# *Japan Today*

In a new edition of his introductory survey of contemporary Japan, Roger Buckley traces the nation's history from its surrender in August 1945 to the present day. The revised edition, which has been rewritten to take account of Japan's changing fortunes in the 1990s, describes the recent setbacks in its economic and financial sectors and examines the major shifts in the political sphere. Despite the current challenges to Japan's prosperity, this is a remarkable story of post-war resurgence, material progress and social stability.

ROGER BUCKLEY is Professor of the History of International Relations at the International Christian University, Tokyo. His previous publications include *Occupation Diplomacy: Britain, the United States and Japan, 1945–1952* (1982), *US-Japan Alliance Diplomacy, 1945–1990* (1992) and *Hong Kong: The Road to 1997* (1997).

# *Japan Today*

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Roger Buckley

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*For my father and my mother-in-law*

*What do I think the ideal image of Japan should be? Ours is a nation that prizes the best of its traditions and history, that treasures peace and liberal democracy, small government and international contributions.*

Nakasone Yasuhiro, 1997

Your country was built on principles. Japan was built on an archipelago.

Ambassador Okazaki Hisahiko to an American journalist, 1997

I have tried to avoid generalizations, particularly 'the Japanese'. 'The Japanese' are 120,000,000 people, ranging in age from 0 to 119, in geographical locations across 21 degrees of latitude and 23 of longitude, and in profession from emperor to urban guerrilla.

Alan Booth, *The Roads to Sata*

# *Contents*

# *Preface to the first edition*

Any attempt to capture the essence of post-war Japan in a short survey must appear foolhardy. The only justification for my presumption is that recent, introductory works on contemporary Japan have been surprisingly rare and understandably cautious. There are, of course, many valuable analyses of the Japanese economy (frequently laudatory), its defence and external posture (or the lack of), present cultural and social relations (changing but with propriety) and domestic politics (Byzantine), but few observers have been reckless enough to gamble all on a general history. Reputations may be at risk. Still the effort deserves to be made – if only to provoke others to construct their superior version of reality.

Should any reader feel tempted by this sketch to consult some of the works listed in the short English-language bibliography he/she will immediately recognize the extent of my debts and inadequacies. The derivative nature of *Japan Today* is a tribute to others' scholarship. Space alone prevents the naming of the many individuals whose works I have ransacked for information and ideas. The resulting pot-pourri is my responsibility, not theirs. I must, however, pay thanks here to Professor Hosoya Chihiro and my colleagues at The International University of Japan for their tolerance of

an acerbic European voice in their midst. My wife Machiko also deserves more than a mention for her assistance with translations, and understanding over forays to Tokyo. Lastly I have to thank Ms Jean Jenvey for typing up the manuscript and Ms Elizabeth Wetton for her editorial work.

*Niigata-ken*
*January 1984*

# *Preface to the third edition*

This remains an introductory survey of contemporary Japan. It traces the nation's story from Imperial Japan's belated surrender in August 1945 to the financial and administrative problems of March 1998. Since events of the 1990s have confounded my earlier optimism, much of this edition is a new text. Public figures who did not receive even passing mention a decade ago, now find themselves leading a less confident state against the backcloth of greater domestic and international scrutiny of Japan's current behaviour.

What was originally scribbled in long hand on the super-express that links the deepest snow country of rural Niigata with Tokyo, has been replaced by instant technology through the assistance of Mr Ben Hiddlestone and my sons, Luke and Henry. I am grateful for their wizardry and the kind editorial work of both Ms Marigold Acland and Dr Andrew Taylor at Cambridge. Lastly, I must thank my wife Machiko for her enormous help and understanding of all things Japanese.

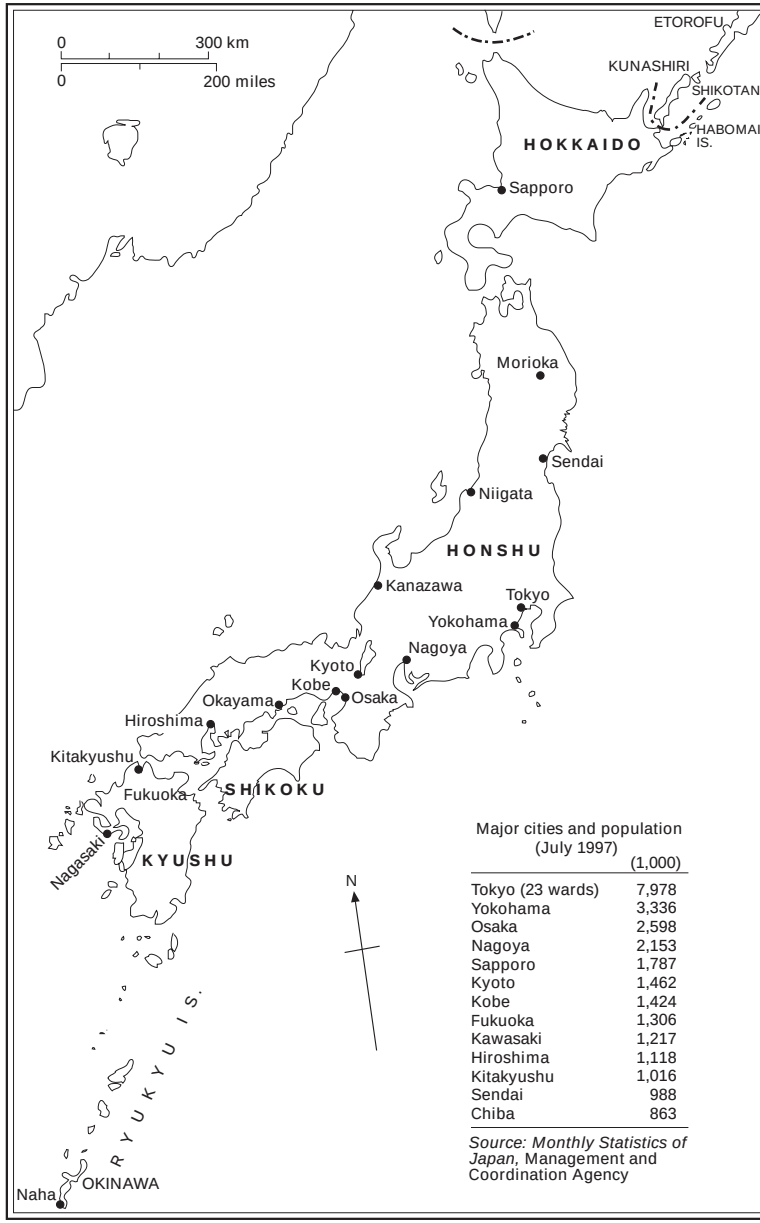
*Ogikubo,*
*March 1998*

# *Abbreviations*

| | |
|---|---|
| ACJ | Allied Council for Japan |
| ANZUS pact | Australia–New Zealand–United States Security Treaty |
| ASEAN | Association of South East Asian Nations |
| DSP | Democratic Socialist Party |
| EC | European Community |
| FEC | Far Eastern Commission |
| GATT | General Agreement on Tariffs and Trade |
| GNP | Gross National Product |
| JCP | Japan Communist Party |
| JNR | Japan National Railways |
| JSP | Japan Socialist Party |
| LDP | Liberal Democratic Party |
| MITI | Ministry of International Trade and Industry |
| MOF | Ministry of Finance |
| NATO | North Atlantic Treaty Organization |
| NHK | Japan Broadcasting Corporation |
| NLC | New Liberal Club |
| OPEC | Organization of Petroleum Exporting Countries |
| SCAP | Supreme Commander for the Allied Powers |
| SDF | Self-Defence Forces |

# *Note on Japanese names*

Japanese names in the text follow Japanese convention with the family name placed before the given name.




Major cities and population (July 1997)

| | (1,000) |
|---|---|
| Tokyo (23 wards) | 7,978 |
| Yokohama | 3,336 |
| Osaka | 2,598 |
| Nagoya | 2,153 |
| Sapporo | 1,787 |
| Kyoto | 1,462 |
| Kobe | 1,424 |
| Fukuoka | 1,306 |
| Kawasaki | 1,217 |
| Hiroshima | 1,118 |
| Kitakyushu | 1,016 |
| Sendai | 988 |
| Chiba | 863 |

*Source: Monthly Statistics of Japan,* Management and Coordination Agency

# 1

# *Reconstruction: the occupation era*

*An army in uniform is not the only sort of army. Scientific technology and fighting spirit under a business suit will be our underground army. This Japanese-American war can be taken as the khaki losing to the business suits.*

Tomizuka Kiyoshi to Okita Saburo, April 1945

*The freedom and democracy of this post-war era were not things I had fought for and won; they were granted to me by powers beyond my own.*

Kurosawa Akira *Something Like an Autobiography*

The Allied occupation of Japan was the consequence of Japan's defeat in the Pacific war. It proved to be a determined, complex attempt to alter Japanese institutions and behaviour through a combination of 'dictation and persuasion'. It took place under American leadership against a changing international situation which led ultimately to a pro-Western peace treaty for Japan. The occupation was dominated by the United States since it had spearheaded the crushing of Japan and had rightly demanded that its forces predominate in the garrisoning of the captured home islands. Japan appeared initially to be a demoralized and

bankrupt state with immense domestic problems and the added burden of accommodating itself to the wishes of its new rulers. It was an unenviable position but one which Western public opinion felt to be entirely of Japan's own making. The Japanese people seemed destined to receive some of the medicine they had meted out to their Asian neighbours. There was much talk of harsh reparations, strict economic blockade and the ignominy of the arraignment of the Emperor for his share of responsibility for Japan's recent appalling record.

The occupation, in reality, evolved differently from the wishes of Japan's harshest critics. This transpired for at least three reasons. It was clearly difficult for the United States to employ Carthaginian measures on a subjugated people once its crusade to destroy the Axis military had succeeded. Governments can have consciences. It was also against Washington's strategic self-interest to leave Japan destitute and open to possible intervention by the Soviet Union. Lastly, the generally cooperative, if unenthusiastic, response of the Japanese establishment to Allied designs tended to ameliorate Japan's predicament.

The first few months after Japan's formal surrender on 2 September 1945 proved to be crucial to Japan's future. The principal allies, having concurred in the appointment of General Douglas MacArthur as Supreme Commander for the Allied Powers (SCAP), discovered all too late that he and his government intended to embark on a programme of comprehensive reform. It was a remarkable bid to change permanently the face of Japanese life and prevent a repetition of the circumstances which led to the militarism that had so scarred the 1930s and contributed to the Pacific war. For senior American participants, the early part of the occupation was an exhilarating dawn marked by challenge,

confusion and not a little success. For most Japanese it was less an occasion to rejoice. The rigours of eking out an existence in blitzed cities and overcrowded villages left little surplus energy for celebrating the 'New Japan'. The Allies might be regarded in some quarters as liberators, but occupations, by definition, are almost invariably unpopular. It was more a question of accepting the inevitable in the expectation that this might speed up the process and lead to an early peace.

The choice of MacArthur as SCAP determined the character of much of the occupation's handiwork. MacArthur certainly received detailed orders from Washington but he contributed to the policy-making process by forwarding his own recommendations to the Army Department and the Joint Chiefs of Staff. While MacArthur was in general agreement with his nominal masters during the first three years of the period he had his own personal approach to Japanese questions. SCAP acknowledged that Japanese society might be capable of change if vigorous pressure were applied, but he was under no illusions as to the difficulties of making reform stick. He appreciated that Japan's long-term future would clearly be its own business – he wanted nothing to do with Allied supervisory bodies after a peace treaty had been signed – though he persisted in hoping that the occupation reforms might provide a firm foundation for a more democratic and liberal Japan.

MacArthur hoped, of course, that his proconsulate would not go unrecognized in the United States but Japan can consider itself fortunate in the choice of its occupation commander. MacArthur's approach to Japan was magnanimous in the main. SCAP intended to treat Japan in a manner which might lead to later more amicable US-Japan relations. He saw Tokyo as potentially of great value to his own nation.

MacArthur had few friends in the United States or among the other Allied powers for much of this generosity. It was hardly good domestic politics in late 1945 to insist on the retention of the Emperor, to obtain scarce food imports, to disown reparation recommendations and to consider an early resumption of foreign trade. MacArthur supported, however, the purge programme, particularly of Japanese army officers, and agreed with the establishment of the International Military Tribunal for the Far East to try suspected war criminals. He was also in favour of reducing the power of the Zaibatsu, the pre-war combines, and hoped that non-political trades unions might be encouraged to act as a countervailing power to these Japanese business groups. MacArthur's political sympathies were with the moderate left, despite his own Republican presidential aspirations, though the vagaries of occupation politics ultimately obliged him to deal for most of this period with Yoshida Shigeru, an elderly conservative politician who had a chequered pre-war diplomatic career.

The intellectual origins of the Allied occupation and the Japanese contribution to the outcome deserve mention at this point. SCAP GHQ was a military organization but some of its more influential officials were civilians. This created some tension between personnel who had held responsible administrative posts in New Deal agencies and the stauncher conservatives who tended to regard anti-Communism as an integral part of their mission in Japan. There were bitter debates between the reformist groups in General Whitney's Government Section and those eager to adopt a Cold War perspective in General Willoughby's G-2 (Intelligence) branch. Willoughby exchanged cigars for sherry with General Franco every Christmas. The more frequent victor in these ideological disputes was Whitney, though MacArthur

himself could and did intervene on occasion to overrule his favoured staff. Allied and Japanese access to even the fringe of these policy meetings was difficult. The best prospect for unofficial representation was to build up a store of goodwill with MacArthur himself, or, failing that, with his senior aides. Use of more public forums such as the Allied Council for Japan (ACJ), which met regularly in Tokyo, or the Far Eastern Commission (FEC), which led a frustrating existence in Washington, rarely ended happily. MacArthur never liked to deal with either international body and made no secret of his antipathy towards what he interpreted as unwarranted interference. MacArthur's inner circle largely ran the show in the early years of the occupation. The British prime minister's personal representative to SCAP saw later that 'MacArthur *was* Japan' (his italics) and spoke of having been in attendance at 'the court of MacArthur'. Yoshida, who also met the supreme commander regularly, employed various tactics to gain an airing for his views. One technique was to leave behind unsigned memoranda after interviews with MacArthur. Yoshida, who regarded much of the reformist character of the occupation with the utmost suspicion, was not afraid to confront GHQ with his doubts. Indeed, it is difficult to think of any occupation legislation which had Yoshida's active blessing. He appreciated, however, that Allied land reform had saved the countryside from Communism, even though Yoshida was more interested after 1952 in demolishing sensitive parts of MacArthur's handiwork than consolidating or extending its ethos.

Yoshida's relations with MacArthur typified much of the Japanese official response to the occupation. It was, at times, less a question of the United States imposing its will on Japan than attempting to gain its cooperation in order to carry through its designs. Given the indirect nature

of American rule (a vital and correct decision in the circumstances), there were frequent opportunities for Japanese bureaucrats and politicians at all levels of government either to inject a sense of urgency into a multitude of new programmes or quietly to stymie the process. The occupation was more often government by Japanese interpreter and official than American command; it could hardly be otherwise once the reform legislation became law. The further one went from Tokyo the more this became apparent. The pressing need to increase coal production might be recognized by all in SCAP GHQ and Yoshida's cabinet but miners in Hokkaido could hold a different view of Japan's plight. Similarly, local factors determined the extent to which well-intentioned labour reforms or taxation changes were actually put into practice. The occupation should not be seen as operating exclusively under a metropolitan dictat. Prefectural governors and village headmen often had the final say.

The United States' intentions in Japan were little short of revolutionary. It intended to reshape vast areas of Japanese life on the strength of its confidence in the blessings of American institutions, which had seemingly brought about Japan's recent total defeat and unconditional surrender. The United States' planners for post-war Japan believed that Japanese society was ripe for radical change (preferably on American lines) in its constitutional, industrial and social patterns. It was an absurdly ambitious programme, which sceptics at home and abroad thought doomed to failure. Secretary Stimson, drawing probably on his experiences as the senior American official in the Philippines, advised Truman in July 1945:

> I would hope that our occupation of the Japanese islands would not involve the government of the country as a whole

> in any such manner as we are committed in Germany. I am afraid we would make a hash of it if we tried. The Japanese are an oriental people with an oriental mind and religion. Our occupation should be limited to that necessary to (a) impress the Japanese, and the orient as a whole, with the fact of Japanese defeat, (b) demilitarize the country, and (c) punish war criminals. including those responsible for the perfidy of Pearl Harbor.

British thinking, influenced by the reputation of the Japanologist Sir George Sansom, followed in very much the same cautious vein. But planners in Washington thought otherwise and gained presidential approval for a quite remarkable set of instructions. MacArthur was ordered by the United States Initial Post-Surrender Policy for Japan to make certain that Japan remained unable to pose a security threat to the United States and its Allies and that a 'peaceful' and 'responsible government' acting true to 'the principles of democratic self-government' was deemed desirable. To achieve these objectives 'the Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedoms of religion, assembly, speech, and the press. They shall also be encouraged to form democratic and representative organisations.' Lastly, democratic political parties, with rights of assembly and public discussions were to be promoted and 'the judicial, legal, and police systems shall be reformed . . . to protect individual liberties and civil rights'.

There remained one important qualification. MacArthur was told that the new Japanese government 'should conform as closely as may be to principles of democratic self-government but it is not the responsibility of the Allied Powers to impose upon Japan any form of Government not supported by the freely expressed will of the people'. There

was, therefore, from the first days of the occupation, a built-in contradiction in the approach to be followed towards Japan. It was far from clear how this tension would be resolved if, for example, the Japanese government, in its wisdom, were to resist the forced importation of Western democratic institutions and practices. Differences were soon apparent over a wide front.

The most convenient starting place for discussion of occupation reform is the 1947 constitution. It remains the foundation of the whole Allied edifice and yet continues to engender controversy. Much of the criticism later directed at the constitution can best be appreciated by examining the manner in which the document was written. The truth may be uncomfortable, but the post-war constitution was imposed upon Japan by the United States largely against the wishes of the Japanese government and its advisers. A small number of Japanese amendments were permitted by SCAP GHQ, but the constitution was an American formulation designed in the early months of 1946 to forestall the possibility that the FEC might present its own rival version. The constitution was less the child of the Cold War than the product of American unilateralism.

The Japanese and Allied gradualists who had felt that modification of the existing Meiji constitution might suffice were decisively beaten. The new document was concocted from disparate sources to provide a two chamber legislature with cabinet government on the British model. Supporters of the new constitution could claim that the process was a logical extension of 'Taisho Democracy'. It was maintained that precisely defined and greatly enhanced powers for both the executive and legislature (including an elaborate American committee structure), and the provision of female suffrage, an independent judiciary and a bill of rights were

but the inevitable climax to democratic forces already existing within Japanese society.

This argument is not entirely persuasive. It tends to ignore the weaknesses of earlier attempts at parliamentary government and the mild repression of the war years. Left to itself the Japanese establishment would never have risked a constitution as radical as that imposed on Japan in 1946–7. Without arm-twisting and reminders of American military strength post-war Japanese politics would have taken a different road; conservative forces would have regrouped to swamp less reactionary elements even in the months following Japan's defeat. The new constitution was an alien import. It spoke of the individual's goals as 'life, liberty, and the pursuit of happiness' (article 13) and had to inform the Japanese public that the 'fundamental human rights by this Constitution guaranteed to the people of Japan are fruits of the age-old struggle of man to be free' (article 97). It was inevitably difficult to work up much enthusiasm for a document first drafted in English and drawn from a different political culture. Only gradually over the following decades did the constitution gain in popularity. It would, however, be dangerous to regard as conclusive the argument of its supporters that the constitution has proved itself since no amendments have yet been forthcoming. Such thinking ignores the immense difficulties of the amendment procedure. Constitutional amendments require a two-thirds vote of approval in each house of the Diet followed by a simple majority in a popular referendum. No cabinet would risk entering this area without being confident of victory. Attempts to alter the constitutional position of the Emperor or to revise the 'no-war' clause of article nine seem unlikely to succeed in the foreseeable future, although elements within the ruling Liberal Democratic Party remain eager for change.

Under the Meiji constitution the issue of where sovereignty lay had been unclear. In theory it resided with the Emperor, whose position has been variously described as ideologically absolutist and anti-modern. Such a view was promoted by the presentation of the 1889 constitution as a gift from the Emperor to his grateful subjects. Since the Emperor appointed the government he was the state. Later additions during the Meiji era left the political structure of Japan capable of being manipulated to extol the virtues of patriotism, filial piety and hierarchy. In reality sovereignty was located elsewhere. By the 1930s it was apparent that the military, assisted by political and bureaucratic forces, had won control of the Japanese state. It was in order to prevent any possible preemption in the future that the elaborate post-war constitution was propounded. Despite the hopes of some in SCAP GHQ it was likely that the forces of tradition would retain power after Japan's surrender in 1945. This had two effects. It made a radically different constitution essential to give encouragement to left-wing parties and trades unionists so that they would no longer be precluded from influencing their nation's future. Yet this involvement by Japan's left led also to exaggerated popular expectations of its ability to solve the country's problems, and contributed to rapid disillusionment with the non-conservative groups when given the unexpected opportunity to govern.

The failure of the Socialist-led coalition under Katayama Tetsu in 1947 was something of a foregone conclusion, since it had little prospect of containing – let alone solving – a difficult economic situation, yet it was under popular pressure to assume office and be seen to support democratic measures. It did little to enhance the electoral prospects for democratic socialism but much for the new constitution. It may have been political suicide but it was a necessary

attempt to forge a responsible left-wing government. Katayama's unsuccessful period in office proved to be the Socialists' only taste of power until the 1990s. The 1949 election returns confirmed the uphill problems which the left has had to confront since the occupation. It remained equally true until recently that, in the words of one disillusioned former Government Section official who had encouraged the Socialists, 'the prospects for a two-party system in Japan are poor simply because there is no group which can effectively oppose the formidable old guard conservatives'.

Consideration of the Emperor's position was vital to the progress of the occupation. It was also certain to generate controversy. Allied governments and the media had debated his future at length during the war and could be relied on to possess firm opinions as to his fate. At its crudest the issue was whether to arraign the Emperor for his nominal (or real) responsibility for Japan's expansionism or to employ him to further the aims of the Allies. It was decided by the United States government, with the eager support of MacArthur in Tokyo and the British Foreign Office in its representations to Washington, that the Emperor be retained. It was the only appropriate decision, unless the Allies were prepared to reckon with the consequences – possibly violent – of removing the head of the Japanese state in whose name the Imperial forces had fought and died.

By the time the new constitution was promulgated the Emperor's worth had been widely recognized by Allied diplomats, though this did not prevent influential voices from calling for his indictment at the Tokyo war-crimes trials. The Emperor was retained but he was largely stripped of his prewar influence. He was no longer to be head of state, becoming instead merely the 'symbol of state'. His duties were ceremonial and precisely enumerated. MacArthur made

the Emperor call on him and thereafter closely watched his activities. Thus, the Emperor's position in Japanese public life gradually changed. Today it is apparent that respect for his son's personage has greatly decreased among the post-war generations, although republicanism is not around the corner. The palace is required to perform a series of largely routine functions, which it undertakes with stiff dignity, before a variously respectful or indifferent populace. The Emperor and his successors seem likely to provide a sense of unity and continuity for some elements in Japanese society.

The two most important reforms after the new constitution had been drafted concerned agriculture and education. First land reform. This was instituted as much for political as economic ends. The highly ambitious aim was to create a new rural society where tenant farmers would be replaced by freeholders. MacArthur, pushing somewhat a false comparison between the United States of his youth and post-war Japan, intended that the sharecropper should be replaced by an independent yeomanry. The expectation was that the tenancy rows of the interwar years and the desperate poverty of large parts of the countryside might be avoided in the future by permitting all who so wished to purchase their own land. Absentee landlordism would be virtually outlawed and its political and economic influence destroyed for good. Strict limits were to be placed on the acreage allowed to any single farmer's household. SCAP intended to remove what he saw as the root cause of much pre-war bitterness and political extremism, since all too often a Tohoku peasant in the 1930s had discovered that life in the Imperial Army, despite its undoubted hardship, proved a less brutal calling than scratching an existence in northern Japan. The accretion of a little seniority made the discipline and regimentation of the army easier to bear. Junior officers were also

thought to have been particularly sympathetic to the plight of their men's rural communities and eager to obtain a better deal for the countryside.

To be fair then to the Japanese establishment, there were pre-war precedents for parts of SCAP's land programme. But it would have been asking too much of this group to imagine that it would have voluntarily activated a scheme as radical as that ordered by SCAP. The occupation's land reforms (partly the handiwork of Australia and a rare example of harmony in the ACJ) meant that the pre-war landlords had to accept the virtual expropriation of their fields. Compensation was far from generous, but at least Japan was spared the bloodshed which was to mark similar reforms in China after 1949. Elimination of the Chinese gentry as a class was rarely accomplished in the Japanese manner of mixed farmer and landlord committees. The demise of the pre-war landlords left the way open for new political forces and personalities to make their appearance in the countryside.

The role of agriculture has evolved rapidly since the days when the demobbed Japanese soldier returned home to his village. The importance of agriculture as a major component of the Japanese economy has greatly diminished. The severity of the occupation's reforms left farmers with extremely small plots and the lure of new industrial jobs further depleted the stock of younger people prepared to put in the backbreaking work required to grow wet paddy rice. Today agriculture is in danger of becoming little more than a part-time job for the elderly. Farming is undertaken by many merely to gain the subsidies that leave some crops so highly protected that even partial liberalization would destroy the countryside and its political allies with it.

Political and economic reforms were easier to institute than attempts to alter the social structure of occupied Japan.

Many commentators thought this very concept of promoting a mass change of heart absurdly overambitious. As with other Allied schemes, the aim was to move fast before pre-war forces might re-assert themselves and to present alternative models and constituents that could fight off the temporarily discredited old ways. But Imperial Japan could not be instantly erased from history. Those who had been brought up in the Meiji period and returning soldiers who had expected to die for the Emperor were not easily convinced that democracy, equality and freedom were necessarily superior concepts. Besides, the poverty and uncertainty facing most Japanese after the war left limited opportunities for rethinking the past. Some occupation authorities recognized that it was hardly an auspicious time to call for a great experiment. SCAP persisted.

Evidence that the going would be hard was readily apparent. Public respect for the Emperor when he began his provincial inspection tours contrasted sharply with the lack of interest in the progress of the Tokyo war-crimes trials (the International Military Tribunal for the Far East). Memories were selective. With the Japanese family the inevitable centre of most people's lives at a time when individual resources were hopelessly inadequate, it was probably asking too much to expect more than lip service paid to new roles for mothers and daughters or any substantial encouragement to younger sons to fend for themselves. Individualism and personal mobility were the last things a hardpressed family needed to hear of. Women might get and use the vote, but their husbands frequently assumed that political equality ought not to impinge on masculine privileges. The content of education and the organization of the school system might change, but most of the old teachers remained. Values and beliefs could be altered only with difficulty.

Sceptical British observers foresaw that the results of educational reforms could hardly be gauged until the first generation of schoolchildren taught under the new scheme had reached maturity. Yet, as in other fields, such British and Commonwealth thinking was more than occasionally jaundiced. A start had to be made or the momentum would be lost. The reorganization of education was not without its problems, but it was a bold venture that permanently removed the ultra-nationalistic flavour of earlier Japanese schooling. Textbooks were rewritten, curricula revised, decentralization encouraged and the entire structure of education from primary school to university rejigged. The new system was to have its share of critics in the coming years, but it is doubtful if the ideological preferences of the Allies could have gained ground without such comprehensive reform. The United States, through the advice of its specialist Education Mission to Japan and the Civil Information and Education Staff section of SCAP GHQ, saw the conflict over the content and organization of education as the key to moulding a new Japan. It was one American 'hearts and minds' campaign that did pay off.

The Allies' motive for altering the pre-war industrial-financial combines (Zaibatsu) was clear cut. The economic strength of the four largest Zaibatsu (Mitsui, Mitsubishi, Sumitomo and Yasuda) was widely recognized to be unhealthy by those in SCAP GHQ wishing to promote economic democracy. The reputation of the Zaibatsu overseas and the belief that Japan's continental aggression was the result of an unholy alliance between big business and the military ensured that change was inevitable after 1945. The Zaibatsu had their fingers in too many pies to remain unscathed. A few select families dominated a few large combines, which in turn had a hammerlock on whole sectors of the Japanese

economy. The system was controlled through the Zaibatsu banks. The big four employed financial obligations and personnel transfers to keep their subsidiaries and subcontractors in line. Half the financial business (banking, insurance and credit) and one-third of Japan's heavy industries were under Zaibatsu control in 1942. To the Manchester liberal and the Washington trustbuster this was all anathema.

Economic reform on the scale envisaged by some American officials would never have been introduced, but for the importance of the Zaibatsu to Japan's war effort and their close ties to senior bureaucrats and political circles. In 1947 seemingly tough antimonopoly and deconcentration legislation was approved by the Japanese Diet at the insistence of the United States. It appeared that there were to be structural changes to Japan's economy to deprive the old Zaibatsu families and groups of their former power. But the changes turned out to be considerably more modest than some had hoped. The family influence largely disappeared, but the shifts in American foreign policy towards east Asia following the evident collapse of Nationalist China and calls from the Congress to guard against unnecessary spending overseas left the core of Japanese finance and industry unimpaired. After 1949, Japanese reconstruction was more important than Allied retribution. The old combines regrouped and returned to something akin to their former status. Japan's post-war economic progress would have been severely hampered if SCAP's original curtailment programme had remained intact.

Valuable accounts of the contemporary Japanese economy have been written that exclude all reference to trades unions. To British readers, aware that union membership of their coal and railway industries once comprised 100 per

cent of the labour force, this is difficult to comprehend. Yet Japanese industrial relations, for all their seeming differences and relative unimportance in Japanese society, deserve more than passing mention. Once again our starting point will be the occupation.

Initial American policies towards reviving and encouraging Japanese trades unions were in keeping with its aims of creating a new series of Japanese institutions which might counterbalance the old order. Unions had existed before the war, but their leaders had continually faced opposition from the police and industrialists. All this was to change with the arrival of experienced American labour activists and advisers. A host of legislative reforms, including the establishment of Japan's first Labour Ministry and pro-union laws, were introduced in the next two years. Unionization followed rapidly in most industries, although the benefits won by the workers were in constant danger of being wiped out by the hyper-inflation of the period. The politicization of the new unions, which ultimately resulted in MacArthur banning a general strike hours before it was due to begin on 1 February 1947, was less to the liking of the United States. Changes in labour law, including restrictions on the activities of industrial civil servants who had been in the vanguard of strike calls, followed. Such acts – regressive in the view of the British and Australian governments – reduced the influence of important sections of the labour movement. Yet, despite these and later curtailments, the occupation's record deserves praise. Japan's labour unions, notwithstanding bitter feuding between rival left-wing groups and a strong tendency to organize on enterprise rather than industrial lines, had come of age by 1952.

Japan regained its independence with the ratification of the Treaty of San Francisco signed in 1952 after an occupa-

tion that had lasted from the summer of 1945 until April 1952. It was by any standards a remarkable period of cultural contrasts, changing policies and considerable accomplishment. The occupation era – yet to find its historian – is difficult to summarize. Much of the American literature tends to be written from entrenched positions, while Japanese commentators have been discouraged by the timidity of the Japanese government in releasing official documents and by the myriad conflicting memories that the occupation continues to arouse. To give a single sensational but typical example: one Japanese reconstruction of Yoshida's role during these years begins with GIs committing multiple rape, attacking senior Japanese bureaucrats and desecrating the flag. Television has a lot to answer for. With the Japanese public being reminded of the brutality and hunger of the occupation and the United States looking instead at its own generosity and idealism, it is not easy to envisage any future meeting of minds. Part of the occupation's legacy has been to leave very different national recollections of what the process was intended to do and how it was carried out. International understanding at this level remains a dream.

To return briefly to the international context of the occupation. Many critics of American policy in Japan held that the occupation ran out of steam long before 1952. General MacArthur had suggested as early as March 1947 that Japan had faithfully carried out its surrender obligations and the British government made similar representations to the State Department on numerous occasions. There would appear to be little doubt that it was American fears of Japan's economic and strategic vulnerability that delayed progress towards any Allied peace settlement. The onset of the Cold War and the strength of Communist forces in east and southeast Asia cautioned the American administration

from letting Japan have a free hand. The eventual peace treaty had a quite definite quid pro quo attached to it. Japan was obliged to consent to the US-Japan Security Treaty on the same day that it signed the San Francisco documents. The left in Japan protested vehemently that this new military alliance had been dictated by Washington to perpetuate the occupation.

Under the terms of the peace treaty, Japan, at the behest largely of the United States, was granted peace that reflected the overall tone of the occupation. It was a generous settlement. Its critics felt it was unnecessarily forgiving and let Japan off too easily. Although Japanese sentiment did not view it quite so favourably – there was public dissatisfaction over the territorial clauses with respect to four small northern islands off Hokkaido (part of the Kurile chain) and the American retention of Okinawan bases – there was relief that the business was now over. The Japanese public, feeling that the occupation had been uncomfortably prolonged to fit their nation into the United States' Pacific security schemes, wanted only to get on with the job of rebuilding its economy. Reconstruction seemingly had no place for talk of rearmament and international responsibilities.

It was, however, impossible for the Japanese government to bury its head completely in the sand. A nation with Japan's recent record, its present human resources and future potential to regain its industrial position could hardly expect plain sailing. Like it or not, Japan reemerged after 1952 as a ward of the United States. But not even Washington could prevent the other Pacific powers from voicing considerable concern over where Japan might be going. Australia and New Zealand were only mollified by the creation of the Australia-New Zealand-United States Security Treaty (ANZUS pact), which gave guarantees that aggression in the Pacific

would be resisted by the United States. Similar promises were contained in the US-Philippines defence agreement, while Manila and the rest of Asia that had known the Japanese heel were eager to gain all they could from later protracted reparation negotiations.

The San Francisco conference also had a number of empty chairs. Indonesia did not sign, though it made a separate accord later. India sat on the fence, since it wanted to lead what would shortly be termed the Third World and had no wish to antagonize its Himalayan neighbours. But a greater defect was the absence of any Chinese delegation. This was caused by the impossibility of an agreement between Britain and the United States on which of the two Chinese governments might be invited to the proceedings. It was an unsatisfactory face-saving compromise that was resolved shortly afterwards when Japan signed a treaty with Taiwan. The Soviet Union surprisingly attended but then predictably rejected the Anglo-American treaty terms.

One fear continually voiced by practically all participants and non-signatories alike was the danger of future Japanese expansionism. The United States government insisted that the rise of Nazism had demonstrated the impossibility of writing military restrictions into peace treaties. John Foster Dulles, the leader of the American team to San Francisco and the architect of the Japanese peace settlements, had attended the Versailles conference in 1919 and was frequently to recall the failures of the Allies' plans to contain post-war Germany. Ultimately, Dulles argued, the San Francisco powers could only trust Japan not to rearm in depth. It was an act of faith based on the twin assumptions that Japan had learnt its lesson and that the reconstruction of the Japanese economy and opportunities for international trade would more than compensate for its loss of empire. Events have so far proved

Dulles right. Japan's energies since the occupation have been channelled into developing an economic structure that is the envy of less successful nations. The tensions which currently exist with Japan's trading partners over its economic performance will be discussed later.

Japan in 1952 was once more an independent sovereign state. It could be reasonably certain that the United States would continue to assist financially and ensure the safety of the Japanese islands. Washington was simply unwilling to consider the possibility of letting Japan go its own way, since the strategic and industrial might of Japan (even the diminished Japan of 1952) was a vital factor in the United States' Pacific security system. To make this clear to friend and foe alike, the US-Japan Security Treaty permitted the deployment of American forces 'in and about Japan so as to deter armed attack upon Japan' and, if called upon by Tokyo, 'to put down large-scale internal riots and disturbances in Japan, caused through instigation or intervention by an outside power or powers'. American base areas appeared to many Japanese to have some of the unpleasant characteristics of the unequal treaties imposed on Japan in the mid-nineteenth century. It smacked of imperialism. Yet given Japan's own reluctance to rearm (Yoshida had prevaricated when Dulles pressed him to give a firm commitment) and the realities of east Asian international relations (the Korean war brought this home to sections of the Japanese public), there were few American alternatives. Hopes that Japan might gradually take over more of the responsibilities for its own defence were only partly realized later.