOMORI examined the concentration of certain types of business in bigger metropolitan regions, which would continue despite its expensive investments.

The second report given by MATSUBARA discussed the increasing concentration of headquarters of large corporations in Tokyo. He concluded that the trend had been reinforced by the recent demand for office facilities for both Japanese and foreign firms. The extraordinary high price of land in Tokyo has forced out less competitive activities from the central parts of the city. The present urban renewal projects also prevent "the

non-profitables" from remaining in central areas where investors look for the expected returns, MATSUBARA added.

Thirdly KOZU read paper on some aspects of the latest urbanization trends of Tokyo, Osaka and Nagoya. He found in all the conurbations all the same features for the same period of time. However, Nagoya provides less urban infrastructures while Tokyo shows as the biggest development.

MIZUUCHI attempted another view by trying to analyze the spatial or territorial behavior of working class people. The notion of "social space" was introduced to explain laborers' major concerns by which their space of activities may be delineated. Based on an examination of Tokyo and Osaka, he concluded that today it was hard to recognize inner-city areas as a working class social space, where poorer living and working conditions are usually predominant. MIZUUCHI raised question of some notions of the inner-city in which drastic changes in urban environments are expected.

Finally KITAMURA reported how metropolitan Tokyo, through both central and local governments, had tried to deal with difficult urban nuisances. Despite government efforts, no effective solution had been found. On the contrary, the never-ending demand for office facilities in the existing CBD aggravates the present situations. He urged a practical urban planning that encourages the revitalization of the inner-city.

There was a lively discussion on the cause-and-effect of contemporary urbanization. Why had congestion of metropolitan regions taken place so rapidly? There could be many reasons: some because economic efficiency is ruthlessly pursued, others because public policies to control international competition are ineffective. Why does the inner-city experience stagnation of industry today? The questions and answers varied. The necessity of employing the notion of inner-city was not necessarily clarified by analyzing current metropolitan problems. However, the participants took opportunity to broaden their views on the dynamic relations between structural changes in industries and worsening inner-city problems. Our President, Tetsuro KAWASHIMA (Hannan University), proposed that we go on to investigate how Japan's own urbanization is affected by modern technological innovations and the concurrent changing economy.

(Isamu OTA)

## JAPAN ECONOMIC POLICY ASSOCIATION

The Japan Economic Policy Association was established in 1940, and since then, apart from the difficult war and postwar years (1941 - 1948), it has held national conventions every year. The Association, now with 1,118 members, held its 43rd national convention at Kansai Gakuin University in 1986.

The common theme for the 1986 national convention was "Privatization and Government", a contentious subject, on which some of members held strong and sometimes opposing views. The Provisional Administrative Research Council (Rincho) had hoped for some discussion of the privatization plan of public corporation management. There were strong opinions held, even among those economists who supported the privatization of the national railways, and the Association wished to clarify the issues.

The following reports were presented at the convention,

- (1) "Privatization and Government Regulation" by Hiroshi KATO (Keio University)
- (2) "Deregulation and Privatization of Public Corporation" by Mitsuharu ITO (Kyoto University)
- (3) "A Study of the Japanese National Railways; Reform and Privatization" by Sadakazu CHIKARAISHI (Hosei University)

KATO stated that three public corporations — Japan National Railways, Nippon Telegraph and Telephone Public Corporation, and Japan Tobacco Public Corporation — had virtually adopted the management style of government enterprises, without any independent management right. Such management system contributed in the postwar era toward establishing the nation-wide traffic network as well as the automatic instant-call system, and also secured the national revenue. But KATO explained that Japan has moved from the high growth period which filled the people's quantitative needs to the current low growth period for filling qualitative needs, and maintained that the irrational management forms adopted by those corporations in the past were neither developed technical innovations nor coped with the diversified changes in people's needs. In order to reform such a system it was necessary to let them adopt a private-management system or one close to it.

What KATO means here is a joint stock company with public and private factors. It means a special company (still receiving government assistance), which would strive to improve business efficiency. In the privatization of a public corporation, KATO believes it is necessary to adopt this system as the initial management form which would attract the least government regulations.

I agree with KATO's opinion, but still do not understand his grounds for supporting the break-up of the national railways.

ITO said that problems involved in privatization differed in each case. He discussed the privatization issues of Nippon Telegraph and Telephone and National Railways as follows.

First, Telegraph and Telephone Public Corporation became a private company,

called NTT (Nippon Telegraph and Telephone Co.), but since it is also a strong regional monopoly, the company is under government control as a public utility. The government regulations, therefore, may be tightened later, but as a management form, the need for rationality in conducting nation-wide uniform operations will remain a requirement in the communication business. Also as the business division is possible, ITO evaluates the privatization as quite logical. Concerning the national railways division and privatization, he stated that the regional units for passenger transportation were too mechanical, and therefore inconsistent. Routes were reduced in unremunerative areas, and expensive fare adjustment took place even between remunerative regions, but some deficit-ridden local lines still remain. He also noted that the grounds for the division were political, as it was considered to be a measure to cope with labor unions and he concluded that the national railways division and privatization plan were logically inconsistent.

CHIKARAISHI concentrated his debate on the national railways division and privatization issues. He said that the rehabilitation of the national railways system could be achieved only if the organization resumed its position as a public corporation. He commented that the profitability of the passenger department could improve and go into the black, if there was compensation for special expenses (pension payment, etc.) and the interest payment of the past. This would not apply to the freight department which would continue to suffer big losses. But the losses could be reduced by promoting the rationalization of containerized transportation, or by controlling the reckless use of truck transportation and by raising the light oil transaction tax.

CHIKARAISHI's report shows that, under new management, the National Railways could revert to its basic status as a public enterprise. Then why did the National Railways not make efforts to introduce new management techniques and to restore its status as a public enterprise before privatization?

What became apparent during the debates of these three scholars on the privatization issue, was the recognition that any enterprise which provides a public service is unable to enhance efficiency or public benefit without possessing an independent management right and responsibility. On this point, Hisao ONOE (Osaka College of Industry) indicated that privatization did not mean 'private management', and the Japanese public enterprises should have both public and private characters at the same time. In another discussion, Kimihiro MASAMURA (Senshu University) said that the division and the privatization should be advocated from the viewpoints of efficiency and decentralization. But Masu UEKUSA (The University of Tokyo) pointed out that while he could support privatization from a viewpoint of the public enterprise theory, he could not see the logic to advocate a division of the system. Perhaps these difficult problems would be challenged by young scholars of the Association.

The common theme for the 1987 national convention will be "Economic Dynamism and Welfare Criteria", to consider the situation in Japan where a reexamination of Japanese industrial and welfare policies is urgently needed because of dynamic economic development.

(Kazuo GOI)

## JAPAN FINANCE ASSOCIATION

The changes in corporate finance in recent years have been so profound that in 1977 many financial scholars thought it would be useful to come together regularly to discuss various issues on finance. Since then, we have exchanged and developed our views and ideas.

The 10th national conference of the Japan Finance Association was held at Nanzan University in Nagoya on October 3 and 4, 1986 to discuss the theme of "Issues in Corporate Finance." Twenty-two papers were presented in eight sessions and one panel discussion was held. The majority of these papers were presented by young financial economists in various institutions. There were three sessions which dealt with capital structure problems. At the remaining five sessions discussion ranged over a wide variety of topics. In the panel discussion, four panellists discussed current topics.

In the sessions on capital structure, eight papers were presented. Takafumi YOSHIDA (Nagoya University) presented a paper entitled "A Discussion on the Jensen and Meckling's Paper." The remaining seven papers were: "Impact of Preferable Tax Code of Risky Debt on the Capital Structure," presented by Yoshiro YASUDA (Kurume University); "Does Capital Structure Matter?: Information Signaling Approach," by Shozo HORI (Aichi University); "Financing Decision in Japanese Corporations," by Chihiro SAKURABA (Bank of Japan); "How Risk Sharing between Banks and Corporations Affects Capital Structure?" by Yasuhiro YONEZAWA (University of Tsukuba); "Empirical Evidence on the Capital Structure Problem in Japan," by Hideki HANAEDA (Kantogakuin University), Akihiro KOYAMA (Gakushuin University), Yoshiki MATSUI (St. Paul's University) and Yutaka UEDA (Hitotsubashi University); "Capital Structure Problem in France," by Takahiro TERAKADO (Meiji University); "Financial Management in Trading Companies," by Tokuji MINOWA (Chiba Junior College).

In the remaining five sessions, the following twelve papers were presented. "Effect of Financial Disclosure on the Stock Price," presented by Songill KANG (Nagoya City University); "Evaluation of the Firm Using AFD-ratio" by Tomohiko ADACHI (The University of Tokyo); "Stable Portfolio" by Yoshio TABATA and Kazuhiko NISHINA (Osaka University); "a Discussion on the M-M Approach" by Tsunehiko WATABE (St. Paul's University); "Econometric Model Focusing on the Financial Data of Japanese Corporations," by Tsutomu OHKAWA and Hidekazu HORIYAMA (Osaka City University); "Empirical Study on the Investment Decision in the Electric and Machine Industry," by Mutsumi MURAKAMI (Institute of Managerial Behaviors); "Effects of Stock Co-ownership on the Value of the Firm," by Yoshio KANASAKI (The University of Tokyo); "The Taxation of Income from Capital in Japan: Historical Perspective and Policy Implication," by Tatsuya KIKUTANI (Kyoto University); "Empirical Study on the Agency Problem," by Akira HIGASHIDA (Yokohama National University); "Optimal Capital Structures and Bankruptcy Costs," by Yoshiaki TAKEISHI (Aoyama Gakuin University); "Optimal Strategies for the Financial Futures

in the International Capital Market," by Soichiro MORIDAIIRA (Fukushima University); "Futures Markets," by Masahiko SUGIE (Doshisha University); "A Test of the Pricing of Perfect Substitutes in International Capital Markets: The Case of American Depository Receipts," by Koyoshi KATO (Nanzan University); "Analysis on the Bond Market," by Junko MARU (Japan Securities Research Institute) and Toshiharu TAKAHASHI (Aoyama Gakuin University).

In the panel discussion, the following four panellists discussed current topics in the area of corporate finance. Takao KOBAYASHI (The University of Tokyo) questioned the efficiency of the Japanese capital markets by showing some anomalous effects in the Japanese stock market and stressed research possibilities in this area. Michio KUNIMURA (Nagoya City University) summarized empirical studies of the Japanese capital market conducted by Japanese scholars. He emphasized the importance of careful empirical work using appropriate methodologies. Noboru TERADA (Employees' Pension Fund Association) commented on the change in financial analysts' attitudes regarding analysis of the financial markets. More financial analysts have recently relied upon the modern finance theory. Shinobu MURAMATSU (Seikei University) reported empirical evidence about the M&A in the U.S. which has been one of the most popular areas of studies among American finance scholars. Several questions were raised by Takaaki WAKASUGI (The University of Tokyo), the coordinator of this panel discussion.

The 1987 meeting will be held at the University of Tokyo on October 5 and 6 in 1987. Main theme of the 1987 meeting will be "Portfolio Selection and Capital Markets". More young finance scholars are expected to present papers at the meeting.

(Yoshio IIHARA)



## **JAPANESE ASSOCIATION OF FISCAL SCIENCE**

The 43rd annual meeting of the Japanese Association of Fiscal Science was held in Hosei University on October 17 and 18. There were seven themes this year. They were (1) the review of the theories of modern public finance, (2) problems of the modern tax systems, (3) the present state and the prospect of intergovernmental fiscal relations, (4) social insurance and public finance, (5) taxation of enterprises, (6) public finance and industry, and (7) how the policy-oriented public investment and loans should be managed in the future.

Five reporters presented papers on the first theme on the first day. Akifusa FUJIOKA (Chiba Keiai College of Economics) discussed the theories to determine the level of public charges. Goro SAITO (Niigata University) analysed the relationship between the science of public finance and the theory of the state. In the afternoon Yutaka KODAIRA (Seijo University) reported on the application of general equilibrium analysis to taxation problems. Kazuo YOSHIDA (Osaka University) examined the problem of fluctuation of the size of the fiscal budget, while Kazuhiro ARAI (Hitotsubashi University), made clear the issue of disclosure of information by the public agencies.

On the subject of modern tax systems Yasushi IINO (Keio University) considered the problems of tax-paying units and deductions for the spouse, while Mamoru SUZUKI (Tokai University) examined the role of income tax as a means of redistributing wealth. In the afternoon, Eiji TAJIKA (Hitotsubashi University) reported on capital costs and effective corporate tax rate. Then Hiroshi MIYAJIMA (The University of Tokyo) explained the structure of current income tax in relation to the theory of taxation. The third speaker was Junshichiro YONAHARA (Hiroshima University) who reported on tax reforms in Australia and New Zealand.

The third theme was the current state and the prospect of the intergovernmental fiscal relations. Jun-ichi NAGAMINE (Otemon Gakuin University) evaluated the local grant tax system (a Japanese version of local equalization grant system). Hideo NAKAI (Kinki University) discussed the structural changes of local grant tax system.

In the afternoon, Chuji SAKAMOTO (Okayama University) discussed the present state and necessary reform of the national specific grant system. Akira KOBAYASHI (Kanazawa University) looked at the punitive mechanisms of the Block Grant and the control of local government finance. The third speaker, Masatomi FUNABA (Hiroshima University) discussed the structures and functions of various prefectural taxes.

The fourth theme was social security and the public finance which was taken up in the morning session of the second day. Hiroyuki MATSUOKA was the first reporter and he discussed the problem of coordination among different systems of medical insurance. Then Satoshi USHIMARU (Aoyama University) discussed on the relationship between taxes and pension system. Yukio NOGUCHI (Hitotsubashi University) reported on the issues of an aging population, public pension scheme and capital accumulation.

The fifth theme was taxation of enterprise. The theme was discussed in the afternoon of the second day. Yasuo HIRATSUKA (Tokyo Metropolitan University) tried to

establish a new perspective to evaluate the Japanese corporate income tax. Hiroyuki TONAMI (Osaka College of Industry) reported the results of his empirical study of calculating the rate of tax burden on various industries according to sizes. Yuji YUI (Seijo University) made a comparative study of effective corporate income tax rates between Japan and the United States.

The sixth theme was industry and public finance. Yoshio IMAI (Sophia University) and Norihito TANAKA (Trade Training Center) reported on the result of their joint study on the repercussion effects of public expenditure (defense expenditure in this case). Keiyuki SUZUKI (Osaka City University) discussed the industrial restructuring and the loan by the Industrial Development Bank. Lastly, Shigeru SUZUKI (Kumamoto College of Commerce) reported on the administrative and financial problems of technopolis.

This year there was also an unusual event. The panel discussion considered policy-oriented public investment and future loans plans. The panelists were Ryuji KATO (Yamaichi Economic Research Institute), Katsu UKAI (The National Banking Association), Kousei KITAGAWA (the Equipment Investment Research Institute of the Japan Development Bank), Hiroaki DAN (the Postal Saving Bureau of the Ministry of Posts and Telecommunications), and such university professors as Kasuhiro IWANAMI (Chuo University), Keimei KAIZUKA (The University of Tokyo), Takehisa HAYASHI (The University of Tokyo), and Ken'ichi MIYAMOTO (Osaka City University).

(Masahisa HAYASHI)

## **JAPAN ACADEMY FOR FOREIGN TRADE (JAFT)**

The 26th annual general meeting was held at Shimonoseki City University on May 10 and 11 1986. the common theme was "Some Problems of Trade among Asian Countries". Recently Asian contries, such as Japan, Asian NICs and others have increased their importance greatly in world trade. On this, Mitsuo HONDA (Nihon University) reported a paper on "Intra-Industry Trade Between Japan and Asian Countries"; C.K PARK (Yunsei University, Korea) on "Potential and Realized Patterns of Trade between Korea and Japan"; Ken-ichi ENATSU (Kansei Gakuin University) on "Some Issues on International Business Administration in China", he emphasised that Japan must remain "tolerant" over business administration in China.

There were 18 more papers presented on various themes as follows;

Shojiro TOKUNAGA (Kyushu University) on "CIF (Cost Insurance and Freight) and FOB (Free On Board) - Concerning with establishment and development of modern customs in foreign trade".

Yoichi USUI (Koran Women's Junior College) on "On the Air Transportation from the View of Foreign Trade Management".

Masaki YOKOYAMA (Shikoku Gakuin University) on "Foreign Trade in Asian Countries and Export Oriented Industrial Policies - mainly concerned with foreign trade structure and industrial structure in the Phillipines".

Toru YAMAGAMI (Nihon University) on "On the Problems of Port Development in China".

Eiichi FUJITA (Kansai Foreign Language College) on "Adaptability of Japanese Business Administration to Oversea's Countries - Impact of Japanese style labor policies on other lands".

Akira KADOTA (Kagoshima Prefecture Junior College) on "President Reagan's Speech in the Congress and Kanae Nagasawa - as a background of trade conflict between Japan and U.S.A.".

Shohei TABATA (Kinki University) on "The Effects of Japanese Style Labor Policies in Japanese Companies U.S. Subsidiaries".

Shigeto MOROGAMI (Meiji University) on "A Typical Profile of Japanese Firms Adapting Internationally Standardized Advertisement".

Akira KINOSHITA (Kinki University) on "Employee's Training in Changing Management Circumstance - for the personal management of 21st century".

Kiyotaka SATOZONO (Kyushu University) on "The Development and Speciality of Cross Border Lease".

Masanori KANIZAWA (Hannan University) on "The New Development of Trade Finance - concerning mainly with forfeiting".

Hiroshi KUSUMOTO (Kinki University) on "Japanese Yen Denominated Banker's Acceptance and Trading between Three Countries".

Jun TOSAKI (St. Paul's University) on "Some Factors to Form an Economic Bloc for Japan Capitalism in Asia".

Katsuyoshi MORINO (Ritsumeikan University) on "The Development of Machine Tool Industry in India".

Yoshio SAITO (Chuo Gakuin University) on "The Real State and Some Points of Compensative Trade in Asia".

Hideo UENO (Kinki University) on "The Foreign Currencies Reserves and Foreign Trade in China".

Tomoyuki YOSHIDA (College of Marine Technology) on "A study of the Combined Transportation in the International Trade - laying stress on the form of liability in the Combined Transport Documents".

Takeshi YAMAKAWA (Nagoya College of Commerce) on "A Comparative Study of Financial System of Foreign Trade in Japan and United Kingdom".

Tsuyoshi IWAKI (Aichi-Gakuin University) on "Primary Goods Exporting and Domestic Marketing Structure - the Case of African Countries".

This annual meeting was invaluable. Professor C.K. Park, Korea, has contributed greatly to our successful and interesting discussions. We have considered not only foreign trades but also domestic industrial structures in Japan as well as in Korea.

(Misaki IWAMOTO)

## THE JAPANESE SOCIETY OF INSURANCE SCIENCE

The Society aims to study the theory and practice of insurance and also to contribute to the interdisciplinary development of insurance science. The membership includes university researchers and businessmen from insurance and other companies.

The Society held its 1986 national convention at Hosei University on October 25 and 26.

Nine reports (6 free themes, 3 common themes) were presented. The following nine reports have been published in *The Journal of Insurance Science*, (Tokyo No. 516-517, 1987-3, 6.) "Onus of Proof in Marine Insurance Contract" by Toshiaki KAMEI (Kansai University), "A Systems and Functional Analysis on Insurance Distribution" by Isao TAKEI (Toyama University), "Nippon Life's Resistance to the Takeover by Osaka Life" by Isao OGAWA (Nippon Life Insurance Co.), "Repair Cost Problems in Motor Insurance" by Keisuke SHIMADA (The Motor Insurance Repair Research and Training Center, Ltd.), "Credit and Insolvency Insurance" by Yuji OGI (Okayama College of Commerce), "Scope of the Business of Insurance Companies and its Regulation in West Germany" by Tomonobu YAMASHITA (Kobe University). The other three common themes are as follows; "Medical Insurance" by Yoshio MAYA (Nihon University), Masahiro OSAKA (Nippon Life Insurance Co.) and Shoji UENO (Tokyo Marine and Fire Insurance Co., Ltd.)

Other Papers were presented at the Society's regional meetings in the Kanto and Kansai areas. Among them, seven reports included in the *Journal*, (Tokyo, No. 514-517, 1986-1987.) were as follows.

"Post-War Investment Behaviour of Life Insurance Companies." by Yasuo KOFUJI (Senshu University), "A Study of the Exchange-Rate and Interest Arbitrage Strategy of the Pension Fund" by Kenji UCHIGATA (Nippon Life Insurance Co.), "Recent Life Cases on Non-disclosure and Misrepresentation" by Masaaki NAKANISHI (Osaka University), "Introduction to Insurance Business in People's Republic of China" by Tomoji HANZAWA (Sumitomo Life Insurance Co.), "Econometric Research into the Variagation Behavior in the Non-Life Insurance Industry in Japan" by Atsushi TAKAO (Kobe University), "Two-tier Pensions, the Integration of State and Occupational Pensions in the Main Industrialized Countries" by Akira KASHIHARA (Kobe Gakuin University), "How to Overcome the Crisis of Insurance Availability and Affordability in U.S.A." by Hirokazu OHBA (The Nippon Fire & Marine Insurance Co., Ltd.).

To the 1986 Korean Insurance Academic Society convention, the Japanese Society sent Toshiaki KAMEI (Kansai University) and Yasushi MORIMIYA (Meiji University). In exchange KIM In Jea (Dae Jeon College) and KIM Chang Kyun (Korean Insurance Academic Society) attended the Japanese convention from the Korean Society.

Eiichi KIMURA (Hitotsubashi University), Takatada IMAIZUMI (Yokohama National University) and Megumi MATSUSHIMA (Meiji Gakuin University) attended and read papers at the 7th World Congress of AIDA on May 5 to 9, 1986 in Budapest.

The three reports are as follows; "General Meeting" by Eiichi KIMURA, "Insurance and and Changing Notion of Liability" by Takatada IMAIZUMI, "Risk Aggravation and Other Modifications of the Risk Situation" by Megumi MATSUSHIMA.

These three reports were included in the journal. (Tokyo, No. 515, 1986.)

(Shoji NEDACHI)

## THE JAPAN SOCIETY OF INTERNATIONAL ECONOMICS

The 1986 (Forty-Fifth) annual conference of the Japan Society of International Economics was held at Hiroshima University on October 11 and 12, 1986. We held one symposium and seven other sessions.

The main theme for the symposium was "International Economic System: the Ideal and Reality". Four papers were presented to it.

Ippei YAMAZAWA (Hitotsubashi University) first evaluated the roles played by General Agreement on Tariffs and Trade (GATT), then surveyed the various aspects of the problems emerging from the recent trade policy, in effect anti-GATT measures, adopted to counteract the difficulties caused by trade frictions and the climate of protectionism. He proposed to create new trade policy criteria to be acceptable to each member country with which to meet the problems with more flexible attitude, maintaining fundamentally GATT ideal.

Akio KAMIO (Tokyo KEIZAI Shinposha) reported on the political factors which had, he believed, brought about the contrast between the ideal and the practicality of the international monetary system. He argued that the suspension of dollar convertibility followed by the shift to floating exchange rate system was the outcome of President Nixon's lust for power, not of a plan carefully worked-out by monetary authorities and/or specialists. He extended the same view to the employment of 'Reaganomics', under the President Reagan, which are now considered to have resulted in 'twin deficits'.

Tadashi KAWATA (Sohpia University) reviewed the changes in the relations between North, advanced, and South, less-developed countries, since the beginning of 1960s. He pointed out the tendency that the main area for tackling the North-South problems had been shifting from existing international economic systems, allegedly sponsored by the North parties, to the outer systems reflecting the growth of the South parties' power. He also explained the difficulties of any sort of global negotiation over these problems.

Soko TANAKA (Tohoku University) offered first the view that the image of European Communities (EC) had weakened since the formation of the customs union. He defined the third stage of economic integration of EC as that of the formation of economic and monetary unions and he considered these matters since 1970.

In the session on theoretical analysis, Koji AOKI (Nagasaki University) analyzed the effects of setting standards for the quality of commodities on trade. Katsuo SUZUKI (Kansei Gakuin University) reported the different effects of the case of free international capital movements and trade and of the case of free international labor movements and trade on the economies with different technology and factor endowments. Shigenobu YAMAMOTO (Kansai University) examined, the changes in trade patterns and the trade dependency ratio according to economic development, using the new concepts of 'hard cost' and 'soft cost'.

In the sessions on the problems of the Third World countries, Akira TAKAMASU (Osaka College of Industry) made a survey of the theories of 'unequal exchange',

concluding that the differences in views are derived from the differences in the objectives of each economist. Yoshio MUROI (Senshu University) had inquired into the 'theory of articulation' to analyze the domestic structural changes in African societies. Young-Ho KIM (Osaka City University) emphasized the importance of international transfer of technology to the Third World and proposed the necessity of establishing 'New International Technology Order'. Yan-Chung KAKU (St. Paul's University) traced the developmental process of Korean plutocracies and analyzed the close relations between them and their government. Hirohisa KOHAMA (International Development Center of Japan) tackled the problems caused by the trade frictions between Japan and Thailand, recommending that Japan should make use of official development assistance and open her domestic market. Sachiko Wada (Institute of Asian and African Studies) tried to explain the development of the Republic of Philippines within the framework of I. Wallerstein's 'World System' model.

In the session on the ideal and the reality of international economic systems, Nobuhiko SUTO (Tokai University) inquired into the nature of existing international economic organizations and considered that they were unworkable within the changed new circumstances of the world economy. Yujiro EGUCHI (Soka University) treated the conflicts between the ideal and the reality of the New Round of GATT, as affecting the tasks to be performed by Japan. Takashi MURANO (Asia University) reviewed the process of the foundation of International Monetary Fund and examined the possibility of transforming it into the type of 'symmetrical system' with Special Drawing Rights as its core money.

In the session on regional economic cooperation or integration, Go IWAKI (Aichi Gakuin University) traced the developments of self-reliant economic integration of several types, posing the problems to be solved. Kin-ichiro HARADA (Osaka University of Economics and Law) investigated the two theoretical approaches, traditional and radical, to the evaluation of economic integration of Central America. Norihito TANAKA (Institute for International Studies and Training) made a survey of industrial developments of the countries of Association of South-East Asian Nations and examined the possible impacts on Japanese trade and industry.

In the session on international financial market, Akito KAWAMOTO (Hiroshima Shudo University) tried to make clear the changes in firms' foreign exchange transactions with a floating exchange rate system and their impacts on foreign exchange markets, focussing on the management of exchange risks. Kuninori TAKAHASHI (European Office of Daiwa Securities Co., Ltd.) inquired into the changes in the international financial market caused by the shift in capital raising from borrowing to issuing securities ('Securitization'). Martin BRONFENBRENNER (Duke University, Aoyama Gakuin University) reviewed forth years in international economics specifically in connection with 'dollar shortage' and 'dollar glut', and commented on the trade frictions between Japan and the United States.

In the last session, Tatsuyuki OTA (Nagoya University of Commerce) analyzed the foreign, not domestic, factors influencing the instability of the exports of developing countries. Yukio KANEKO (Hiroshima University of Economics) and Koh'ichi



NIDAIRA (Hiroshima University of Economics) reported on the basic human needs approach to development of underdeveloped countries, putting more emphasis on empirical than theoretical study. Finally, Norio MORIMOTO (Nippon Bunri University) presented his idea of establishing 'Federal Republic of the Globe' through a revolution by 'Citizens of the Globe'.

The next annual conference will be held at Tohoku Gakuin University (Sendai) on September 11 and 12, 1987, under the main theme, "The Extension of Internationalization and the Activities of Firms".

(Shin'ichi YAMAMOTO)

## THE JAPAN SOCIETY OF MONETARY ECONOMICS

The 1987 annual meeting of the Japan Society of Monetary Economics was held on May 30 and 31 at the Mita campus of Keio University in Tokyo.

In this meeting, fourteen papers were presented in six sessions, and a panel discussion on 'Financial Innovations and the Stability of Financial System' was conducted by four speakers.

The first speaker in panel discussion, Oh SHIMIZU (Information Center of Financial System) argued that financial innovations and rapid computerization have been introduced into the banking sector of the economy. He also pointed out fundamental shifts in the economic structure in Japan after Nixon's statement in 1971 and the Oil Crisis in 1973—1975, which resulted in individuals and business firm becoming more sensitive to interest movements in the financial market. These innovations were encouraged by financial globalization, internationalization of economic activities, high risk and high return transactions (including fluctuations for exchange rate), and rapid accumulation of foreign assets. Practical changes included the introduction of cash dispensers (CD), automated tellers machines (ATM), cash management system (CMS), firm banking (F/B), home banking (H/B) and electronic funds transfer system (EFT) or financial VAN. It is noted that many nonbank institutions as well as security companies could also enter and influence the market. As financial innovation progressed, difficulties arose regarding legal regulations and the behaviour of each institution. In order to maintain sound and efficient banking operations, it is important to examine policies and regulations from the point of view of (1) new risks emerging from the new financial transactions, (2) the policy for promoting free competition among financial institutions. Mr. SHIMIZU suggested two ways of coping with these issues, one is to build a nationwide network system for banking operations, another is to computerize their network system including up-to-date EFT with new legal regulations and software system to cope with new type of risks.

Iwao KURODA (Bank of Japan) pointed out that the most important affect on financial system caused by financial innovations in Japan was a change on the payment system in economic activities. He defined the financial innovation as new developments of financial techniques which introduced new type of financial assets in the market. He agreed that financial innovations were also encouraged by computerization of electronic banking and expansion of the network system. These financial innovations have increased activities of non-bank sectors such as business enterprises and individuals in the financial market. In Japan financial innovations were encouraged by foreign pressures to open the financial market. As a result of these innovations, there are increasing inconsistencies between the existing financial regulations and new type of financial assets created in the market. These would inevitably lead to instability. By diversifying in this way we should remember the dangers of destabilization. It is necessary, therefore to look at the policy available for the new financial system and to build up the world-wide network system to insure against new types of risks on financial transactions in both domestic

and international areas.

Shoji SAITOH (Mitsui Bank) set out arguments on the possible consequence on the innovations. With a deregulated and competitive system inefficient institutions are more likely to be forced out. There would be trouble for the payment system. In the market, each bank tends to perform their banking operations in order to expand. But, after the new Bank Act in 1984, the monetary authority has increased restrictive policies on banking operations by introducing two regulations, i.e., the maximum rule for large scale bank-loans and the rule for bank capital ratio. Commenting these regulations, Mr. SAITOH remarked that bank capital ratio would not be the best measure, if each bank acted to keep their reasonable rate of return on bank credits by ALM operations. This is because sound banking needs increased bank liquidity rather than the restriction of bank capital ratio. A main phenomenon in the process of financial innovations is the liberalization (deregulation) of rates of interest on bank deposits. In these processes, the depositary institutions have been expanding their scale of banking operations by liberalizing their loan rates, dealing in government bonds at their own accounts and managing bank portfolios in most profitable way including international as well as domestic funds flows. Two remarkable features are emerging, especially in international banking, that is, increases in both the security-assets ratio of the bank balance sheet and in the share of bank loans for the developing countries. The bankers therefore have to consider seriously how to manage these new types of risk. It will be necessary to have some guidance from the government agencies to take account of these new risks.

In the final paper, Shiroh HARA (Yokohama City University) discussed the special Japanese character of the financial system commenting upon the action of the Research Committee for Financial System in postwar Japan. The Japanese monetary authority had consistently conducted their monetary policy in line with more restrictive competition in the market. However, new government policy has clearly switched and is encouraging free competition among financial institutions according to the research undertaken by the Committee during 1981 to 1985. The policy then was to discriminate between banks and financial institutions. As a result of financial innovations, various kinds of new financial assets are created in the market through stronger competition among financial institutions. But it will be necessary for the government to insist on flexibility in order to enhance genuine competition between different types of institutions. Therefore, in the process of deregulation of the financial system, it is also important to keep a close watch on the payment system induced by its deregulation. Reasonable policies are especially important for depositary institutions, which would be able to maintain stability of the payment system, because these institutions can exclusively create the money as the fundamental means of payment in exchanges. For such a policy, the governmental financial institutions should operate as a last resort or to extend insurance scheme. In spite of these comments on developments of the financial system, it is too difficult in practice to separate the payment function from the function of the financial intermediation of depositary institutions. Therefore, the legal regulations on bankings should be transformed from laws based on administrative distinctions to laws based on the economic distinctions for the banking system corresponding to the actual financial

transactions. Regarding this point, I do not see any theoretical reasons why the security companies should be separated from the depositary institutions.

(Ryoji YAMADA)

## THE ACADEMIC ASSOCIATION FOR ORGANIZATIONAL SCIENCE

The Association is involved with subjects from various perspectives such as management, economics, law, political science, sociology, psychology, behavioral sciences, and engineering. In the academic year of 1986—1987, the Association held National Meetings in spring and fall, and monthly seminars. It also published its quarterly journal, *Organizational Science*.

The Fall Meeting was held October 25 and 26, 1986, at Keio University. The main theme was "Changing Power-Relationships in Highly Industrialized Society." It was hoped to make a critical analysis of the changes in power structures in modern industries. Ten papers were presented as follows:

- (1) "A Model of Power Succession in Japanese Firms" by Koichiro HIOKI (Kyushu University)
- (2) "Relations between Government and Economy: A Case of Japanese National Railways" by Hiroshi KATO (Keio University)
- (3) "Coexistence of Competition and Coordination in the Japanese Industrial System: Keidanren's Role in Producing that Coexistence" by Tadahiko KAWAI (Gakushuin University)
- (4) "Management Concepts in Crosscultural Interface" by Yoshiro HAYASHI (Aoyama Gakuin University)
- (5) "Power in Japanese Distribution System" by Masanori TAMURA (Kobe University)
- (6) "Relationships between Promotion System of Graduate Employees and the Corporate Culture in Big Business" by Mitsuyo HANADA (Sangyo Noritsu College)
- (7) "Motivations Structure of Women Executives: Japan and the U.S.A." by Haruo TAKAGI (Keio University)
- (8) "Some Aspects of Participation in Japanese Electronics Industry" by Kyoichi FUTAGAMI (Waseda University)
- (9) "Network Organization and Power Relationship" by Yoshiya TERAMOTO (Meiji Gakuin University)
- (10) "Power-Relations in Communal Administration: Relations between the Ministry of Finance, Ministry of Home Affairs, Local Governments and the Liberal Democratic Party: by Hideo OTAKE (Tohoku University)

The Spring National Meeting was held June 6 and 7, 1987, at Senshu University. On this occasion, nineteen papers, representing members' current research interests, were presented. Their subjects were as follows: (1) "Network and Hierarchical Organization: Creativity and Efficiency" by Haruo HATA (Asahi University); (2) "Strategy in Organization System: Based on N. Luhmann's System of Rationality Theory" by Toshio OKUYAMA (University of Tokyo); (3) "Modernization Theory and Convergence Theory: A comparative Study of Asian Management and Organization" by Isao TANNO (University of Tsukuba); (4) "Three Dimensions of Organizational Structure in Knowledge Intensive Organizations" by Michio OGISO (Sophia University); (5) "Simon's

Theory of Problem-Solving and Bounded Rationality” by Isao TAKA (Reitaku University); (6) “Cognitive Theory of Strategy-Formulation” by Seiichi OTAKI (Senshu University); (7) “Comparative Method of the Activated States of Organizations” by Nobuo TAKAHASHI (Tohoku University); (8) “Division of Labor within Multinational Enterprises” by Yoshikazu SHUSA (University of Tokyo); (9) “Activating R&D in Japanese firms” by Masahiro IKEJIMA (Asia University); (10) “Innovations in Department Store in the Postwar Japan: Yaohan Department Store’s Case” by Mitsuhiro OKABE (Senshu University); (11) “Organizational Structure and Strategy of Sogoshosha” by Shunsuke YANO (Science University of Tokyo); (12) “Emergent Process of New Project/New Technology Development” by Akio YAMANOUCHI (Canon Inc.); (13) “Occupational Consciousness of Women at Clerical Level: A Demographic Approach” by Masabumi TOKORO (Nittsu Research Center); (14) “Classification of the Types of Secretaries and Their Function” by Yutaro HAYASHI (Hiroshima Jogakuin College); (15) “Adaptation of Japanese National Railways and Nippon Telegraph and Telephone Public Corporation to the Environment” by Hiromitsu KOJIMA (Hokkaido University); (16) “Frontier in Organizational Studies” by Makoto KANDA (Meiji Gakuin University); (17) “Validity of the PM Scale for Measurement of Top Management Leadership” by Juji MISUMI (Nara University); (18) “A Comparison of Organizational Constitutions: Communal Organization and Business Enterprise” by Tomiko KATO (Matsuzaka University); (19) “Leaving for New Post? Single Life Cases” by Yuko TANAKA (Gunma University), Hiroshi MIENO (Science University of Tokyo) and Yuko KAGEYAMA (NTT).

Four issues of the “Organizational Science” were published during the academic year of 1986—1987. Each issue concentrated on a specific topic area: “Networking” (Vol. 20, No. 3); “Review, Evaluation and Perspective of Organization Theory” (Vol. 20, No. 4); “Changing Power - Relationships in Highly Industrialized Society” (Vol. 21, No. 1); and “Japanese Companies and Globalization” (Vol. 21, No. 2).

The 1986 Association for Organizational Science Award (“Takamiya Award”) was presented to Akinobu SAKASHITA for his book entitled *Research in Organizational Behavior* (Tokyo: Hakutoshobo Publishing Co., 1985). After critically reviewing the previous studies pertaining to work motivation, he argued that they had largely ignored the “macro” features of organization. Then, he developed his own analytical models of work motivation stressing the environmental and organizational factors, and empirically tested the validity of his models.

(Kyoichi FUTAGAMI)

## JAPAN SOCIETY FOR PERSONNEL AND LABOUR RESEARCH

This society was established in 1971 to encourage research into personnel and labour problems in Japan in academic and industrial fields.

This sixteenth annual meeting was held at Senshu University on May 31 and June 1, 1986. The special issue was "How changes in the employment structure will affect 'Japanese-style' personnel management". "Japanese-style personnel management" usually means life-time commitment and promotion on the seniority principle. But yet we do not have a consensus. We raised questions of personnel management including the meaning of 'Japanese' in this context.

### Special Issues

"Increasing Enrolment at Higher Education and Hiring Practices of Firms" by Yukiro WATANABE (Aichi Kyoiku University).

"Measurement of an Impact of 'nenko (seniority)' Wages on Labour Cost" by Makoto SAKURABAYASHI (Teikyo University).

"From the 'nenko' Paradigm to the Job Content Paradigm" by Koji OKUBAYASHI (Kobe University).

"Japanese-style Personnel Management and 'ie' by" Tadashi MITO (Rikkyo University).

"Comparison of Skill Formation between Japan and Thailand" by Kazuo KOIKE (Kyoto University).

"Changing Labour Markets and Labour Law" by Tadashi HANAMI (Sophia University).

"Innovation, a Task for Japanese-style Personnel Management?" Tomi URABE (Matsuyama Commercial College). - deceased in 1986 -.

### Related Issues

"The Role of Pensionable Males, over 60 years of Age, in the Labor Market" by Atsushi SEIKE (Keio University).

"Decision-making in Labour Managed Firms in Yugoslavia" by Kiyoshi KASAHARA (Rikkyo University).

"Learning from the Introduction of a Job-based Wages System before 1940 - needs of working place organization as an open system" by Kenji OKUDA (Sophia University).

"Office Automation and VDT Work - The advantages and disadvantages of rising productivity in the office" by Hirofumi KODA (Toyo University).

"An Examination of Joint Consultation in Japan" by Akihiko HAYASAKA (Seitoku Gakuen Junior College).

"A study of Factors Determining Ranges of Management (Part III) - Case Studies of K., S., and AI Companies" by Mamoru SANO, Yoshitoshi EMI, Naohito CHINO and Tomo MIZUNO (Aichi Gakuin University).

“Revitalizing Japanese Organizations - the Value of a Total Management System” by Kunihide KENCHI (Okazaki Women’s Junior College).

“Changing Attitudes of Young Workers and Personnel Management” by Yasuaki KIDO (Nagoya Commercial College).

“Career Development, Job Contents and Organizational Commitment” by Mitsuru WAKABAYASHI (Nagoya University).

“New Business through Human Resource Strategies” by Seiichi OTAKI (Senshu University).

“Evaluation System and ‘Nenko’ System in Japan - a Result of Empirical Studies” by Keisuke MARUYAMA (business consultant).

“Related Companies and their Problems” by Kaoru IWASAKI (Research Center of International and Industrial Labour).

The symposium was most stimulating for all the presentators and the commentators, especially as vigorous debate occurred between the traditional ‘ie’ ist and the skill formationist.

Prizes were given to three excellent papers presented in the past two years. The prizes came from the Research Fund to help Young Staff Members which had been established in 1986 due to the generosity of Professors Goro MORI and Mikio SUMIYA.

(Yoko SANO)



## JAPAN ASSOCIATION FOR PLANNING ADMINISTRATION

This Association (established in 1977) functions as a pluri-disciplinary forum open to academic researchers, government administrators and business managers who share the central objective of strengthening the scientific basis for an integrated treatment of planning (science and ideology) and administration (organization and technology).

The 9th National Convention was held at Hokkaido University on September 20 and 21, 1986. Its central theme, "Planning Administration for the Global Society", was shared by two symposia and four Specialized Sessions dealing with (1) regional development in internationalization era, (2) international friction and planning administration, (3) information resources policy in international era and (4) regional planning in global society, respectively. In addition to, free-topic sessions were held where altogether 17 reports on theoretical and practical aspects of planning administration.

The symposium on "International City — past, present and future prospects", chaired by Yoshizo NAGAO (Nihon University) focused on the definition of the international city and the strategies for establishing the true international city. The panel included Shunsuke ISHIHARA (Tokyo University of Science), Susumu OGURA (Municipality of Yokohama), Toshio SANUKI (Teikyo University) and Hirohide SHIBATA (Municipality of Sapporo). The other symposium on "Community development and international communications", chaired by Kojiro NIINO (Kobe University) centered upon the importance of communities' independence. Zen-ichi ITO (Tokyo Women's Christian University), Tsurukichi UKAI (Hokkaido Takushoku Bank), Hideo KASHIWABARA (National Land Agency), Harumi KIMURA and Takumi YAWATA (Hokkaido Prefecture) were the panelists.

Session 1, chaired by Yoshihiro KOBAYASHI (Hokkaido University), dwelt on the role of community development incorporated with internationalization. Ryuhei MATSUMOTO (Kansai General Research Institute) presented a poll, about a tourist resort, given to foreigners and Ei-ichi EGUCHI (Tohoku Development Research Center) discussed internationalization in Tohoku district.

In Session 2, the chairman, Tsuneo UNNO (Economic Planning Agency), spoke of the international disagreements. Attention was drawn to business behavior by Takashi YAMAMOTO (Nippon Steel Corporation), the trade friction between Japan and U.S.A. by Fukutaro WATANABE (Gakushuin University), the relationship between international financial aid and development planning by Setsuko YUKAWA (Kyoto Industrial College). Ashgar A. MATTAR (Nagoya University) discussed the exhaustibility of clean energy.

For Session 3, Yoshinobu KUMATA (Tokyo Institute of Technology), chairman, stressed the information resources policy in relation to the new international responsibility facing Japan. Hideo NARA (Hokkaido Institute of Technology) made a presentation on the regional education planning. Kimio UNO (University of Tsukuba), Kimio ICHIKAWA (Database Promoting Center) and Yutaka YOKOI (Economic Planning Agency) discussed the prospect of database, respectively. Koichiro HAYASHI

and Tetsuo SHINMOKU (N.T.T.) pointed out the importance to establish the standardization of network interface.

At Session 4, Takashi FUJII (Nagoya University), chairman, stressed the need for re-examining regional planning. Gentaro MATSUMOTO (Hokkaido University) tried to adapt J.M. Buchanan's club theory. Kazuaki KATO (Hokkai Gakuen Kitami College) reviewed the historical aspect of the integrated administration of a large region.

Among other reports presented at the Convention, the following one deserves special mention in view of its originality. That is the comparative study between Japan and U.S.A. about the social responses to the environmental pollution of asbestos conducted by Shigeru YOSHIFUJI and Yukihiro HARASHINA (Tokyo Institute of Technology). They predicted that the asbestos pollution would become a serious problem here in Japan, because we use so much, it is calculated that, we use 70% of asbestos in Japan is utilized in construction (48% in the U.S.). Unfortunately, their prediction is likely to be true.

IRIS '87 (International Symposium on Regional Information System '87) was held at Kawasaki and Oogaki on January 1987, respectively. The research section of this association organized this symposium and the international design competition of the so-called "intelligent city" for municipality of Kawasaki.

The 10th annual convention is scheduled to be held in Tokyo on September 4 to 6, 1987. The main theme is "The Relationship between the Government and the Business in the Global Society". This convention is a memorial conference. International symposium will also continue the same theme.

(Takehiko MUSASHI)

## JAPAN SOCIETY OF POLITICAL ECONOMY

The 34th annual convention of Japan Society of Political Economy was held at Meiji University on 4th and 5th October, 1986. The common theme was "The International Position of Japanese Capitalism".

On the morning of 4th October two sessions were held for free topics, and researchers who introduced their studies were Kunitane UMEGAKI (Shimonoseki City College), Iwao ITO (Niigata University), Akira TAKAGI (Okayama University), and Nobumitsu YAO (Kagoshima College of Economics).

That afternoon, three sessions were held. In the 1st session on the theory of value in "Capital", Hiroyuki AKASHI (Hosei University), Yutaka WADA (Nagoya University), and Makoto ITO (The University of Tokyo) presented their papers. In the 2nd session on "joint-stock corporation and finance capital", Akio FUJITA (Kanazawa University), Yahiro UNNO (Kanazawa University) Tetsuzo YAMAMOTO (Waseda University), and Hirohide NODA (Saitama University) presented their reports. In the 3rd session on "The Contemporary Significance of Information and Technological Innovation", Masafumi NAKAMURA (Kagoshima University), Yasuhiko YONEDA (Chuo University), and Jun IKEGAMI (Kyoto University) were reporters.

On 5th October, we had the symposium on the common theme. Firstly, Kazuo SHIBAGAKI (The University of Tokyo) presented his paper, subtitled "Historical Transition and a Future Perspective of the Japanese Capitalism". He made an analysis on the "adaptability" of the Japanese Capitalism for international environments. In the course of the late 19th and the early 20th centuries, Japan adapted itself to external pressures and became a capitalistic country with two external linkages; one as an advanced and industrialized country as viewed by other Asian countries, (for which Japan acted as an importer of raw cotton and as an exporter of manufactured cotton goods); the other as an underdeveloped and agricultural country (to European countries and the United States of America). Japan was exporting raw silk and other primary products and importing heavy industrial products.

Over the period preceeding the World War II, political and military stances were not accompanied by economic strength. Japanese capitalism proved itself "non-adaptable" to external circumstances.

Since the World War II, the situation had changed. If the period after the World War II is divided into four stages, then during the 1st stage (1945—54) the domestic and international framework was formed under the control of Occupation Forces. The 2nd stage (1955—64) was a period during which the new heavy industry was established with investments in plant and equipment. During the 3rd stage (1965—73) Japanese Capitalism continued to make economic growth by making use of the liberalization of trade and capital transactions. In consequence, Japan's presence in the world market challenged the supreme position of the U.S. and the "Pax Americana". In the course of 4th stage, since 1974, Japanese capitalism has become even more powerful about the exports of commodities and capital.

The non-adaptability of Japanese capitalism, he concluded, was not only for advanced countries but for developing countries other than those with natural resources. That came from the "one-set principle" peculiar to Japanese industrial group and the vertical international specialization between Japan and developing countries.

Yoshiji KITADA (Tokyo University of Economics) gave a report, entitled "Multinationalization of the Japanese Enterprises and the International Position of the Japanese Industries." He said it was a characteristic of U.S. enterprise that they followed the "international production principle"; by establishing bases of production all over the world. They extended the intra-enterprise specialization among many countries and consequently were not so strongly motivated to export their products. Contrary to that, he mentioned, it was a characteristics of the Japanese enterprises that they followed the "trade principle"; that they kept bases of production solely in the home country with a strong incentive to export their manufactured goods. Japanese enterprises were unique enjoying high quality workers, enterprise labor union, low wages, long working hours, the utilization of subcontract system, and high quality control, etc.

Japanese big business, however, has extended the MNC movement since 1985. Although they could not get better conditions in foreign countries than those of Japan, they were obliged to transfer their plants to developed countries, to avoid economic friction between Japan and these countries. Under the drastic increase of the Yen rate against the U.S. dollar since September 1985 the situation had changed rapidly. The conditions of production abroad have been improved. Therefore, the Japanese corporations have begun to extend the intra-enterprise specialization among newly industrialized countries (NICs). Even now Japanese corporations are striving to maintain conditions of production in the domestic market.

Lastly, Sadao FUJIWARA (Yamaguchi University) presented a paper entitled "Japanese Capitalism and the Circum-Pan Pacific." He began by explaining that the Pacific Area has made rapid economic growth, and therefore, the pivot of the world economy will move from the Atlantic Area to the Pacific Area in the 21st century. The Asian NICs have built up their national economy by depending on foreign trade. The United States is a market for consumable and finished goods, while Japan is a supplier of capital and intermediate products. The Japanese balance of current account has had a surplus. Contrary to that, the United States has had a deficit. Japan has not acted as a pivot of economic growth for Asian NICs because of its minor role as an importer from these countries. Japan has supplied funds not so much through a deficit of its balance of current account, but through direct investment as well as governmental lending and aid. He then pointed out that all these changes in Japanese Capitalism effected the economy of these countries by destroying traditional industries, loosening ties of rural community and by destroying natural environments. Was this, he asked, "Industrial Imperialism?"

For three reports, three comments were made by Hideaki OUCHI (Tohoku University), Hiroshi HORINAKA (Meiji University), and Yoshikazu MIYAZAKI (Tokyo University of Economics). These were followed by general discussion. Some raised the change of financial environment; the recent U.S. position as a debtor country

and Japan's reversed position; a rapid growth of the Tokyo financial market. Others wanted to talk about the "absolute poverty" of Low-Income countries (LICs), with which, MIYAZAKI mentioned, we should have sympathy. The symposium was presided over by Naomichi HAYASHI (Osaka University of Economics and Law), Ikuya FUKAMACHI (Kyushu University), and Noriyuki HIRAI (Hitotsubashi University).

(Ikuya FUKAMACHI)

## THE POPULATION ASSOCIATION OF JAPAN

The Population Association of Japan was founded in 1948 with the aim of studying scientifically, demographic phenomena from the viewpoint of many disciplines, including economics, sociology, statistics, anthropology, geography, ecology, medicine and the biological sciences. The membership of the Association consists of researchers from many disciplines. The main activities of the Association are to publish "*Jinkogaku Kenkyu*" (The Journal of Population Studies) once a year and to hold annual general meetings. The latest issue of the Journal was Number 10 published in May 1987.

The 38th Annual Meeting was held at Komazawa University, Tokyo, under the chairmanship of Professor Nagao KOSAKA on June 7 and 8, 1986. The scientific program of the Meeting included one symposium, two special sessions, and five general sessions in which a total of 24 papers were presented, covering such topics as fertility, life table, aging, mathematical demography, internal migration, nuptiality and household demography.

The symposium was entitled "How Can We Bear the Burden of Population Aging in Japan?". The chairmen were Shigemi KONO (Institute of Population Problems) and Hiroshi OHBUCHI (Chuo University). The following four reports were presented:

1. From the point of Demography, Haruo SAGAZA (Waseda University)
2. An Economic Analysis of Population Aging, Naohiro OGAWA (Nihon University)
3. From the point of Social Security, Naoyoshi MARUO (Chuo University)
4. From the point of Welfare, Makoto OKADA (Komazawa University)

Discussions on the above four reports were further amplified by the comments presented by the two discussants, Koichi EMI (Teikyo University) and Yoichi OKAZAKI (Nihon University).

In organizing this symposium, the Association hoped to have discussions which would consider the implications of population aging in Japan. The first paper suggested remodelling of the community organization and reconsideration of roles in the society of aged persons, the second attempted to evaluate impacts of aging upon the Japanese economy by a simulation analysis and proposed investment to manpower as the urgent necessity to deal with aging of labor force and capital equipment, the third discussed problems of rising ratios of social security expenditures to national income and suggested to keep an appropriate balance among benefits in older persons and costs in working population, and the fourth emphasized necessity of social welfare for the elderly and suggested importance of community care.

The two special sessions dealt with (A) Urbanization and Population at the End of the Tokugawa Regime and the Meiji Era and (B) Demography of Marriage and Family.

Session A was organized and chaired by Kazumasa KOBAYASHI (Nihon University). The three papers were: (1) Population Support System of the Pre-modern City in Japan, by Hiroshi KITO (Sophia University), (2) The Emergence of Dualism in the Early-modern Urban Labour Market and its Demographic Consequences, by

Osamu SAITO (Hitotsubashi University), (3) Japanese Urban Population in Meiji Era, by Atsushi OHTOMO (Utsunomiya University). The following three persons were nominated as discussants: Hiroshi OHBUCHI, Yuichi MINAGAWA (Chiba University), Hiroshi KAWABE (Institute of Population Problems).

Session B was organized by Makoto ATOH (Institute of Population Problems) and chaired by Yoshihiro TSUBOUCHI (Kyoto University). The following three papers were presented: (1) Marriage Market and Nuptuality, by Shinji ANZO (Meiji University), (3) An Economic Analysis of Age at First Marriage, by Keiichiro MATSUSHITA (Institute of Population Problems), (3) Estimation of Number of Households by Size Using Household Composition Matrix, by Kiyoshi HIROSHIMA (Institute of Population Problems). The following three persons were nominated as discussants: Tatsuya ITOH (Institute of Population Problems), Mitoshi YAMAGUCHI (Kobe University), Kyo HANADA (Ministry of Health and Welfare).

The 25th regional meeting in Kyushu was held on 23rd in August 1986 in Kurume City. Two papers were presented: (1) An Analysis of the Estimation of Future Population by Region in Japan, by Yoshihiro NISHIMURA (Ohita University), (2) Population in Fukuoka City Area, by Toshihiro TSUMURA (Fukuoka Educational College).

The 39th Annual Meeting will be held in Kobe University in June 1987.

(Yoichi OKAZAKI)

## THE JAPAN SOCIETY OF PUBLIC UTILITY ECONOMICS

The Japan Society of Public Utility Economics was founded in 1949. The aim of the Society is to foster studies and conduct investigations on public utilities from political, economic and technical standpoints, and to improve the general conception of public service, so as to induce a healthy development and thus contribute to public welfare.

The main activities of the Society are to publish *The Journal of Public Utility Economics*, thrice yearly and to hold an annual national conference.

The 37th national conference of the Society was held on May 29 and 30, 1987 at Kansai University, Suita City, Osaka. The overall theme in 1987 was "Public Utilities in the Information Age". Under this theme five reports were presented together with five reports under the free themes.

The subjects and summaries of each report under the overall theme are as follows.  
(1) "Diversification of Electric Power Industry in the United States" by Masaaki IMURA (Kansai Electric Power Co., Inc.): Recently, many American electric utilities have set about the diversifying their business. Energy situation and economic condition of these years have prompted such activities. The reporter searched the background of electric utilities' business diversification and pointed out the recent situation, management system and regulatory problems.

(2) "The Verification on the Natural Monopoly of Telecommunication Industry" by Masaru MIYAJIMA (Tokyo Institute of Technology) and Nobuo OKUZAWA (NTT): On April 1985, NTT as a public corporation was privatized and the telecommunication industry has also become competitive. It is necessary to secure the efficient telecommunication market to verify the characteristic of natural monopoly in the industry. The reporters verified it applying 'Box-Tide' type cost function.

(3) "Significance and Application of the Information Business Map" by Masanao TANASE (NTT): Recent technical progress has produced various new media and has also brought great changes to the information business. Many new business opportunities have appeared. The reporter examined the trend towards new information business using the map.

(4) "Railway Industry in the Information Age" by Masanao HAMAI (Osaka Municipal Transportation Bureau): Telecommunication technology is indispensable to the railway operation. In Osaka Municipal Subway the technology has been utilized for the CTC/PTC system, automatic ticket examiner, automatic announcement, and seat reservation. In the near future, such new services as CATV and NCC will be provided. The high grade telecommunication technology will be able to be a strong weapon for the vitalization of the railway business.

(5) "Energy Service Industry in the Information Age" by Ichiro MATASHIRO (Senshu University): The reporter regards the trend of information orientation as an "intelligence" in consequence of the fusion between consumers and producers utilizing the network architecture or the intelligent terminal. He noted the fundamental structural change in the energy service industry.



Five additional reports under free theme were given.

(1) "Political and Economic Problem on the Privatization of Public Corporation" by Hiroshi KATO (Keio University): Public Corporation is founded for the purpose of coordinating the public and corporation's interests. In our country, however, public interest is counted for much rather than efficiency. In that sence, it is desirable for public corporation to be privatized in order to meet the needs of post industrial society. When public corporation is privatized, it is desirable either to divide it or to decentralize the authority for the purpose of increasing efficiency. Division of the JNR is a necessary condition for linking transport with a region. For a while, each divided corporation is managed as a special corporation. However, to eliminate political regulations, it is desirable to become a private enterprise.

(2) "A Study on the Database and the Activities of Public Utilities" by Yukio HARADA (Nihon University): The reporter researched the information goods which were used as public goods and utilities' management resources. He analyzed the character of the application of detabase, network and public business.

These two reports were published in *The Journal of Public Utility Economics*, Vol. 39, No. 1.

(3) "Urban Transport in Tronto" by Hiromi MIKAMI (Kansai University)

(4) "Telecommunication Policy in the Future" by Eiichi TANAKA (Ministry of Post and Telecommunication)

(5) "Controversies and Problems on Public Railway Corporations in the United States" by Satoshi UEDA (Osaka University of Economics)

The 38th annual national conference is scheduled to be held at Tokyo Institute of Technology in Tokyo on May 20 and 21, 1988 under the unified theme "Public Utilities in the Internationalization Age".

(Shusaku YAMAYA)

## THE JAPAN SECTION OF THE REGIONAL SCIENCE ASSOCIATION

In 1986, the Japan Section of the Regional Science Association held its annual domestic conference, sponsored the 10th Pacific Regional Science Conference, and issued *Studies in Regional Science—the Papers and Proceedings of the Japan Section of RSA—* (Chiikigaku Kenkyu), Vol. 16.

### 1. Domestic Conference

The 23rd Annual Conference of the Japan Section of the Regional Science Association (RSA) was held at Chuo University in Hachioji, Tokyo from October 18 to 19, 1986. The main theme, with three reports presented, was "Functional Reorganization of the Metropolitan Area and Change in Spatial Structure". The first reporter, Hiroyuki YAMADA (Kyoto University), introduced the life cycle of the city, which was recognized as the Klaassen Hypothesis. He related the problems of the city to the stages of urban development. Then, he explained the factors of urbanization.

Katsutoshi OHTA (Tokyo University), the second reporter, made clear the relationship between road network and urban structure from the point of the view of transportation theory, and showed the possibility of multi-central city as an ideal type of city.

The third reporter was Hisatake TOGO (Tokyo Metropolitan Government), who emphasized, from a practical point of view, the necessity for developing the multi-central city and for the redevelopment in the traditional shopping, entertainment and residential districts of Tokyo in order to deal with overpopulation and decrease in residential area in Tokyo.

The fruitful and constructive discussions between these three reporters and the three discussants, Hirotada KOHNO (University of Tsukuba, the President of the Japan Section of the RSA), Yasuo SAKAKIBARA (Doshisha University) and Masashi KANEDA (Chuo University) were greatly appreciated by all participants.

Five common themes were adopted for the sessions in the conference. In the session on "Methods and Techniques of Regional Science", three reports were presented: Shuichi ISHIKAWA (Waseda University) "An Application of Lie Transformation to the Measurement of the Effect of Agglomeration Economies", Yuzuru MIYATA and Etsuo YAMAMURA (Hokkaido University) "A Study on Model Reference Adaptive I-O System", and Yoshitsugu HAYASHI (Nagoya University) "A Comparison of the Definition of Spatial Interaction in Practical Land Use and Transport Models".

In the session of "Urban Analysis", six reports were presented: Ichiro SAKAMOTO (The University of the Air) "Factors of the Land Use Transition of Urbanized Area", Asao ANDO (Kumamoto University) "A Stock Analyzing Model for a Metropolitan Land Use Simulation System", Kozo AMANO, Tsunekazu TODA and Mamoru TANIGUCHI (Kyoto University) "Recent Trend of Industrial Location and Its Locational Requirements in the Kinki Region", Takaharu MORISHIMA (University of

Tsukuba) "Commercial Location and Urban Spatial Structure", Yuji ITAYA (Miyagi National College of Technology) and Hiroshi TAKEDA (Tohoku University) "A Study on the Optimal Road Investment", and Masuo KASHIWADANI (Ehime University) "An Estimation of Bid Land Price Function with Job Distribution".

In the session of "Inner City Problem", the two reports were read: Youngha KIM (Dankook University, Korea) "A Study on Redevelopment in CBD Area and the Methods of Its Improvement", and Susumu KASE (Kyoto University of Industrial Arts and Textiles) "Reorganization of Tokyo".

Under the heading of "Public Analysis", four reports were given: Sookun LIU (University of Tsukuba) "Strategic Behavior of Multiproduct Monopoly Firms under Regulatory Price Adjustment Process", Hitoshi MITOMO (University of Tsukuba) "Optimal Two-Part Tariff of Telecommunications Service", Isao ORISHIMO and Takashi IMAGI (Toyohashi University of Technology) "An Analysis of International Telecommunication Demand Structure", and Yasuhiko OISHI (Rissho University, the past President of the Japan Section of the RSA) "Criticism on Cross-Subsidization".

In the session of "Regional Economic Analysis", four reports were presented: Masahiro CHUMA (Central Research Institute of Electric Power Industry) "Development of an Econometric Model for Tohoku District of Japan", Toshiharu ODA (The University of Tokushima) "A Location-Allocation Analysis for Regional Health Care Services Planning in a Free-For-Service Practitioner System", Takatoshi TABUCHI (University of Tsukuba) "Interregional Income Differential and Interregional Migration", and Yoo-Hyuk KIM (Dankook University, Korea) "A Study on the Characteristics of the Area Nagai City Based on the Theory of Taekrigi".

Finally, the three reports were presented under the free themes: Yoshitake AOYAMA and Akio KONDO (The University of Tokushima) "A Utility Theory Approach to the Gravity Law: Consumer Shopping Behavior and Trade Areas of Shopping Centers", Akifusa FUJIOKA (Chiba Keiai University of Economics) "Using an Expressway and the Behavior as Risk-Averter", and Mitsuko AKAIKE (Ministry of Construction) "Economic Rationality of Industrial Location and the Urban Redevelopment Planning".

The 24th annual domestic conference will be held at Nagoya University from October 31 to December 2, 1987. The main theme for the conference will be "The Industrial Technological Metropolis Plan and the Role of International Airport and Trunk Roads".

## II. International Conference

The 10th Pacific Regional Conference was organized by the Korea Section of the Regional Science Association and held at Pusan, Korea, from July 6 to 8, 1987. More than forty members of the Japan Section presented papers and acted as discussant and/or chair men. The 11th Pacific Regional Science Conference will be organized by the Japan Section and held in South East Asia in 1989.

## III. Publication

"*Studies in Regional Science—the Papers and Proceedings of the Japan Section of RSA—*" (Chiikigaku Kenkyu), Vol. 16 was edited by Toru HIGUCHI (Otaru College

of Commerce, the Chairman of the 22nd Annual Conference) and issued. It contains 12 research papers and 4 symposium articles.

(Hitoshi MITOMO)

## THE SOCIETY FOR THE ECONOMIC STUDIES OF SECURITIES

The Society for Economic Studies of Securities held its 25th national conference on the 16-17th of May, 1986 at the Tokyo Shoken Kaikan Hall commemorating the Society's 20th anniversary. Its 26th national conference was held on the 15-16th of November, 1986 at Osaka City University. Ten local meetings, four in Kanto, four in Kansai and two in Kyushu, were also held during the year.

On the 25th national conference two special lectures were presented. One was by Satoshi SUMITA, President of Bank of Japan and the other was by Kanetoki CHINO, Chairman of Japan Securities Dealers Association. The titles of the lectures were "Recent Developments of Monetary Policies in Japan" and "An Address on the Memorial Day", respectively.

The Common theme for the 25th national conference was "The Securitization of Finance - its Theory and Development". Five study reports were presented. They were "The Securitization and Institutional Investors" by Yuuichi SAKAI (The Meiji Mutual Life Insurance Company), "Securitization" by Shin-ichi GOTOH (Mitsui Bank), "Securitization" by Masana HASEGAWA (The Conference for Securities Associations), "On the Securitization of Finance" by Keimei KAIZUKA (The University of Tokyo) and "Securitization and Bank-Liquidity Management" by Ikuya FUKAMACHI (Kyushu University). Various questions and critical opinions were raised by the discussants: Kazuo MATSUI (Japan Securities Research Institute), Sadao ISHIDA (Meiji University) and Yoshinori SUZUKI (Kanagawa University). There were other contributions from the floor.

The common theme for the 26th national conference was "The Current Changes of World Financial and Capital Markets -Internationalization and Liberalization-". The following reports were presented, "Securitization and M&A&D" by Kazuo MATSUI (Japan Securities Research Institute), "The World Economy at the Watershed and Financial Markets" by Kenjiro HAYASHI (Nomura Research Institute), "Latest Currents on European Financial Markets" by Tsugio TAJIRI (The Nihon Kezai Shimbun) and "Securitization to the Banks and Securities Firms in Japan" by Yoshio KUMANO (Senshu University).

These reporters pointed out several prominent features and certain changing trends of the world economy and money/capital markets in the world. Joji KOBAYASHI (Aoyama Gakuin University), Yuusaku FUTATSUGI (Kobe University), Masahiko SUGIE (Doshisha University) and other contributors led the lively debates.

At the national conferences and regional meetings many other reports were presented, and they are all included in *the Annals of Society for the Economic Studies of Securities*, No. 22. The titles and researchers are as follows.

"An Aspect of Securitization of Finance in the US" by Takeo SHIBATA (Japan Securities Research Institute)

"Securitization of Assets, Centering on the Current Stream in the United States" by Yuusuke KAWAMURA (Daiwa Securities Research Institute)

"Securitization of Finance in the Euro Markets" by Kenji FUKIYA (St. Andrew's University)  
 "Individual Investors in American Financial Revolution" by Hiromi OKABE (The University of Tokyo)  
 "Securities Business Development by Banks and its Impact to the Markets in the US" by Akira ARAI (The Japan Bond Research Institute)  
 "Money and Capital Markets of Japan As Observed from Korea" by Kun-Whan HAN and Cang-Hee KANG (Daewoo Securities Co. Ltd.)  
 "Financial Innovations and the Securities and Exchange Act -What on Earth Is a Security?" by Akira MORITA (Kobe Gakuin University)  
 "Regulation of the Interesection of the Banking and Security Industry" by Katsuhiko YAMADA (Aichi Gakuin University)  
 "The Glass-Steagall Act and Deregulation of Banking Business" by Takeo SAGA (Osaka City University)  
 "Commercial Banks and Underwriting of Revenue Bonds" by Tadashi SAKAMOTO (Kumamoto University of Commerce)  
 "Bond Unsecured with Mortgage and Corporate Finance" by Kimiyoshi MIURA (Aikoku Gakuen Junior College)  
 "On Securitization and Financial Reorganization of the Mortgage Market in the US" by Shinya IMURA (Otaru College of Commerce)  
 "A Critique of the Modern Portfolio Theory" by Kiyoshi NIKAMI (Japan Securities Research Institute)  
 "Recent Trend of Studies in the Theory of Finance" by Yoshio IIHARA (Nanzan University)  
 "The Establishing Process of Financial Capital in the US" by Masaaki YAMASHITA (Saitama University)  
 "Growth of Investment Companies in 1980's" by Hiroo HOJO (The Investment Trusts Association)  
 "On Stock Price Index Futures" by Fumiko KONYA (Japan Securities Research Institute)  
 "Big Bang" by Joji KOBAYASHI (Aoyama Gakuin University)  
 "Recent Development of the Securities and Exchange Act in the US" by Dennis KARJARA (Arizona University)  
 "On the Commercial Paper Market in Korea" by Chang-Hee Kang (Daewoo Securities Co., Ltd.)  
 "Finance Company and the Money Market -in Japan and in the US-" by Kazuo MATSUI (Japan Securities Research Institute)  
 "Corporate Finance in the Internationalization of Economy" by Takahiro WASA (The Nihon Keizai Shimbun)  
 "Can Historical Stock Price Information Outperform the Market?" by Kengo SHIROSHITA (Kobe University)  
 "Internationalization of Japanese Banks and the Main Bank System" by Takeshi SUZUKI (St. Andrew's University)

“A Study of the Managerial Strategy and the Present Situation of the MITSUI Group”  
by Hiromitsu KONISHI (Seinan Gakuin University)

“Bank Credit and Clearing System” by Yoshinori HARADA (Kyushu University)

“On the Control Mechanism of Mutual Company” by Hiroshi HAYASHI (Seinan Gakuin University)

“The Essential Character of Common Stock” by Tamotsu SOEJIMA (Fukuoka University)

The 27th national conference was held on May 9 and 10, 1987 at Kanagawa University. The common theme was “Modern Corporate Finance and Securities Markets”.

The 28th national conference is scheduled to be held on November 14 and 15, 1987 at Kinki University.

(Hidefumi TSUMURA)

## ASSOCIATION FOR THE STUDY IN SOCIALIST ECONOMICS

The 27th Annual Convention of the Association for the Study in Socialist Economics was held at Chiba Commercial College on the 5th and 6th of June, 1987. The general theme was the 'Status Quo and the Prospect of Contemporary Socialism'; the study reports were as follows.

- 1) Tadashi MIO (Daito Bunka University) made a presentation on the "Vietnamese Economic Reform in the First Stage of the Transition Period to Socialism."
- 2) Yoji KOYAMA (Niigata University) delivered a presentation on "Yugoslav Economic 'Crisis' and the Organizations of Associated Labour."
- 3) Kazuyoshi UEHARA (Kyoto University) presented a paper on the 'Reform of China's Economic System: Socialism under the Open-Door Policy.'
- 4) Tsuneaki SATO (Yokohama Municipal University) presented "A Comparative Analysis of the Economic Reforms in the 1980's."

Having summarised the status quo of socialism in Vietnam after its national reunification in 1976, MIO traced economic reforms in the process of its outgrowing 'War Socialism.' According to him, the same has been a process of trial and error, and, at present, the Vietnamese economy is in grave difficulties coping with stagnant production, fiscal deficit, soaring consumer prices (averaging 10% monthly), a variety of corruption cases (in particular, the corruption of the leaders of the Party, the military and the government), and an unprecedented plunge in the prestige of the Party. At its Convention in December 1986 the Party made severe self-criticism.

KOYAMA advanced his view that the corporate restructuring implemented in the latter half of the 1970s was one of the causes of the economic difficulties which assailed Yugoslavia since the beginning of the 1980s. This corporate restructuring means that a 'Basic Organization of Associated Labor' (BOAL) must be created inside each corporate, namely 'Work Organization' (WO), and BOAL becomes the basic unit of autonomous management. According to him, it is impossible for WOs to make decisions without an agreement from BOALs, and each BOAL pursues its own self-interest. For this reason, it is quite difficult for a given WO as a whole to invest optimally, resulting in the decline of economic efficiency.

The question which UEHARA posed was why China had to carry out reforms aiming at the raising of efficiency and the opening-up to the outside world rather than at extensive development in spite of the fact that the level of industrial development in that country is still low and that China has a vast population. According to him, the primary reason lies in the fact that the fund resources for industrial development had to come not only from the agricultural sector and cheap industrial labor, as was the case in the past, but also from the manufacturing industry itself and foreign fund. This necessitated reforms and an open-door policy; further reforms are called for by China opening itself up. He pointed out that the reforms currently promoted in China constitute a self-renovation of socialism under the conditions of opening up of China; that efficiency will be raised through these reforms and the opening up of China, but



there is a contradiction between the improvement of efficiency and the basic framework of socialism. He made a point that there is a possibility of a variety of problems arising from this contradiction.

SATO showed an over-view of the series of economic reforms in socialist countries over the past three decades, and pointed out that there were three major 'waves.' The third wave started in Hungary, Poland, and China toward the end of the 1970's. Now, the Soviet Union has joined in; thus, there is a possibility that this third wave will become more important than the second one. The characteristic features common to the series of reforms within the scope of the third wave are the utilization of non-state sector, more rigorous budgetary constraints, the attachment of importance to adjustments through the market mechanism, reforms of economic management apparatus, separation between ownership and management, making financial institutions multiple-tracked, as it were, opening-up to the outside world, and political reforms. He pointed out further that, in making a tentative evaluation of the Gorbachev reform, the reforms are currently still in a stage of aiming at the formation of 'intermediary symmetry' with the centralized framework of the Soviet economy remaining intact.

Active discussions ensued the above presentations. At the same time, a majority of the members found themselves closely watching the future course of the Gorbachev reform inasmuch as the over-all picture of the reform, which is decisively important in gaining a future prospect of the entire socialist economic system, is still opaque.

In addition to the presentations delivered on the general theme, the following two reports were also made.

One was by Iwao ITO of Niigata University on the 'Essence of Money in a Socialist Economy.' He stated that the most abstract rationale of commodity production in a socialist economy lies in the distribution of consumer goods according to work performance, under the conditions of the socialized ownership of the means of production and products vis-a-vis the individual ownership of labor power. According to him, currency is a sort of certificate entitling the owner of labor power to claim his or her rights to demand the acquisition of consumer goods in general. As for those who issue currency, money is a means of distributing consumer goods. This is different both from central bank notes issued in a form of lending and borrowing in a society where commodities are privately produced and also from paper money issued by the state which does not own products.

The other was by Yukio TANIE on 'Intensification and Price Policy in the Agriculture of the GDR,' in which he analyzed the intensification path of the East German agriculture in the 1980s, and the farm product price reform implemented in 1984 to expedite the former. He is of the view that food price subsidies rapidly increased because the purchasing price of agricultural products was raised without raising the retail price of food. He claimed that a high-rate social fund tax was introduced to make up for these large subsidies. As a rationale for this claim of his, he pointed out, the agreement of the two in monetary terms, the synchronization of the timings of implementing these two, and the relationship between agricultural product prices and wage costs.

As an appendix to this Convention, the 6th Research Conference for Qualitative Analyses on the Socialist Economies was held one day prior to the Convention at the Japan Education Hall. The presentations given below were made in this Conference.

- 1) Yoshiki NOMURA (Osaka City University) on the 'Theory and Practice of the Balances of the National Economy in the First Five-year Plan Period.'
- 2) Shin'ichiro TABATA (Hokkaido University) on the 'Problems of the Soviet National Income Statistics'
- 3) Shin'ichiro TABATA (Hokkaido University) on the 'Statistical Database of the Soviet Economy at the Slavic Studies Center of Hokkaido University (SESS)'

(Kunihiko AOKI)

## THE SOCIETY FOR THE STUDY OF SOCIAL POLICY

The Society for the Study of Social Policy aims to promote interdisciplinary studies relating to labour issues, social policy, and social welfare. Although most members are economists, others are sociologists, labour jurists and historians.

The 72nd national convention of the Society was held at Tama Campus of Hosei University in Tokyo on May 16 and 17, 1986. The main theme was "National Character of Industrial Relations in Japan". The Society selected the problem of industrial relations as the main theme of its national convention for the third time in the last ten years. In the 72nd national convention, the theme was set up to generalize the discussion carried in the previous conventions. Five presentations were made on this theme.

Shigeki AOYAMA (Shizuoka University) examined Quality Control (QC) in Japan. Outstanding features, compared to those in the U.S., are a wider range of targets aimed at, including productivity increases, but less voluntarism among workers, regulations are not made by trade unions. Quality control methods in Japan are closely related to industrial relations.

Kazuo KOIKE (Kyoto University) discussed the way of developing skills of workers in Japanese factories and companies. According to him, this way of developing skills explains why Japanese trade unions co-operate with management to increase productivity, and why union members on the shop floors are strongly motivated to work. He advocated that Japanese researchers should build up their general theory on the basis of industrial relations in Japan rather than concentrate on the difference between the industrial relations in Japan and those of other high-developed countries.

Masao INOUE (Saga University) considered worker's control over production in case of the company's bankruptcy. He noted how the workers scheduled the production program and made their own working condition, including working hours and wages. He gave his attention to the power of workers as managers and the morale of workers as producers. He concluded that the "workers' order" was different from the usual organization in Japanese factories, which had usually been brought in by the managements.

Kunio MOTOJIMA (Saitama University) focused his attention to Japanese workers' "life style". He reported they had little private time during weekdays and that by the weekend accumulated fatigue prevented them from undertaking any voluntary activities. Were Japanese workers to claim their lost private, or leisure time, then "Japanese Industrial Relations" would collapse.

Kazuo NIMURA (Hosei University) considered "Japanese Industrial Relations" historically. He opposed the established theory that the enterprise-wide union—regarded as one of the features of "Japanese Industrial Relations"—had been organized to correspond with the labour market created by the large corporations before WWII. He advocated the new theory that Japanese workers could not organized craft unions or industrial unions because of the absence of the craft guilds tradition in Japan.

Ken KURITA (Meiji University), the moderator, of this three hour debate, was kept

very busy as many members contributed to a lively discussion.

Presentations abstracted here, other than KOIKE's, were being edited with the moderator's introduction in the Annals of the Society for the Study of Social Policy No. 31, titled "National Character of Industrial Relations in Japan", and published in May 1987.

The 73rd national convention of the Society was held at Kyoto Gakuen University in Kameoka, Kyoto on October 18 and 19, 1986. The common theme was 'The Changing Industrial Society and The Study of Social Policy'. Nine members of the Society reported on various problems.

The subjects of nine reports are as follows.

"Recent Employment Policies and the Study of Social Policy" by Ken-ichi KOBAYASHI (Hosei University).

"Changing Industrial Relations and 'the Comparative Study between U.K. and Japan'" by Katsuyoshi TAKAHASHI (Kokugakuin University).

"Wages and Working Hours in Japan today" by Fusao SHIMOYAMA (Kyushu University).

"Workers' Household Economy and the Minimum Standard of Life" by Ei-ichi EGUCHI (Chuo University).

"The peculiar Role of Workers' Cooperatives" by Sosuke FUJIWARA (Ritsumeikan University).

"Some Problems in Studying the Social Welfare" by Chiaki UEDA (University of Buddhism).

"The Transformation of Social Security Policy and the Theory of Social Security" by Masayuki SAKAGUCHI (Osaka City University).

"The Analysis of Present Unemployment with the Modern Labour Economics" by Susumu MORITA (Osaka Gakuin Junior College).

"The Study of Social Policy in a Wide Sense and its Background" by Jun-ichi TAIYOJI (Hitotsubashi University).

The main discussants on nine reports were Fumio MIURA (The Social Development Research Institute), Yoko SANO (Keio University), Kenji TOMIZAWA (Hitotsubashi University), Takato MIMA (Hokkai Gakuen College), and Koji NAKAHARA (Saga University). The discussion was moderated by Hiromichi NISHIMURA (Doshisha University) and Shigeo ARAMATA (Hokkaido University).

Reports and Comments were reproduced in the book entitled "The Changing Industrial Society and The Study of Social Policy", published by Keibun-sha in October 1987.

(Koshi ENDO)

## SOCIO-ECONOMIC HISTORY SOCIETY

The fifty-fifth annual conference was held on the 20th and 21st of September 1986 at Rikkyo (St. Paul's) University, Tokyo. A Symposium on "Town Communities and Guilds of Europe" was held on the second day under the joint chairmanship of Professor Masayoshi UOZUMI (International Christian University), and Mr. Takashi KATOH (Waseda University).

Professor Kaoru UGAWA (Rikkyo University) presented the introductory paper, in which he explained that the main aim of the Symposium was to re-examine the political significance of guilds in relation to the town community, that is to re-evaluate the medieval towns as an institution of feudal society. He also defined such technical terms as "guild", "fraternity", and so forth, and presented brief surveys of the significance of guilds in relation to their town communities on the basis of the English experience.

Professor Hiromi SAITOH (Shinshu University) read a paper entitled "The Organizations of Craft Guilds and their Political Function in Medieval Bologna". He examined two constitutions, one of a crafts organization (*Società dell'arte*) and one of a military organization (*Società dell'arme*), and explained how the crafts organization obtained hegemony against the rule of the town patriciate in the Great Council of Bologna during the thirteenth century.

Then Professor Kiyonori TAKAHASHI (Chiba University) read a paper entitled "Institutional Structure of Craft Guilds in Medieval Paris", in which he clarified the internal structure of craft guilds and the legal status of masters, journeymen and apprentices using *Le Livre des Métiers* compiled by Etienne Boileau in 1268. He also examined the relations of various craft guilds with higher authorities such as the King of France, the City of Paris and other feudal lords.

The paper presented by Professor Yasukazu MORITA (Tokyo Gakugei University) was entitled "Craft Guilds and Town Government in Switzerland". In his paper, he made clear the distinction between "Zunft" and "Gesellschaft" in medieval towns in Switzerland. While the former referred to a craft guild which had a political function in town government, the latter referred to a craft guild as simply an economic institution without any political claims. He also demonstrated how the town council was formed by the representative of craft guilds in the case of Basel, in contrast to the case of Berne, where the patriciate dominated.

In the afternoon Professor Kin-ichi OGURA (Toyo University) read a paper entitled "Federation of Masters, or Solidarity of Journeymen in Frankfurt on Main, and other towns in the Middle Rhineland", in which he stressed the importance of the problems of journeymen who had no civil rights nor status as members of their craft guilds during the latter half of the fourteenth century and the first half of the fifteenth century. He also established that these journeymen's problems could not be effectively dealt with at the level of town governance, due to the fact that these problems were broader in nature, having a profound influence even over neighbouring towns.

The last paper was read by Professor Toshio SAKATA (Aoyama Gakuin

University). It was entitled "Craft Guilds in Late Medieval York". Based on various Craft Ordinances of the fourteenth, fifteenth and sixteenth centuries, he analyzed the economic, social and political functions of craft guilds in connection with the economic fluctuation and social and political changes in medieval York.

Professors Haruko WAKITA (Naruto University of Education) and Yoshinobu SHIBA (Tokyo University) made short comments from a comparative perspective, on their Japanese and Chinese experiences.

More than ten scholars of different disciplines made various contributions and comments on those papers. It was one of the most lively symposiums of recent years.

All papers and comments with résumé of discussions were published in *Shakai Keizai Shigaku (The Socio-Economic History)* Volume 53 No. 3 in August 1987.

The fifty-sixth annual conference was held on the 23rd and 24th of May, 1987, at Doshisha University, Kyoto. The Conference ended with a symposium entitled "The Industrial Revolution and its Relationship to the Domestic Distribution Mechanism—A Historical Comparison between Japan and England".

(Kaoru UGAWA)

## JAPAN STATISTICAL SOCIETY

The activities of the Japan Statistical Society are concerned with both theory and applications of statistics. They include government statistics, computational methods, the education and training of statisticians. These diverse interests involve many disciplines including social sciences, such as economics and demography, natural sciences and engineering as well as medical sciences.

The fifty-fourth Annual Convention with nineteen sessions was held on 23 and 25, July, 1986, at Iwate University. Abstracts of all the papers presented were printed in the *Nihon Tokei Gakkai Koen-Hokoku-shu (Proceedings of the fifty-fourth Convention of the Japan Statistical Society)*. This publication includes one hundred and thirteen abstracts covering some 227 pages. Summary versions of the papers presented were also published in the *Journal of the Japan Statistical Society*, Vol. 16, No. 2, 1986.

This year Professor S. James Press (University of California, Riverside) was invited to lecture under the title of *A Survey of Recent Developments in Multivariate Analysis*. Other contributors' sessions and the session organizers, on economics and related topics, are listed below.

(1) Economic statistics:

Statistics Environment (Sadanori NAGAYAMA, Waseda University),  
Economic Statistics (Toshiyuki MIZOGUCHI, Hitotsubashi University),  
Economic Data-Base (Shuntaro SHISHIDO, University of Tsukuba),  
Sampling Survey (Koichi TAKAHASHI, Hirosaki University).

(2) Econometric Analyses:

Econometric Analyses I (Takeaki KARIYA, Hitotsubashi University),  
Econometric Analyses II (Taku YAMAMOTO, Yokohama National University),  
Econometric Analyses of Economy (Toshihisa TOYODA, Kobe University).

(3) Other Related Topics:

Demography and Cohort Analyses (Yoichi OKAZAKI)  
Software in Statistical Education (Naoto NIKI, Institute of Statistical Mathematics).

Unfortunately, most papers and reports presented at each session are not available in English, although some of them were written in English. Summaries in Japanese in *The Proceedings* will give sufficient information on the title of paper and affiliation of each speaker for further inquiry. *The Proceedings* may be obtained from the Bureau of the Society.

(Naoto KUNITOMO)

## **JAPAN SOCIETY OF TRANSPORTATION ECONOMICS**

Japan Society of Transportation Economics held its 45th annual convention on October 23 and 24, 1986 in Tokyo under the sponsorship of the Institute of Transportation Economics. Because of the forthcoming partition and privatization of the Japanese National Railways, scheduled for April 1, 1987, the theme chosen was "Reorganization of the Railways and Transportation Policy".

### **Unified Theme - I**

On the first of a two day discussion there were three reports;

Jun-ichi SUZUKI gave his report, "Transportation Policy and the Integrated Train Network". It referred, in particular, to the trunk lines of local railways from the viewpoint of efficient utilization of advanced technology. For the effective use of existing lines, he presented a comprehensive plan to run trains for direct connections with existing Shinkansen lines.

A report, "Feasibility Study on the Partition and Privatization of Japanese National Railways", based on a quantitative analysis, was presented jointly by Hitoshi MITOMO, Michito ISHIGURO and Hirotada KONO (University of Tsukuba). They applied linear programming to prepare alternative plans for the JNR reforms. They felt that a six-partition plan was most appropriate although this would require that the number of employees be reduced to 130,000.

Akira AKIBA (Institute of Transportation Economics) looked into the causes of decline in demand for passenger transportation and the resultant deficit. He attempted to deal with the problems in his report, "An Investigation of the Present Condition of Passenger Transportation on Railway Trunk Lines and a View of Railway Traffic Market in Japan".

### **Unified Theme - II**

On the second day, the following six reports, some referring to particular themes, were introduced.

Kazuo MAJIMA (Institute of Transportation Economics) presented, "Railway Service and Policy Development for Cost Sharing". Discussing the situation of internal cross-subsidization in European railways, he suggested the need to clarify cost-sharing.

On the issue of railway services in local regions, three reports were given as follows: "Current Status and Policy Issues of National Railway in Shikoku Region" by Takeo IHARA (Kagawa University); "Problems on Regional Promotion and Reform; Railways in the Kyushu Area" by Eiichi TAHARA (Oita University); and "A Justification of Subsidizing Local Railway Services in Deficits", jointly by Noboru SAKASHITA (University of Tsukuba) and Motohiko HIRAO (The Institute of Behavioral Science). IHARA positively analyzed the current status of the national railway in Shikoku region and the business prospects of the new company, "JR Shikoku". He mentioned the need to promote efficiency and stimulate demand. Referring to the present situation and future prospects of railway transportation, TAHARA proposed plans to enquire into local needs; to consider the position of the Kyushu Shinkansen line; to cope with local



transportation; and to strengthen policy functions in municipalities. SAKASHITA and HIRAO examined the local public transportation services as 'publicly supplied' private goods, and debated the policy of subsidies. Is the need for profitability on the railways emphasized too much? Should we reconsider the role of subsidies toward private railway businesses and the restoration of a marginal cost pricing principle?

Hiroshi NOMURA (Nittsu Research Center) in his report, "Problems of Railway Freight Traffic from the Standpoint of Changes in Demand of Physical Distribution" attempted to foresee the future from the current situation of the Japanese economy and the demand for railway freight traffic.

Lastly, Yataro FUJII (Keio University) gave his report, "Urban and Long-Distance Railways in the Reorganization Stage". He revealed his view on how the transport system of urban and long-distance railways should be developed in an ageing society experiencing the stagnation of economic growth.

#### Symposium

Based on the contents of the above 9 reports, a symposium was held, chaired by Kiyoshi OKADA (Seijo University) and Hiroyuki YAMADA (Kyoto University). The discussion centered around market structure, cost-sharing and subsidies. In addition to the reporters of the unified theme, the chairmen requested Kunio OSHIMA (Aoyama Gakuin University), Yukihide OKANO (The University of Tokyo), Mitsuharu ITO (Kyoto University) and Ryohei KAKUMOTO (Waseda University) to give their views. It was an interesting debate, focusing on issues such as internal cross-subsidization, the relation of profitability and subsidy, and how the existing trunk lines should be utilized.

#### Free Theme

Prior to the presentation of reports on the unified theme, the following 5 reports were introduced concerning the system analysis, theoretical research and econometric analysis.

Mami AOKI (Institute of Transportation Economics) included in her report, "Transport and Fares Communities in West Germany - Cooperation and Adjustment among Transport Companies" the data collected during her visit to Germany.

Arata MARUMO (Kansei Gakuin University) suggested in his report, "A Note on the Ramsey Pricing", that the Ramsey Prices, used in connection with the second-best optimum of the transport industry, should be called the 'Boiteux Prices'.

Katsunao KONDO (Fukuyama University) proposed in his report, "Travel Behavior Analysis by Prism Utility Model" that the prism utility model should be used in the prediction of transport demand.

From the standpoint of general equilibrium analysis, Masayuki DOI (International Development Center of Japan) discussed the project evaluation in his report, "An Economic and Financial Benefit Measurement Model of Multimodal Transport System/Policy Changes in Context of General Equilibrium".

Based on econometric analysis, Yoshio CHIBA (Keio University) prepared his report, "Total Factor Productivity and Cost Structure in the Transport Industry - An Empirical Study of Private Bus Industry in Japan".

These 9 reports for the unified theme and 5 reports for free theme are included in

the *Annual Report on Transportations Economics, 1986*.

The 46th annual convention is scheduled to be held on Oct. 16 and 17, 1987, at Hokkaido University for the unified theme, "Deregulation in the Transport Sector".

(Masahiro SUGIYAMA)

## List of Member Associations

1987

---

### THE JAPAN ACCOUNTING ASSOCIATION

日本会計研究学会

- Established: 1937
  - Number of members: 1,552
  - President: Kyojiro SOMEYA (Waseda University)
  - Publication: Monthly bulletin, "Kaikai" (Accounting)
  - Liaison Office of the Japan Accounting Association  
c/o Moriyama Co., Hayashi Building, 1-10, Nishiki-cho, Kanda Chiyoda-ku,  
Tokyo 101, Japan
- 

### THE AGRARIAN HISTORY SOCIETY

土地制度史学会

- Established: 1948
  - Number of members: 1,005
  - Representative Director: Kaichiro OISHI (The University of Tokyo)
  - Publication: "TOCHI SEIDO SHIGAKU (The Journal of Agrarian History)"  
- quarterly
  - Agrarian History Society  
c/o Institute of Social Science, University of Tokyo,  
7-3-1, Hongo, Bunkyo-ku, Tokyo 113, Japan
- 

### THE AGRICULTURAL ECONOMIC SOCIETY OF JAPAN

日本農業経済学会

- Established: 1924
  - Honorary members 20, regular members 1,107, associate members (students) 79,  
cooperative members 25
  - Chairman: Keizo TSUCHIYA (Kyushu University)
  - Publication: Bulletin of the Society, "Nogyokeizai Kenkyu" (Journal of Rural  
Economics) - quarterly
  - The Agricultural Economic Society of Japan  
c/o Business Center for Academic Societies,  
2-4-16, Yayoi, Bunkyo-ku, Tokyo 113, Japan
-

---

## **THE JAPAN ASSOCIATION FOR ASIAN POLITICAL AND ECONOMIC STUDIES**

アジア政経学会

- Established: 1953
- Number of members: 620
- President: Saburoh MATSUMOTO (Keio University)
- Publication: "Asian Studies" - quarterly
- Japan Association for Asian Political and Economic Studies  
c/o Professor Tatsuo YAMADA,  
Department of Political Science, Keio University,  
2-15-45, Mita, Minato-ku, Tokyo 108, Japan

---

## **JAPAN AUDITING ASSOCIATION**

日本監査研究学会

- Established: 1978
- Number of members: 345
- President: Masa'atsu TAKADA (Kobe University)
- Publication: "The Annual Report of Japan Auditing Association", - once a year
- Japan Auditing Association  
The Faculty of Business Administration  
Kobe University, 2-1, Rokkodai-cho, Nada-ku  
Kobe 657, Japan

---

## **JAPAN SOCIETY FOR THE STUDY OF BUSINESS ADMINISTRATION**

日本経営学会

- Established: 1926
- Number of members: 1,852
- President: Susumu KAIDO (Nara Sangyo University)
- Publication: "Keieigaku Ronshu" - once a year
- Japan Society for the Study of Business Administration  
c/o The Institute of Business Research, Hitotsubashi University,  
Naka 2-1, Kunitachi, Tokyo 186, Japan

---

## **JAPAN BUSINESS ENGLISH ASSOCIATION (JBEA)**

日本商業英語学会

- Established: 1934
- Honorary members 2, regular members 182, supporting members 5, totalling 189
- President: Hiromu NAKAMURA (Doshisha University)
- Publication: "Nihon Shogyo Eigo Gakkai Kenkyu Nempo (The JBEA Annual Studies)" - once a year
- Japan Business English Association  
c/o Professor Hiromu NAKAMURA,  
Department of Commerce, Doshisha University,  
Imadegawadori-Karasuma, Kamigyoku, Kyoto City, Japan

---

## **BUSINESS HISTORY SOCIETY OF JAPAN**

経営史学会

- Established: 1964
- Number of members; personal 672, institution 42
- President: Shigeaki YASUOKA (Doshisha University)
- Publication: "Japan Business History Review" - quarterly  
"Japanese Yearbook for Business History" - annually
- Business History Society of Japan  
c/o Professor Eisuke DAITO,  
No. 711, Faculty of Economics, University of Tokyo,  
7-3-1, Hongo, Bunkyo-ku, Tokyo 113, Japan

---

## **JAPAN SOCIETY OF BUSINESS MATHEMATICS**

日本経営数学会

- Established: 1959
- Number of members: 109
- President: Kesato FUJISAWA (Kanagawa University)
- Publication: "Annual or Semi-Annual Report of Japan Society of Business Mathematics"
- Japan Society of Business Mathematics,  
c/o Professor Kesato FUJISAWA, Kanagawa University,  
3-27, Rokkakubashi, Kanagawa-ku, Yokohama 221, Japan

---

## **JAPAN SOCIETY OF COMMERCIAL SCIENCES**

日本商業学会

- Established: 1951
- Number of members: honorary 6, ordinary 660, supporting companies 10
- President: Yukichi ARAKAWA (Kobe University)
- Publication: "Journal of Japan Society of Commercial Sciences" - annually
- Japan Society of Commercial Sciences  
Kenkyu-to Building, Meiji University,  
1-1, Kanda Surugadai, Chiyoda-ku, Tokyo 101, Japan

---

## **JAPAN SOCIETY FOR COMMODITY SCIENCE**

日本商品学会

- Established: 1935
- Number of members: regular members 297 including 9 foreigners, supporting members 4
- Chairman: Yoshiro IJIMA (Waseda University)
- Publication: Quarterly bulletin, "Shohin Kenkyu" (Studies on Commodities)
- Japan Society for Commodity Science  
c/o Hitotsubashi University, Naka 2-1,  
Kunitachi, Tokyo 186, Japan

---

## **THE SOCIETY OF ECONOMIC SOCIOLOGY**

経済社会学会

- Established: 1966
- Number of members: 334
- President: Yoichi ITAGAKI (Hitotsubashi University)
- Publication: "The Annals of the Society of Economic Sociology"
- The Society of Economic Sociology  
c/o The Faculty of Social Science, Waseda University,  
1-6-1, Nishiwaseda, Shinjuku-ku, Tokyo 160, Japan

---

## **THE SOCIETY FOR THE HISTORY OF ECONOMIC THOUGHT**

経済学史学会

- Established: 1950
- Number of members: 795
- President: Masaharu TANAKA (Konan University)
- Publication: "The Annual Bulletin of the Society" - once a year
- The Society for the History of Economic Thought  
c/o Faculty of Economics,  
Konan University  
8-9-1, Okamoto, Higashinada-ku, Kobe 658, Japan

---

## **THE JAPAN ASSOCIATION OF ECONOMICS AND ECONOMETRICS**

理論・計量経済学会

- Established: 1947
- Number of members: 1,819
- President: Shozaburo FUJINO (Hitotsubashi University)
- Publication: "The Economic Studies Quarterly"
- The Japan Association of Economics and Econometrics  
c/o Tokei Kenkyukai,  
1-18-16, Shimbashi, Minato-ku, Tokyo 105, Japan

---

## **THE JAPAN ASSOCIATION OF ECONOMIC GEOGRAPHERS**

経済地理学会

- Established: 1954
- Number of members: 650, patronage members: 9
- President: Tetsuro KAWASHIMA (Hannan University)
- Publication: "Keizai-Chiri Gaku Nempo" (Annals of The Japan Association  
of Economic Geographers) - quarterly
- The Japan Association of Economic Geographers,  
c/o Institute of Economic Geography,  
Faculty of Economics, Hitotsubashi University,  
Naka 2-1, Kunitachi, Tokyo 186, Japan

---

## **JAPAN ECONOMIC POLICY ASSOCIATION**

日本経済政策学会

- Established: 1940
  - Number of members; individuals 1,119, institutions 4
  - President: Takashi FUJII (Nagoya University)
  - Publication: "Nippon Keizai Seisaku Gakkai Nenpo" (The Annals of the Japan Economic Policy Association) - annual
  - Japan Economic Policy Association  
c/o Professor Takashi FUJII,  
Nagoya University,  
Furoh-cho, Chikusa-ku, Nagoya 464, Japan
- 

## **JAPAN FINANCE ASSOCIATION**

日本経営財務研究会

- Established: 1977
  - Number of members: 365
  - President: Goichi KATAYAMA (Fukuoka University)
  - Publication: "The Annual Report of Japan Finance Association" - annually
  - Japan Finance Association  
The Faculty of Business Administration,  
Kobe University,  
2-1, Rokkodai-cho, Nada-ku, Kobe 657, Japan
- 

## **JAPANESE ASSOCIATION OF FISCAL SCIENCE**

日本財政学会

- Established: 1940
  - Number of members: 600
  - Chairman: Hiromitsu ISHI (Hitotsubashi University)
  - Publication: "Annual Report of the Japanese Association of Fiscal Science"
  - The Japanese Association of Fiscal Science  
c/o Tokei Kenkyukai,  
1-18-16, Shimbashi, Minato-ku, Tokyo 105, Japan
-



---

## **JAPAN ACADEMY FOR FOREIGN TRADE (JAFT)**

日本貿易学会

- Established: 1961
- Number of members: 293
- President: Genzo HAMATANI (Nihon University)
- Publication: "The Annual Bulletin of the Japan Academy for Foreign Trade",  
(Annual publication)  
"JAFT News", twice yearly
- Japan Academy for Foreign Trade  
c/o Professor R. ASAOKA,  
School of Commerce, Waseda University,  
1-6-1, Nishwaseda, Shinjuku-ku, Tokyo 160, Japan

---

## **THE JAPANESE SOCIETY OF INSURANCE SCIENCE**

日本保険学会

- Established: 1940
- Honorary members 11 including two foreigners, ordinary members 696 including 23 foreigners, supporting members 56 organization
- Chairman: Eiichi KIMURA (Hitotsubashi University)
- Publication: "Journal of Insurance Science" (Hoken-gaku Zasshi) - quarterly
- Japanese Society of Insurance Science  
c/o The Life Insurance Association of Japan,  
3-4-1, Marunouchi, Chiyoda-ku, Tokyo 100, Japan

---

## **THE JAPAN SOCIETY OF INTERNATIONAL ECONOMICS**

国際経済学会

- Established: 1950
- Number of members: 1,000
- President: Fukutaro WATANABE (Gakushuin University)
- Publication: "The International Economy" - annually
- The Japan Society of International Economics  
c/o Professor Ken'ichi ODAWARA,  
Faculty of Economics, Jochi (Sophia) University,  
7, Kioi-cho, Chiyoda-ku, Tokyo 102, Japan

---

## **THE JAPAN SOCIETY OF MONETARY ECONOMICS**

金融学会

- Established: 1943
- Number of members: 718
- President: Ryuichiro TACHI (Aoyama Gakuin University)
- Publication: "Bulletin of the Japan Society of Monetary Economics" - biannually
- Japan Society of Monetary Economics  
c/o Toyo Keizai Shinpo-sha,  
1-2-1, Hongoku, Nihonbashi, Chuo-ku, Tokyo 103, Japan

---

## **THE ACADEMIC ASSOCIATION FOR ORGANIZATIONAL SCIENCE**

組織学会

- Established: 1959
- Number of members: individual members 1,028, company members 31
- Acting President: Yasuo OKAMOTO (The University of Tokyo)
- Publication: "Organizational Science" - quarterly
- Academic Association for Organizational Science  
c/o Room No. 614, Department of Economics, University of Tokyo,  
7-3-1, Hongo, Bunkyo-ku, Tokyo 113, Japan

---

## **JAPAN SOCIETY FOR PERSONNEL AND LABOR RESEARCH**

日本労務学会

- Established: 1970
- Number of members: 521
- Representative director: Yoshiaki SHIMABUKURO (Toyo University)
- Publication: "Series in Personnel and Labor Problems" - annually
- Japan Society for Personnel and Labor Research  
c/o Professor Yoshiaki SHIMABUKURO  
Department of Business Administration, Tokyo University  
5-28-20, Hakusan, Bunkyo-ku, Tokyo 112, Japan

---

## **JAPAN ASSOCIATION FOR PLANNING ADMINISTRATION**

日本計画行政学会

- Established: 1977
- Number of members: 1,254
- President: Saburo OKITA (International University of Japan)
- Publication: "Planning Administration" - biannually
- Japan Association for Planning Administration  
c/o The Institute of Statistical Research  
1-8-16, Shimbashi, Minato-ku, Tokyo 105, Japan

---

## **JAPAN SOCIETY OF POLITICAL ECONOMY**

経済理論学会

- Established: 1959
- Number of members: 1,026
- Chief Representative: Kiyoko IMURA (Keio University)
- Publication: "The Annual Bulletin of the Society of Political Economy" - annually
- Japan Society of Political Economy  
c/o Professor Kiyoko IMURA,  
Keio University,  
2-15-45, Mita, Minato-ku, Tokyo 108, Japan

---

## **THE POPULATION ASSOCIATION OF JAPAN**

日本人口学会

- Established: 1948
- Members: 295, honorary members 6, special members 3
- President: Yoshitaka HATAI (Meijigakuin University)
- Publication: "Jinkogaku Kenkyu" (The Journal of Population Studies)
- Population Association of Japan  
c/o Institute of Population Problems,  
Ministry of Health and Welfare,  
1-2-2, Kasumigaseki, Chiyoda-ku, Tokyo 100, Japan

---

## THE JAPAN SOCIETY OF PUBLIC UTILITY ECONOMICS

公益事業学会

- Established: 1949
- Number of members: regular members 313, corporation members 70
- Chairman: Hisao SEKIJIMA (Seikei University)
- Publication: "Journal of Public Utility Economics"
- Koeki Jigyo Gakkai (The Japan Society of Public Utility Economics)  
c/o Akasaka Community Bldg.  
1-1-8, Motoakasaka, Minato-ku, Tokyo 107, Japan

---

## THE JAPAN SECTION OF THE REGIONAL SCIENCE ASSOCIATION

日本地域学会

- Established: 1962
- Number of members: 543
- President: Hirohada KOHNO (University of Tsukuba)
- Publication: "Studies in Regional Science - the Papers and Proceedings of the Japan  
Section of R.S.A." (Chiikigaku Kenkyu" in Japanese) - annually
- The Japan Section of the Regional Science Association  
c/o Institute of Socio-Economic Planning,  
University of Tsukuba,  
Sakura, Ibaraki 305, Japan

---

## THE SOCIETY FOR THE ECONOMIC STUDIES OF SECURITIES

証券経済学会

- Established: 1966
- Number of members: 390
- Representative: Yoshio KUMANO (Senshu University)
- Publication: "Annals of Society for the Economic Studies of Securities" - annually
- Society for the Economic Studies of Securities  
c/o Japan Securities Research Institute,  
Tokyo Shoken Kaikan,  
1-5-8, Nihonbashi-Kayabacho, Chuo-ku, Tokyo 103, Japan

社会主義経済学会

- Established: 1967
- Number of members: 219
- Chief Representative: Tsuneaki SATO (Yokohama Municipal University)
- Publication: "Bulletin of the Association for the Study in Socialist Economics"  
- annually
- Association for the Study in Socialist Economics  
c/o Professor Yuichi HASEBE  
Yokohama National University,  
156, Tokiwadai, Hodogaya-ku, Yokohama 240, Japan

社会政策学会

- Established: 1950
- Number of members: 812
- Representative manager: Toshio KUROKAWA (Keio University)
- Publication: “Shaki-Seisaku Gakkai Nenpo” (Annals of the Society for the Study of Social Policy)
- The Society for the Study of Social Policy  
c/o Professor Toshio KUROKAWA,  
Faculty of Economics, Keio University,  
2-15-45, Mita, Minato-ku, Tokyo 108, Japan

社会経済史学会

- Established: 1930
- Number of members: 1,086
- Representative Director: Ken'ichiro SHODA (Waseda University)
- Publication: "Shakai Keizai Shigaku" (Socio-Economic History) - bimonthly
- Shakai Keizaishi Gakkai (Socio-Economic History Society)  
c/o Professor, A. HAYAMI,  
Keio University,  
2-15-45, Mita, Minato-ku, Tokyo 108, Japan

---

## **JAPAN STATISTICAL SOCIETY**

日本統計学会

- Established: 1931
- Number of members: 1,161
- President: Takafusa NAKAMURA (Ochanomizu University)
- Publication: "Journal of the Japan Statistical Society" - biannually
- The Japan Statistical Society  
c/o The Institute of Statistical Mathematics,  
4-6-7, Minami-Azabu, Minato-ku, Tokyo 106, Japan

---

## **JAPAN SOCIETY OF TRANSPORTATION ECONOMICS**

日本交通学会

- Established: 1941
- Number of members: 365 regular members including one honorary member (individual) and 30 special members (corporations)
- President: Haruya HIROOKA (Hosei University)
- Publication: "Kotsugaku Kenkyu" (Annual Report on Transportation Economics)
- The Japan Society of Transportation Economics (Nihon Kotsu Gakkai)  
c/o Unyu-Chosa-Kyoku,  
7-1-1, Ueno, Taito-ku, Tokyo 110, Japan