

Debating the Allied Occupation of Japan (Part Two)

By Peter K. Frost

Emperor Hirohito's first visit to Yokohama to see living conditions in the country since the end of the war, February 1946. Source: *The Asia-Pacific Journal: Japan Focus* website at http://tinyurl.com/h8bczpw.

n the fall 2016 issue of *Education About Asia*, I outlined three policy decisions, which I consider a fascinating way to discuss the Allied Occupation of Japan (1945–1952). The three—the decision to keep the Shōwa Emperor (Hirohito) on the throne, punish selected individuals for war crimes, and create a new constitution that (in Article 9) seemed to outlaw war as an instrument of national policy—were all urged upon the Japanese by SCAP, a term for both the Supreme Commander of the Allied Powers—General Douglas MacArthur until 1951—and the largely American bureaucracy. All were political reforms aimed at creating a more democratic Japan while allowing the Emperor to stay on the throne. This section discusses three more general policies aimed at reinforcing the first three by building a more equal and educated society.

Helping Rural Japan

By the end of the war, the Japanese were starving. Traditionally forced to import food from abroad, the destruction of its merchant marine, the repatriation of over three million soldiers and civilians from abroad, fertilizer shortages, and a spectacularly bad 1945 harvest all deprived the Japanese of badly needed food. Feeding one's family normally required 70 percent of a household's budget and frequent trips to buy food at increasingly high prices on the black market. The food crisis hurt worker productivity; increased crime, prostitution, and illness; and made Japanese angry at those who had profited from the war. Mass protests, including a May Day demonstration on May 1, 1946, by 250,000 Japanese who gathered outside the Imperial Palace, reflected the fact that Japan had a food crisis.¹

Despite explicit instructions that "you will not assume any responsibility for the economic rehabilitation of the Japanese economy," MacArthur quickly realized that political reforms could not take hold in a broken



May Day (May 1, 1946) mass protest outside the Imperial Palace. Source: *Tamiment Library and Wagner Archives* at http://tinyurl.com/j8ud948.

economy. "No weapon, even the atomic bomb," he insisted, "is as deadly in its effect as economic warfare." Although the United States was not happy over aiding an enemy when so many of the Allied nations also needed help, MacArthur's statement that he would need more troops to maintain order—an argument he used when asked about deposing the Emperor—was effective. In the first three years following the war, some US \$700 million in food aid was sent to Japan. Despite serious distribution issues and the fact that relatively more aid would go to Europe under the Marshall Plan, Japanese considered what was sent "like a merciful rain during a drought."²

The food crisis underscored the need to change Japanese rural society. Traditionally, peasants made up over 80 percent of the population. They were bound to the land, heavily taxed, and even denied family names until 1870. By the 1930s, roughly half of all Japanese were still farmers, and some



Food stall in post-World War II Tokyo has customers, but no rice. Source: © Everett Historical/Shutterstock photo.

70 percent of these were at least partially tenants on a mere 46 percent of the land. Tenants were normally required to pay up to 50 percent of their rice crop in kind. When the depression in the 1930s collapsed rice prices and cut silk exports to the United States, impoverished peasants were so heavily in debt that they were sometimes forced to send their children to low-paying factory jobs or sell their daughters into sexual slavery. Even landlords suffered. The military, many themselves from similar rural backgrounds, blamed the allegedly corrupt, urban-based political parties for the rural distress. Conservative Japanese politicians worried about the increasing numbers of often-violent protests, but could not come up with a solution. Leftists, meanwhile, perhaps overstated the relationship between rural distress and the rise of Japanese militarists, yet they were no doubt correct in thinking that poverty and the traditional rural deference to authority helped legitimize the militarists' rise to power.³

Farmers, boasted the Japanese American journalist Kawai Kazuo, were now "little capitalists who have a tangible stake in the existing regime."

Building on prewar reform attempts, the Japanese government gave SCAP an initial draft of a land reform bill in November 1945. As had happened when the Japanese proposed equally timid constitutional changes, MacArthur immediately rejected the Japanese government's first plan and on December 9, 1945, ordered it to come up by March with a stronger proposal that would end "the virtual slavery that went back to ancient times." After considerable discussion by a dedicated group of Americans and Japanese agricultural experts, two land reform bills were enacted by the Diet in October 1946. Simply put, absentee landlords were forced to sell lands to their tenants at bargain prices. Resident landlords normally could keep roughly 2.5 acres of paddy land (more in the northern island of Hokkaido)

and some forest property. Rents were limited to the equivalent of 25 percent of the annual crop value for paddy land and 15 percent for forestland, and were to be paid in cash, not kind. All this was to be administered by locally elected committees composed of five carefully defined tenants, three landlords, and two owner-farmers. Prefectural committees and a national committee ultimately supervised the complicated process.⁴

Conservatives could easily point to problems. Landlords were naturally angry at losing their land. Some tried to hide their holdings by claiming their land was owned by relatives, while others used their traditional authority and notions about the importance of village harmony to evade as much as they could of the new bills. Others who had kept a plot of land in their villages while they moved to cities for work were angry at being classified as absentee landlords and so losing the plot of land they regarded as their security. Thirty years later, landlords were even more shocked when they discovered that the value of bonds they were given in payment for their expropriated land were now worth only a few cartons of cigarettes per acre. Even well-run village committees faced problems when deciding what benefits to give a farmer who was part owner-cultivator and part tenant. Indeed, rural reform was so complicated that the last land transfers were not completed until 1951.5

Progressives were far more positive. To be sure, the Soviet Union's representative to the Occupation's Allied Council argued that the larger landlords were paid too much for their lands. Others fretted about the profits farmers made by illegally selling food on the black market or worried that the traditional social hierarchies still existed. Yet most on the left boasted that the land reform program dropped the number of tenant farmers from over 73 percent of the farm population to 30 percent—only 5.5 percent of whom were pure tenants. Eighty-eight percent of the paddy fields were now farmed by owner cultivators. Though critical at times, SCAP official Lawrence Hughes applauded the intense efforts rural committees made to build a fairer society. "One doubts very much," he said, "if Western workers faced with a similar situation would have been willing to undergo the hardships that Japanese [committee] workers accepted." Prime Minister Yoshida Shigeru noted some "confusion," yet praised the reform for helping tenant farmers become more prosperous and less "politically unstable." Farmers, boasted the Japanese American journalist Kawai Kazuo, were now "little capitalists who have a tangible stake in the existing regime." MacArthur's aid General Courtney Whitney even claimed that the land reform program would "probably be ranked higher by the future historian than any other." The progressives had won.6

Discussion Question: Were landlords fairly treated? Helping Urban Society

SCAP also wanted to improve the lot of the average Japanese worker. A small and sometimes-violent union movement had existed in Japan since at least the 1890s, but had been repeatedly crushed by Japan's increasingly militarist governments. SCAP thus disbanded the militarists' highly restrictive wartime labor organizations, ensured the right to collective bargaining in the 1947 Constitution, and encouraged the Japanese government to pass some fourteen bills that gave organized labor new rights. The three key ones were the December 1945 Trade Union Law that gave workers the right to organize, bargain, and strike; the September 1946 Labor Relations Adjustment Act, which refined mediation procedures; and the April 1947 Labor Standards Law, which established proper working conditions, overtime pay, and the like. As unions had begun organizing even before the legislation was passed, by the end of 1946 almost five million workers were enrolled in over 17,000 unions. An astounding 40

48 EDUCATION ABOUT **ASIA** Volume 21, Number 3 Winter 2016

percent of the adult labor force was now in unions. SCAP might well have rejoiced. 7

Instead, SCAP worried when these new unions moved from simple wage and benefit issues to more overtly political struggles. Their worries deepened when Communists, highly organized and respected for their prewar opposition to militarism, seemed to be taking over control. Huge antigovernment protests and even a fight involving US soldiers upset SCAP. A related problem stemmed from the unprecedented "production control" movement whereby workers simply took over their workplaces, locked out the management, and mocked their bosses by increasing output and services. To Americans, production control was a violation of private property rights, and the radical political demonstrations challenged government by majority rule.⁸

SCAP thus worked hard to control the very unions it had helped create. Food aid, attempts to curb inflation, and encouragement of generous wage settlements were part of their attempts. So were quiet criticisms of production control and public admonitions by both MacArthur and the Emperor to avoid "radical tendencies." Most dramatically, on January 31, 1947, MacArthur banned a proposed general strike by over two million workers, saying that it would affect the Occupation and badly damage the economy. Then, on July 28, 1948, MacArthur added to the labor movement's distress by telling Prime Minister Ashida Hitoshi to outlaw the right to strike by government employees. On June 26, 1950, the day after the Korean War broke out, the Communist Party's newspaper *Akahata* (*Red Flag*) was banned, and the leaders of the Communist Party and over 10,000 workers were dismissed under purge procedures that had originally been set up to bar militarists from public office. SCAP Labor Chief James Killen resigned in protest. Union leaders wept.

Conservatives, on the other hand, generally supported the crackdown. Prime Minister Yoshida Shigeru naturally blamed "Communists and Leftist elements for leading the Japanese labor movement so far astray," but also saw "the need for rectification of the New Deal idealism." Kawai Kazuo believed that the suppression of the Communist labor leaders was "unfortunate," yet claimed that if radical unions were left to strike, "the consequences might have been even more unfortunate." SCAP labor official Theodore Cohen (Killen's successor) later called this "the high water mark of extremism." He claimed that "the Japanese people again became conscious of the need for limits" and rejoiced that the Communist Party was hurt politically. The union restrictions stayed.9

Similar changes affected certain Japanese industrial combines. These were known as *zaibatsu*, or "industrial-financial groups." These were typically organized around a "holding company" that held stock in a variety of industries. They were not monopolies, but rather oligopolies that made it hard for newcomers to enter the market. Often family-owned, some of these business organizations could trace their roots back to at least the nineteenth century, but most flourished when Japan rapidly industrialized after World War I. Other "new zaibatsu" joined the traditional ones in profiting from Japan's prewar military expansion. The four oldest and biggest (Mitsubishi, Mitsui, Yasuda, and Sumitomo) controlled some 25 percent of all industrial capital; the Mitsui and Mitsubishi trading companies alone handled 70 percent of all Japan's prewar trade.¹⁰

Not surprisingly, both Washington and the Government Section (GS) of SCAP wanted to break up the zaibatsu. On August 6, 1946, SCAP had the Japanese government set up the Holding Company Liquidation Committee, which promptly dissolved sixteen of the biggest holding companies and restructured thirty-seven others. After complex negotiations, the government then established the March 12, 1947, "Law for Prohibition of Private Monopoly and Methods of Preserving Fair Trade," which, among other things, created a Fair Trade Commission to regulate competition. On July 3, 1947, MacArthur disbanded the Mitsui and Mitsubishi Trading Companies, and banned some business leaders from holding office.

Reach your specialized Asian studies audience

AAS MAILING LABELS

Choose from the following:

- The AAS Membership List—approximately 8,000 scholars, students, and others interested in East, South, and Southeast Asia.
- The Subscriber List—1,500 libraries and other organizations that purchase publications from the Association for Asian Studies.
- List of Asian Studies Programs, Centers, and Institutes in universities in the US and around the world.

CHARGES:

\$130/1,000 for digital one-time use.

Specialized selections possible

Please contact Teresa Spence at tspence@asian-studies.org.

Association for Asian Studies, Inc. 825 Victors Way, Suite 310, Ann Arbor, MI 48108 USA Tel: 734-665-2490; Fax: 734-665-3801 E-Mail: tspence@asian-studies.org

AAS E-FLYER SERVICE

REACH 7,000+ ASIANISTS CONVENIENTLY THROUGH THE NEW, CUSTOMIZED AAS E-FLYER SERVICE!

- Promote your organization
- Market your publications
- Introduce Study Programs, Seminars, or Workshops
- Announce employment opportunities
- and much more!

Submit your own artwork or let the AAS design the campaign for you. Book your e-flyer date today!

Please contact Shilpa Kharecha at skharecha@asian-studies.org.

Association for Asian Studies, Inc. 825 Victors Way, Suite 310, Ann Arbor, MI 48108 LISA Tel: 734-665-2490; Fax: 734-665-3801 E-Mail: skharecha@asian-studies.org

www.asian-studies.org

Although MacArthur's initial orders only asked that he crush militarism, most Americans believed that the political and economic reforms could not survive without a more democratic education system and literate public.

On December 8, 1947, he insisted that the Japanese Diet pass the "Law on the Elimination of Excessive Concentrations of Power."

This last piece of legislation quickly became controversial. Both Yoshida and Kawai felt that most Japanese did not object to oligopolies as long as the economy grew. Nor did either man think that the zaibatsu were responsible for the war. Indeed, in the 1930s, Kawai added, the zaibatsu had been blamed by militarists for the rural distress. Some big business leaders were assassinated. While a few of the so-called "new" zaibatsu happily supported the military, most firms did so only when they had little choice once the militarists were in power.

Critics of Occupation Excessive Concentrations of Power legislation worried that the purge of successful businessmen and the breakup of profitable companies would only worsen Japan's economic difficulties. Many even thought that breaking up the zaibatsu was simply an American plot to eliminate Japanese competition.¹²

Conservatives in the United States were outraged. Republican Senator William Knowland of California called the trust-busting policy "socialistic," while Harry Kern, the Editor of Newsweek magazine, repeatedly published critical articles and helped establish an influential Japan Lobby. In March 1948, the State Department's highly respected George Kennan flew to Japan to meet MacArthur. SCAP's zaibatsu policies, he claimed in his memoirs, "bore so close a resemblance to Soviet views about the evils of 'capitalist monopolies' that the policies themselves could only have been eminently agreeable to anyone interested in the future communalization of Japan." By October 1948, Kennan had convinced the US government to approve a policy paper known as NSC 13/2. This advocated a switch from reform policies to the rehabilitation of Japan's economy. As Army Secretary Kenneth Royall put it in a January 1948 speech, Japan needed "a self-sufficient economy, strong enough and stable enough to support itself and at the same time to serve as a deterrent against any other totalitarian war threats which might hereafter arise in the Far East." Kennan considered his help in the policy change "apart from the Marshall Plan, the most significant constructive contribution I was able to make in government."13

There was even a nasty side to American conservatives. After Mao Zedong's Communist forces captured mainland China in 1949 and the Korean War broke out in 1950, some Americans were falsely accused of betraying the United States. Eleanor Hadley, a trust-busting SCAP official, was among those barred for several years from government employment. Hadley was denounced by SCAP General Charles Willoughby, a German-born right-winger whom MacArthur called his "loveable fascist." "SCAP," noted distinguished Japanese historian Takemae Eiji, "no longer defended what it had preached so fervently a few years earlier; only those philosophies it found acceptable would be permitted in the marketplace of ideas." "14

Faced with this pressure, MacArthur appointed five US businessmen to review the 325 firms slated for possible reform. Only eleven were eventually broken up, and eight more asked to make minor changes. Since then, the zaibatsu—including Mitsui, Mitsubishi, and the "new" zaibatsu Nissan—have re-formed under a different kind of organization known as *keiretsu*, or "economic links." Though financed by banks rather than holding companies, the keiretsu still reflect multiple companies, oligopoly, personal ties, and links to a government that seeks to avoid "excessive competition." Advocates of Japan's traditional business system thus largely triumphed over those who wanted more open market reforms. ¹⁵

Discussion Question: Should SCAP have pressed for more economic reforms?

Creating a Literate Society

Although MacArthur's initial orders only asked that he crush militarism, most Americans believed that the political and economic reforms could not survive without a more democratic education system and literate public. SCAP therefore once again rejected the rather-timid initial Japanese reform proposals, and in March 1946 invited a group of twenty-seven US educators, headed by the former New York State Education Commissioner and University of Illinois President-Elect Dr. George Stoddard, to visit Japan to discuss education issues with a counterpart Japanese commission. When their recommendations were combined with other SCAP orders, militaristic textbooks were edited and, when paper supplies allowed, rewritten. Proposals to increase literacy by writing Japanese words in Roman letters (romaji) rather than complex characters (kanji) were rejected, but to improve literacy, many characters were simplified and newspapers were told to limit the characters they normally used to 1,850. Respect for the Emperor's portrait and Shinto teachings in the schools was stopped, as were required courses in moral education. Some 3,000 nationalist teachers were purged, while more than 116,000 resigned. The Emperor Meiji's 1890 Education Rescript was also eventually repealed on the grounds that it was overly nationalistic.16

The key reform effort was the March 3, 1947, Fundamental Law of Education. This increased the length of tuition-free, compulsory education from six to nine years. The multitrack, sexually segregated school system was changed to an American-style six-three-three, coeducational, single-track system of elementary, middle, and high schools. Junior colleges, primarily for women, were started over mild American objections. Other legislation removed the "Imperial" title from the six most prestigious public universities and created a new system of sixty-three national universities. Entrance to these universities was now changed to exams based more on aptitude than rote memory. Given his belief that Christian morals underlay the principles of Western democracy, MacArthur also allowed the new International Christian University to open early in June 1949. As Japan slowly recovered, university enrollment shot up from forty-eight universities teaching roughly 98,000 to 220 universities teaching more than 400,000.¹⁷

Conservatives in SCAP and Japan itself worried that by downplaying nationalism and basic moral teachings, these reforms hurt student discipline. When the SCAP-sponsored *Primer of Democracy* was published on October 30, 1948, to instruct Japanese in the principles of Western democracy, John Donovan, a Catholic adviser to SCAP's education division, objected. "God," not the people, he insisted, "is the ultimate source of all authority." By 1950, as the radical *Zengakuren* (All Students' League) encouraged mass protests that broke out, SCAP official Walter Crosby Eells traveled around the country asserting that Communist Party members should not be hired because Marxism did not allow freedom of thought. The new constitutional "right" to free speech, he claimed, did not apply to the "privilege" of teaching. 18

The Left, on the other hand, worried that the reforms did not go far enough. Marxists complained that the *Primer of Democracy* was too critical of Soviet and Chinese definitions of "democracy." Others asserted that the faculty "chair system" (under which a senior faculty member picked and supervised his assistant faculty) discouraged independent and innovative research. Critics also argued that the Ministry of Education still had too much authority over the educational system; indeed, the need for the Ministry to supervise reforms actually tripled its employment. For years,

some critics have protested that the Ministry's textbook approval system, originally designed to eliminate militarism, has been used to discourage legitimate criticism of Japan's past.

Progressives also recognized that a lack of funding prevented newly minted universities from competing with the six former Imperial universities. These remained both the best-endowed and the most prestigious; Tokyo University Law graduates in particular occupied a large percentage of the top business and government positions. 19 As sociologist Ronald Dore has shown, this clear university hierarchy encouraged intense competition to study in these top universities. Given Japanese desires to reward effort and to at least seem to be "fair," the American-style aptitude tests were scrapped in favor of admitting students solely on their results on examinations that tested mindlessly factual multiple-choice questions whose answers could not be disputed. Students described the admission process as "examination hell." If they failed to get admitted to their top choice, they often spent an extra year or two studying before trying again. Education was now more universal, but dedication to factual memorization, rather than creative thinking, was once again rewarded. Reform efforts would have to continue.20

Discussion Question: How fair is Japan's educational system?

Conclusion

In October 2003, President George W. Bush told the Japanese Prime Minister that they would probably not have been able to speak as allies "if we hadn't got it right in 1945 and helped build a democratically prosperous Japan."21 His remark reflects a generally common view that the Occupation was a success. The idea that "we got it right," on the other hand, overlooks the fact that, unlike other occupations that the United States has attempted since, Japan was a relatively homogenous nation that was sick of war, hostile to left-wing violence, and hence eager for reform. Bush's comment also ignores US and Japanese progressives' criticisms of the Occupation's "reverse course," when the early attempts to democratize Japan—particularly regarding labor relations and industrial concentration—were subordinated to building up the economy, combating communism, and making Japan a key US ally in the Cold War. American policy was determined to remake Japan in the US image of "democracy." Whether this was the best way to remake Japan is yet another fascinating debate about one of the key periods in world history. ■

NOTES

- Steven J. Fuchs, "Feeding the Japanese: Food Policy, Land Reform and Japan's Economic Recovery," in *Democracy in Occupied Japan: The US Occupation and Japanese Politics and Society*, eds. Mark E. Caprio and Yoneyuki Sugita (New York, Routledge, 2007), 26ff; John Dower, *Embracing Defeat: Japan in the Wake of World War II* (New York: W. W. Norton & Company, 1999), 88ff.
- Dower, 93; See also W. MacMahon Ball, Japan: Enemy or Ally? (New York: The John Day Co., 1949), 87ff; Political Reorientation of Japan September 1945 to September 1948 (US Government, 1949), 414 (hereafter PROJ). Toshio Nishi, Unconditional Democracy: Education and Politics in Occupied Japan (Stanford: Hoover Institution Press, 1982), 69.
- 3. "Names" in Japan: An Illustrated Encyclopedia, vol. 2 (Tokyo: Kodansha, 1993), 1046 (hereafter Encyclopedia); Ronald P. Dore and Tsutomu Ouchi, "Rural Origins of Japanese Fascism," in Dilemmas of Growth in Prewar Japan, ed. James Morley (Tokyo: Kodansha, 1971). Ronald P. Dore, Land Reform in Japan (London: Oxford University Press, 1949); Kazuo Kawai, Japan's American Interlude (Chicago and London: University of Chicago Press, 1960), 135ff.
- 4. Dore, Chapter VI; Kawai, 170-182.
- 5. Dore, 129ff.
- Laurence Hughes, Japan: Land and Men (Ames, IA: Iowa State College Press, 1955),
 130, 143; Kawai, 174; James, 189. Yoshida Shigeru, The Yoshida Memoirs (Boston: Houghton Mifflin, 1962), 202.
- Andrew Gordon, The Evolution of Labor Relations in Japan: Heavy Industry 1853– 1955 (Cambridge: Harvard University Press, 1984), 331. See also Gordon's The Wages of Affluence: Labor and Management in Post War Japan (Cambridge: Harvard University Press, 1998).

- 8. Kawai, 160ff.
- D. Clayton James, The Years of MacArthur, vol. 3 (Boston: Houghton Mifflin, 1985),
 Kawai, 166; "Red Purge" in Encyclopedia, 1249; Theodore Cohen, Remaking Japan: The American Occupation as New Deal (New York: The Free Press, 1987),
 Yoshida, 223. Kawai did worry about overpopulation in rural areas.
- 10. "Zaibatsu" in *Encyclopedia*, 1768; Eleanor Hadley, *Antitrust in Japan* (Princeton: Princeton University Press, 1970).
- 11. Takemae Eiji, *Inside GHQ: The Allied Occupation of Japan and its Legacy* (New York: Continuum, 2002), 334–399.
- 12. Kawai, 155; Hadley, 11; Takemae, xli; Shigeru, 150.
- Howard Schonberger, Aftermath of War: Americans and the Remaking of Japan, 1945–1952, (Kent, OH: Kent State University Press, 1989), 134ff; George F. Kennan, Memoirs, 1925–1950 (New York: Pantheon, 1967), 388.
- 14. Eleanor M. Hadley and Patricia Hagen Kuwayama, *Memoir of a Trustbuster: A Lifelong Adventure with Japan* (Honolulu: University of Hawaiʻi Press, 2003), 6ff.
- 15. Hadley, 115. For contemporary business, see Steven K. Vogel, *Japan Remodeled: How Government and Industry Are Reforming Japanese Capitalism* (Ithaca: Cornell University Press, 2006).
- James, 295–230; See also Toshio's Unconditional Democracy. Former SCAP officials Robert King Hall and Joseph C. Trainer's works can also be consulted.
- 17. Takemae, 348ff. Nishi, op. cit.; Ray A. Moore, Soldier of God: MacArthur's Attempt to Christianize Japan (Portland, ME: Merwin Asia, 2011).
- 18. Ibid. For the Donovan quote, see Nishi, 254.
- 19. For additional information, see Ball, 183ff.
- See Ronald P. Dore, The Diploma Disease: Education, Quantification and Development (Berkeley: University of California Press, 1976), passim.
- 21. Bob Woodward, Plan of Attack (New York: Simon and Schuster, 2004), 419.

PETER K. FROST is the Frederick L. Schuman Professor of International Relations Emeritus, Williams College, where he taught for thirty-seven years. He recently retired from the University of Mississippi's Croft Institute for International Studies and is currently an Associate Editor of *Education About Asia*.

