
UNIT 14 JAPAN: DEFEAT AND THE ALLIED OCCUPATION

Structure

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14.0 OBJECTIVES

This Unit deals with the economic and political developments in post World War-II Japan. After reading this Unit, you will be able to understand:

- the character of the Allied occupation of Japan after the War,
- the reasons behind Japan's rapid economic development,
- the post-war political system and the domination of the Liberal Democratic Party, and
- the basis for Japan's foreign relations along with the importance of the U.S. alliance.

14.1 INTRODUCTION

Japan surrendered to the Allied powers on 14, August 1945 and in two weeks the Supreme Commander of the Allied Forces (SCAP) General Douglas MacArthur arrived to begin the occupation of Japan which lasted till the San Francisco Peace Treaty went into effect in April 1952. However, it was in fact the United States that was the dominant occupying force. It determined the political and economic policies of Japan. Certain measures were carried out through to reform Japan and prevent it from becoming an expansionist power once again. This Unit takes into account not only the surrender of Japan but the various problems related to its occupation by the allied forces. The reactions of the Japanese have also been discussed. In order to assess the economic development of Japan we have gone beyond our period of study. This has been done with a purpose, i.e., to understand the impact of the policies during our period of study on the period of high economic growth (1952-73) and the problems faced thereafter. This, in fact is the concluding Unit of the course on the history of Japan which also comments upon the future role of Japan in international

economic scenario. In 1945, Japan was devastated by war and its economy and society was in shambles. The future looked bleak and unpromising yet by 1971 Richard Halloran was writing in the *New York Times* that the Japanese were “the best-dressed, longest lived, wealthiest nation in Asia.”

How this transformation took place and what were the forces which helped to bring this about is a question that has been debated not only in academic journals but in popular works, in magazines and in newspapers. As Japan’s expanding industrial might makes its presence felt globally, people have been intrigued by the success of an Asian country and have sought to explain this in many ways:

- Some would argue that it was Japan’s Confucian heritage and emphasis on ‘traditional’ values which preserved her social order and allowed her to pursue policies necessary for national growth.
- Others see the massive help the United States gave in the post-war reconstruction of Japan and the role of the Korean war and the Vietnamese war in providing a boost to her economy and allowing her to expand her growth.
- According to some critics economic miracle was made possible because of restrictive policies within Japan which kept social facilities at low levels.
- It is also pointed out that Japan followed an aggressive economic policy. While keeping its own market heavily protected and by subsidizing its industry it could compete in a planned manner.
- Some scholars have pointed to the role of the Ministry of International Trade and Industry (MITI) as crucial in guiding Japan to the level of an advanced developed country.

It would be false to attribute Japan’s development to any one factor, and the search for one “key” to open the secrets of Japanese success is futile as it overlooks the fact that Japanese growth was not a “miracle” in the sense, something unexpected and sudden. The roots of Japanese success, as we have seen in earlier Units, go back far into its history to at least the seventeenth century. In other words, Japan has developed both its institutions and skills over a long period. War destroyed the outward fruits of these skills: factories, buildings, and led to the loss of valuable lives but through effort and effective policies Japan could reconstruct with the help of these very skills which were available. The Japanese were not starting afresh, they were reconstructing.

The post-war period divides very naturally into the six and a half years of the Allied Occupation (1945-1952) and then from 1952-1973 when Japan rebuilt her economy and society and emerged as a prosperous and stable nation. The period ends with the oil crisis which forced Japan to carry out adjustments. From 1973 till today Japan has emerged not only as a powerful economic power but has begun to play a political role though in a very limited and hesitant manner.

The foreign policy of Japan has been based on the U.S. alliance which guarantees Japan’s security and it has allowed Japan to concentrate her energies on economic development. Today some of these assumptions are being questioned as the Japanese desire to play a more active and independent role in world affairs and

the United States too, for economic reasons, wants Japan to assume a greater share of the defence burden.

14.2 THE ALLIED OCCUPATION

Japan was occupied by the Allied forces under the provisions of the Potsdam Declaration of 26 July 1945. However, in effect, the occupation was carried out by the United States. There was a small contingent of British and other Commonwealth forces. General Douglas MacArthur was appointed the Supreme Commander of the Allied Powers (SCAP) by the U.S. President Harry Truman and MacArthur virtually ruled Japan though this was done through the Japanese government which was not disbanded. The Japanese Foreign Ministry set up a Central Liaison Office which handled and processed SCAP directives. This made it possible for the Japanese to modify and alter or even delay the implementation of SCAP policy.

The basic framework of SCAP policy was laid down in the United States Initial Post-Surrender Policy for Japan declared on 29, August 1945. The policy had two major objectives:

- One, it wanted to ensure that Japan would never again become a menace to the security of the United States or the world.
- Two, to establish a democratic and responsible government.

To carry out these objectives the United States wanted to dismantle the structure of militarism and expansionism which had led Japan to war and to suppressing its own people at home. The United States felt that the big business houses and the military exercised excessive control over the system and they, through government control spread an Emperor based ideology which created a pliant and submissive citizenry. Therefore, the people who carried out these policies would have to be purged and the system opened and made more democratic and less centralized.

To lay the basis of change the Occupation forces set about clearing the decks and they purged officials from the earlier government and abolished many offices. Ministries like that of Greater East Asian Affairs were abolished. The first SCAP directive ordered the demobilization of all Japanese troops and by October 1945 the Special Political Police and the Public Peace Maintenance Law were abolished. The International Military Tribunal of the Far East set up to try war criminals, as in Nuremberg, tried nearly six thousand and sentenced 920. Over 200,000 were purged because of their complicity with the previous government. It is interesting to note that for the top twenty-eight leaders tried, Hirohito's birthday 29 April, 1946 was chosen as the day for indictment, and 23 December the birthday of his son Akihito, for the day when the death sentences were carried out.

14.2.1 Political Implications

The first problem was the position of the Emperor. There was a debate about whether he should be made responsible for the war. While many of the Japanese leaders were tried and executed the Emperor was never brought to trial. Many organizations among the Allied powers wanted Hirohito, the Emperor, to be tried and hold him responsible for the death and maltreatment of thousands of Allied

troops. In Japan, the left wing also wanted the Emperor system, which had led Japan into fascism, to be abolished.

General MacArthur, as well as conservative opinion in Japan, supported the continuation of the Emperor as any action against him would lead to social disorder. However, the Emperor was forced to renounce his divinity. In Japan the myth of the direct descent of the Emperor from the Sun Goddess had been spread through the educational system and made the basis for Japan's uniqueness. Hirohito, in a radio broadcast, renounced his divinity on New Years' Day 1946 when he said that the bonds which bound him to his people were based on "mutual trust, love and respect and do not rest on mere legends and superstition."

The next step the Occupation authorities took was drafting the new constitution. This process involved producing many drafts. The first was produced by a Japanese government committee headed by Shidehara Kijuro, a diplomat but MacArthur thought the draft was too cautious and had his own members produce a draft which would satisfy the conditions for establishing a democratic system. The draft produced by the General headquarters Government Section (GS) in early 1946 was promulgated in November 1946.

The new constitution transferred sovereignty from the Emperor to the people. The Emperor became "a symbol of state and unity of the people". This was a far reaching change from the principles of the Meiji constitution. The Diet continued to have two houses but the earlier House of Peers' was changed into an elected House of Councillors and the main legislative power was with the lower House of Representatives. The cabinet was collectively responsible to the Diet. The judiciary became constitutionally independent.

The other major departures from the Meiji constitution were:

- i) Women were given the power to vote and legal equality with men.
- ii) The principle of local autonomy was also written into the constitution.
- iii) The most radical departure was Article 9 which renounced Japan's right to wage war.

The article states that the "Japanese people forever renounce war as a sovereign right and the threat or use of force as means of settling international disputes." It goes on to say that war potential, that is land, sea and air forces will never be maintained and the right of belligerency of the State will not be recognized. This article had far reaching consequences even though it was modified in practice as the demands of United States policy required Japan to develop her military capability.

In the new political structure the Home Ministry and police which had exercised close control over the people were broken into smaller units and their authority reduced. Labour laws guaranteed the workers right to organize and take collective actions and the communists and other progressives who had been jailed before the war because of their opposition to the government's policies were set free.

The first post-war general election was held in April 1946. Till then the cabinets had been constituted by appointments and not elections. The general elections served to confirm the peoples' acceptance of the new constitution. However, no party emerged with a clear majority and Yoshida Shigeru, who became prime minister, headed an unstable government.

The elitist education system, which was seen by the Occupation Powers as having inculcated blind obedience and submission to authority, was sought to be overhauled. It was argued that the ideas of reverence for the Emperor and of the uniqueness of the Japanese was spread through the highly controlled education system. The Occupation reduced the power of the Ministry of Education and a system based on the United States system was adopted. In this there was six years of compulsory primary education and then three years secondary and three years of high school followed by four years university. Co-education was introduced. The decentralization of education and the creation of local boards was crucial in democratizing the system.

14.2.2 Economic Implications

The Occupation powers also carried out important changes in the economy. When Japan surrendered it had lost an estimated one-fifth of its resources. Even though there were huge losses in industrial equipment and many factories had been dismantled much of the productive capacity of the heavy and chemical industry remained intact. There was a serious shortage of civilian goods as the economy had been diverted to producing for the war effort. Inflation and lack of food in the cities made life difficult though there was not the kind of starvation that existed in China or the Philippines which had suffered under Japanese rule.

The SCAP initially played a punitive role. It was believed that Japan's industrial capacity was responsible for its aggression and therefore this capacity, which had made it the leading industrialized country in Asia, be reduced. To this end the zaibatsu were dissolved and extensive land reforms carried out with the aim of introducing decentralization and democracy.

The zaibatsu were immense conglomerates which dealt in a wide range of businesses making everything from pins to planes. The major groups were Mitsui, Mitsubishi, Sumitomo and Yasuda. Each group was organized around a holding company and much of the control still rested with family members. The SCAP confiscated their holdings and dissolved the holding companies. The land reforms helped to avert a crisis in rural Japan where the population had risen because of the returning soldiers and consequent hardship was felt by the small farmers who formed 70 per cent of the rural population. Land ceilings and confiscation of land from large holders together with the setting up of agricultural cooperatives helped to stabilize the rural areas.

SCAP policy began to change when in 1946 food aid was provided to Japan. By the middle of 1948 the goal clearly became one of rebuilding a strong and self-reliant Japan. Many U.S. planners, even before the war had ended, had seen in Japan an ally against the rising power of communism in China which they feared would form a monolithic ally with the Soviet Union. In Japan also many leaders were fearful of a socialist revolution caused by the defeat in war and in part the speed with which they surrendered was motivated by this fear.

This change of direction is often called the "reverse course" and it became clear once the Korean War broke out in 1950. In August 1950 a National Police Reserve had been set up and by 1954 a Self-Defence Agency and Defence Forces was set up. In the San Francisco Treaty of September 1951 a bilateral mutual security treaty was concluded in which it was made clear that Japan would increasingly assume responsibility for its own defence. Similarly many other changes were

carried out both by the Occupation powers and after Japan became independent by the new government so the reverse course spans the occupation period and the initial years of the new government's rule. Because of the changed objectives Japan benefited from access to U.S. capital, technology and market.

14.2.3 Japanese Reactions to the Occupation

Japanese reactions to the Occupation were not highly ideological but motivated by practical necessity. The U.S. forces had expected to meet resistance when they entered Japan but they were surprised at the general welcome they received. This was because of the fact that most of the Japanese were tired of war. Moreover, SCAP controlled the mass media and could spread its views and ideas without any controversy. Finally, the reforms that the SCAP carried out benefited large sections of Japanese society introducing such rights which had till then been denied to them. For example, the new rights given to women were not the product of a movement, in fact according to surveys most women were not interested in these rights.

The U.S. Occupation has therefore been looked upon by some scholars as the beginning of democracy in Japan. To them it marks a break in the flow of Japanese history when very new ideas and practices were forcibly introduced into Japanese society. Today, many Japanese scholars have been relooking at pre-war developments to argue that the basis for Occupation reforms was already being laid, and that the search for the roots of Japanese democracy should go back to the popular movements in the Meiji period. In spite of these differing views the Occupation period marks an important interlude during which internal changes were initiated. Japan was linked closely to United States foreign policy objectives and a firm ally. Finally it must be mentioned that the Occupation saw two very strong figures emerge on the political scene in Japan. One was General Douglas MacArthur, who played a decisive role in moulding and directing Occupation policies and the other was Yoshida Shigeru who became the first Prime Minister of post-war Japan under the new constitution. He laid the basis for the post-war structure of Japan. Yoshida, sixty years old when he became prime minister, had been Ambassador to England in the 1930s and though he had supported Japan's actions in China he had opposed joining the alliance with Germany. A conservative, Yoshida saw that Japan's future lay in an alliance with the United States and in concentrating on economic development-the two pillars on which Japan's development was carried out.

Check Your Progress 1

- 1) Describe the aims of the U.S. Occupation authorities.

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- 2) Outline the economic implications of the Occupation.

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- 3) Write a note on the Japanese reactions to the Occupation.

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14.3 THE PERIOD OF HIGH GROWTH (1952-1973)

As mentioned in the introduction, to have an overall understanding of Japan's development, we will take up major political and economic developments in this section.

14.3.1 Political Developments

The period from when Japan regained its political independence witnessed the single minded pursuit of economic growth. The initial years were really a continuation of the earlier period, but by 1955 the basic outlines of the post-war system were laid out. In 1955 the two wings of the socialist party merged in October to form the Japan Socialist Party and in November the two conservative parties merged to form the Liberal Democratic Party which was to dominate the politics of post-war Japan. These two became part of a system referred to as the one and a half party system because the socialists though the largest opposition, were not significantly large enough to influence policy.

The Liberal Democratic Party dominated the electoral process and in the sixth House of Representatives general elections it was voted into power. The Socialists were in the opposition and the two groups, the right and the left which had united were often in disagreement and they split in 1959 with the right wing forming the Democratic Socialist Party.

In the years following the end of the war there was a rise in new religious sects. Many of these sects had been founded in the pre-war years but they began to enjoy widespread popularity in the difficult years of the post-war when people sought solace and comfort in their teachings. One of these sects called the Sokkagakkai or Value Creating Society traced its origins to the Buddhist priest of the thirteenth century, Nichiren. Nichiren had founded a nationalist Buddhist sect and was famous for having destroyed the invading Mongol Armada by his prayers which resulted in a typhoon. This divine wind or kamikaze was also the word used for the suicide bombers during the war. The Sokkagakkai, a Buddhist organization, became very influential and helped to found a political party in 1964. The party called the Komeito or Clean Government Party became a major force for a while though its strength was confined to the urban areas.

The Japan Communist Party had been banned by the pre-war government but was allowed to function by the U.S. Occupation and throughout this period it occupied a minority status in the Diet. However, its party newspaper The Red Flag (Akahata), a daily, sold well.

Politically it should be noticed that the early period was marked by changing alignments and controversies which often resulted in disorder in the Diet and demonstrations outside. The government sought to expand its power and extend its control. The Ministry of Education increased its supervisory rights over school teachers and textbooks. The powers of the police were expanded and the Self-Defence Forces were also steadily increasing. The major controversy was over the United States-Japan Mutual Security Treaty of 1951. The treaty was due for revision in 1960 and a massive agitation built up against the ratification.

The treaty had been signed by Yoshida in 1951 and gave the United States extensive privileges in Japan. They had bases in Japan and occupied Okinawa. The socialists and other groups opposed what they perceived as an “unequal treaty”. The split in the Socialist Party was over the question of supporting the treaty. The socialists argued that in effect the Japanese would function as frontline troops and if the United States were to fight another war, as it had done in Korea, then Japan would be involved.

The ratification of the treaty was preceded by massive demonstrations. On 19 May 1960 opposition Diet members seized the Speaker of the house and held him in the basement of the Diet building leading to fights and the ratification was carried out without opposition members being present. This outraged the public and there were further demonstrations led by militant student organizations like the Zengakuren, an umbrella organization of student unions. The biggest demonstration was on June 15 when the Diet was surrounded and in the clash a young girl student of Tokyo University was killed. The treaty became effective on 23 June and the Prime Minister Kishi Nobusuke resigned the following month in July.

The anti-Security treaty demonstrations and their failure was an important landmark in the post-war period. Many scholars see them as the high water mark of participatory democracy. The demonstrations were provoked as much by the contents of the treaty as by Kishi's handling of the situation. Many felt the high handedness of the ruling LDP was uncalled for and millions signed a petition calling for general elections. However, it must also be remembered that in 1962 the SDF acquired surface to air missiles (SAM) and subsequently the U.S. statement that a nuclear ship would visit Japan did not lead to any demonstrations. Japan was settling into the period of high growth and concentrating her energies on development.

14.3.2 Economic Growth

Japan grew at the rate of ten per cent per year from 1954 to 1971 and this came to be referred to as the “miracle”. During this period industrial facilities expanded to 36 per cent of GNP and Japan was transformed rapidly much as it had been transformed in the years after the Meiji Restoration. The question which comes uppermost in many minds is how did Japan achieve this? Was this miraculous growth a part of well conceived and executed policies or was it the result of fortunate circumstances? Many scholars have argued that Japan achieved these results by deliberate policies. Chalmers Johnson, for instance has written on the role of the powerful MID which played a crucial role in directing and guiding Japanese economic development. The central focus of many works is the close links between government-business-industry and the argument is that this close working made it possible to create a consensus or agreement on the economic

goals and the policies necessary to pursue these goals. The economic boom of post-war Japan had started before Prime Minister Ikeda announced his “income doubling” plan which came to symbolize the creation of prosperity. By 1960 Japan’s GNP had become the fifth largest in the world and by 1968 it was second only to the United States. The Japanese economy was subjected to controls and guidance by the government but competition was not discouraged/rather it was fierce and there was flexibility in the government’s approach.

In the 1950’s the steel industry received special attention with loans and funds for expansion so that by the mid-1970s Japan had overtaken the Western steel firms in productivity. Mm had initially exercised close control and set targets but as the steel firms grew it allowed them to plan for themselves though it continued to exercise “administrative guidance”. This guidance had no legal sanction but it was very difficult, if not impossible, for the companies not to follow this guidance. Similar steps were taken in industries like shipbuilding.

Japan’s initial success created problems for its trading partners who complained of closed markets and cheap exports. Japanese textiles, shoes, etc. were making inroads into the European and U.S. markets. The Japanese allowed some entry of foreign firms but restricted foreign ownership of Japanese companies to 25 per cent, In essence the policy was highly restrictive and even in the 1980s foreign ownership remained below 2 per cent.

The common view argued by many Japanese scholars was that it was not closed markets but the Japanese system which enabled Japan to grow. Central to this system was life time employment, promotion by seniority and enterprise unions. In Japanese companies workers were employed for their working life with the company looking after many of their needs, from housing to medical benefits to holidays. The employee was paid according to the number of years he worked and was accordingly promoted. This meant that there was no need to change jobs and rather than “merit” loyalty and dedication. were values that were stressed. Unions were not formed across industries but at the level of the firm or enterprise which meant that there was no outside interference and the company and union could work together to increase productivity.

However, this ideal system was largely practised in large firms while most workers were in small firms. In Japan there was a dual structure. There were a few large firms which guaranteed benefits and gave high wages and their productivity was also high but over 53 per cent of the workers worked in firms employing less than a hundred employees in 1965. The gap between these workers was reflected in wages and working conditions though these began to narrow in the 1970s. Moreover workers in small firms were rarely organized. Finally, women workers were discriminated against in terms of wages and types of jobs so that few were permanent employees within the lifetime system. The male-female wage gap narrowed in the seventies but the number of women among the lowest paid increased substantially.

The economic growth of the 1960s altered the social landscape increasing mobility and leading to higher concentration of population in the urban centres, particularly the Osaka-Tokyo belt. Industry and population were concentrated in this region leading to cramped living and industrial pollution. Citizens groups and residents associations began to protest against the degradation of the environment and demand better living conditions; The benefits of economic growth were making

the country rich but the people still did not have the same access to social benefits as their counterparts in the Western countries. Television, washing machines and refrigerators transformed the lives of people and these symbols of success rapidly spread throughout Japan.

In 1953 the Minamata disease was first noticed and its effect was that the victims lost control over their bodily movements. This was caused by industrial pollution a fact recognized in 1959 but it took till 1973 for the victims to get court compensation. Other diseases reflected the lack of understanding of the dangers of unchecked industrial development. In 1967 a law to check pollution was passed and in the 1970s the government took measures to seriously check pollution.

14.4 THE OIL SHOCK AND AFTER

The 1973 “oil shock”, when the OPEC countries threatened to cut oil supplies to unfriendly countries, threw Japan into a panic. Japan depended on the import of oil and cuts would create a shamble of its economy. But the measures that were taken up show the resilience and strengths of the economy. Oil accounted for seventy per cent of its energy requirements and Japan’s policy makers set about to reduce energy consumption. It was so successful that while the rest of the advanced economies grew at 2 per cent annually from 1973 to 1980 Japan’s economy grew at 3.2 in 1975, 5.9 per cent in 1976 and then at 6 per cent. The economy soared, as Prime Minister Fukuda Takeo said, as “high as Mount Fuji”.

Politically Tanaka Kakue who had become prime minister after Sato Eisaku in 1972 set about altering the face of Japanese political practices. There had been corruption earlier and scandals had surfaced to embarrass political leaders and destroy careers. Tanaka, unlike most Japanese Premiers and politicians had not gone to Tokyo University or been a high powered civil servant but rather he was a self made man who cut a wide swath through the body politic. He established what came to be known as ‘kinken seiji’ or money politics. Tanaka cultivated friends and constituencies and through extensive patronage built up a powerful political machine.

The ruling Liberal Democratic party was a conglomeration of factions which operated independently; as far as raising money and fighting elections went. Therefore they were in perpetual competition but custom and cooperation also influenced their behaviour. They operated within an accepted framework. Tanaka’s practice of buying support and questionable deals was revealed in a magazine article and the controversy which this generated brought down his government but Tanaka, aside from his corrupt practices had also exerted the authority of the party over the bureaucracy.

The bureaucracy had functioned with reasonable independence from the political parties and often provided the specialized expertise for politicians but Tanaka built up his own experts and formed his special committees. Tanaka was followed by Miki Takeo who had a reputation for being Mr. Clean but he failed in his declared objective of ending factionalism and reducing the role of money in politics.

In 1976 Japan was submerged by the Lockheed scandal. The Lockheed Company had apparently paid money to various Japanese, including the then Prime Minister Tanaka Kakue to sell its planes. Tanaka was arrested in 1976 and subsequently

tried in a long drawn case. But inspite of these charges Tanaka continued to exercise power from behind the scenes and because of his factional strength he was the real kingmaker in Japanese politics. Tanaka controlled 120 out of the 400 Diet men in both Houses and his “army”, as they were called, controlled the formation of cabinets and policy and dominated key cabinet posts.

In 1971 the MITI published a plan called “Basic Direction of the New International Trade Industrial Policy: A Vision for the 1970s” which argued that Japan must move from the production of industrial goods to knowledge industries and to this end the government carried out a host of measures to actualize this goal. Japan updated its production of TV tubes and VCR’s and in 1978 sought to bring its computer industry on par with the United States. The emphasis on “knowledge-intensive” industries was first on consumer electronics and expanded into robots. In the automobile industry Japan which in 1950 had made a total of 1,600 cars was by 1980 producing 11 million more than the United States.

Japan achieved this growth with the help of selective protection and subsidies. Initially there were tariffs for foreign cars and when there were objections it allowed large cars and three-wheelers which were not in demand while at the same time expanding the definition of “small car” to 2,000 c.c. The tariffs were only removed in the 1970s and upto 1980 the share of foreign cars in the market was only 1 per cent.

In 1982 Nakasone Yasuhiro became Prime Minister and in the subsequent years he set a new style of functioning. The fundamental basis for Nakasone’s politics lay in his vision of settling what he called post-war accounts. Japan had regained control over Okinawa under the Premiership of Sato and had opened relations with China during Prime Minister Tanaka’s cabinet and Nakasone wanted to make Japan a firm and active member of the Western alliance. His active diplomacy was very much a part of this vision. He re-built relations with South Korea on a firmer basis by judicious use of economic aid and business contracts. He also established a personal friendship with U.S. President Ronald Reagan.

Internally Nakasone set about implementing administrative reform and to formulate policies, he established a host of expert committees which critics argued subverted the democratic process as they ignored the Diet. Among the many steps which he initiated the official visit to Yasukuni Shrine in 1985 generated controversy both within Japan as well as outside in China and other neighbours. Yasukuni Shrine was where the Japan’s war dead were enshrined since the Sino-Japanese war of 1894-95 and this visit was seen as a revival of militarism as it violated the separation of the state and religion. However, many groups also saw this as the assertion of a very natural patriotism.

In education as well Nakasone went on to stress not only the “fostering of creativity” but the building up of a spirit of patriotism. This emphasis on patriotism was attacked by liberals who saw this as a revival of the pre-war ideals of national loyalty which had led Japan to war and expansion.

In international trade the growing imbalances with her trading partners made Japan the focus of trenchant criticism. In 1986 the Maekawa Report, as the committee was headed by a former Governor of the Bank of Japan set down measures to liberalize the economy. It also suggested that greater emphasis should be placed on building up social capital to improve the living conditions of the

people. Japan's trade surplus was becoming a problem as with the increased strength of the yen in 1987 the trade surplus reached \$96 billion and this provoked reactions from the United States.

The reaction from the U.S. was based on the argument that Japan had taken a "free ride". In other words Japan had not spent any money to protect itself and this saving had been channeled into economic growth and trade. U.S. critics argued that Japan should open its markets and remove non-tariff barriers, such as the cumbersome distribution system which made it difficult for foreign companies to sell in Japan, and also assume a fair share of its defence burden.

Nakasone also took measures to de-nationalize government monopolies such as the Japan National Railways and in telecommunications. The railways were split into six regional groups and the domestic telephone company, NTT was privatized. Nakasone, because of his strong impact, managed to secure an extra year after his two terms as LDP president in 1986 but in his last year the popularity of the party fell because of unpopular tax measures. But Nakasone himself continued to play a major role in selecting his successor Takeshita Noboru.

The Nakasone cabinet presided over a period when Japan began to play a more visible role in international affairs. Internally Nakasone opened issues and set agendas which are still part of the political agenda. However, electoral reform and the regulation of political funds was not carried out with any great success and these problems continue to plague Japanese politics.

Japan's foreign relations have been conducted within the framework of the alliance with the United States which guaranteed Japan's security. This has meant that till the 1970s Japan took few steps to rebuild its relations with its neighbours. At the end of the war the question of repatriation to countries which had suffered from Japan during the war was settled but no peace treaty was concluded with the U.S.S.R. Japan normalized relations with China only after U.S. President Richard Nixon went to China.

Japan overcome its war time legacy and normalized relations with South Korea in 1965 but the problem of Koreans who had been forcibly brought to Japan continued to pose a problem. Because of riding with the U.S.; territorial dispute over the possession of the islands to the north of Hokkaido Japan's relations with U.S.S.R. remained strained.

Japanese foreign policy is now attempting to play a greater role as it has achieved economic power and to this end it is stepping up its aid flows to the developing world. Japan also faces increasing trade and economic tensions with the United States and the European Community and criticism about its closed market and practices which unfairly exclude foreign competitors has led it to invest in the developing world to reduce the risk of being excluded from their markets.

Check Your Progress 2

- 1) What steps did Japan take to ensure rapid economic growth?

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2) How did Japan react to the 'oil shock'?

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3) How do you regard Japan's role in the World today?

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14.5 LET US SUM UP

Japan was defeated in the Second World War and occupied by the Allied Powers but in fact the United States was the major occupying force. The U.S. through SCAP carried out measures to reform Japan and prevent it from becoming an expansionist power. To this end it took steps to democratize Japanese politics and society and rewrote the constitution.

However, with the outbreak of the Korean war and because of U.S. policy objectives the U.S. worked to make Japan a strong ally in Asia and so it began to reverse the course of reforms and worked with the conservatives to ensure a strong and stable society and a staunch ally.

Japan after signing the San Francisco Peace Treaty set about rebuilding its economy and played almost no role in world affairs. The single-minded concentration on economic growth was possible because the U.S. provided for Japan's security. Since no money was to be spent for defence and military it was natural that economic development would take place at a faster pace compared to those nations which spend heavily on defence. The policies which were followed worked to create a protected but competitive market and the government worked together with industry to identify and foster industries which were necessary and important if Japan was to emerge as a major economic power. In some cases there were failures but the system was flexible and adaptive so that whereas Japan had been a net importer of technology in the beginning by the 1980s it was exporting advanced technologies.

Japanese politics was marked by the dominance of a single party the LDP and its strength and longevity were a product of the solid rural support and close links with business and bureaucracy. Together with these groups it led Japan to high growth and no one wanted to endanger this system. The socialist and radical groups, while active, have been politically marginalized.

Japan is at the moment engaged in a debate and trying to determine its future priorities. It is trying to evolve a role to play in world affairs. This will also have repercussions on the type of society it creates. Will Japanese society become more open and lay greater stress on creating a better social climate or will a more leisurly life style endanger higher productivity and economic strength are questions which are being debated. Same is the situation in relation to Japan's international role. Can Japan continue to function with the U.S. alliance as the

bedrock of its foreign policy or does it need to strike a more independent role in world affairs? What will this role be? Can Japan with its vast economic resources play a role in the development programme of Third World countries or is it merely interested in creating integrated markets to ensure its strength in the international arena? The future of Japan is inextricably linked with the rest of the world, and Japan has come a long way from those years during the Tokugawa period when it lay in virtual isolation from the world.

14.6 KEY WORDS

Armada: Fleet of warships.

Conglomerates : Hetrogeneous mixture.

Punitive : Extremely severe.

Typhoon: Violent Hurricane in East Asian Seas.

14.7 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) The U.S. Occupation authorities wanted to:
 - a) check Japanese inroads in the U.S.
 - b) establish a democratic and responsible government in Japan,
 - c) dismantle the structure of militarism. Refer Sec. 14.2
- 2) Your answer should include:
 - a) the various attempts made by SCAP to reduce industrial capacity of Japan;
 - b) the dissolving of zaibatsu;
 - c) the extensive land reforms etc. Refer Sub-sec. 14.2.2.
- 3) Refer Sub-sec. 14.2.3

Check Your Progress 2

- 1) Refer Sec.. 14.3 and Sub-sections 14.3.1, 14.3.2.
- 2) Base your answer on Sec. 14.4 incorporating Japan's policy to reduce energy consumption.
- 3) Refer to the end of the Sec. 14.4

SUGGESTED READINGS FOR THIS COURSE

E .H. Norman. *Japan's Emergence as a Modern State.*

Endymion Wilkinson, *Japan versus Europe: A History of Misunderstanding.*

Ivan Morris (ed.), *Japan 1931-1945: Militarism, Fascism, Japanism?*

Mauris B. Jansen, *Japan and China: From War to Peace (1894-1972)*

W.W. Lockwood. *Economic History of Japan.*