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INSIDE
JAPAN



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INTRODUCTION

“WE WANT NEITHER TO LEAD A MISERABLE LIFE ANY LONGER, NOR TO BE DRAGGED INTO ANOTHER WAR.”

These words were spoken at a Japanese people's peace congress in Tokyo last December. Our generals and diplomats would prefer to believe that such a protest comes only from Communist “agitators,” trying to spoil American plans for building Japan into a bulwark against Communism in Asia. Whether they themselves believe it or not, the generals and diplomats would have it believed by as many Americans as possible. For if it is not true—if, instead, the protest is rooted deep and spread wide among the working people of Japan—then we have the spectacle of our government trying to forge an ally with a bludgeon. When our government selects the most reactionary elements within another nation and tries to sustain them in power, it is a fatal and familiar pattern.

“We want neither to lead a miserable life any longer, nor to be dragged into another war.” This statement rejects two dreadful alternatives with which American policy has confronted Japan. Lest there be any doubt about those alternatives, U.S. Senator William Knowland made them clear when he visited Japan last August. He declared publicly that American dollar aid to Japan would be withdrawn if Japan refused to expand her “defenses.”¹

Thinking Americans need to inform themselves of the extent of Japanese protest against both alternatives. We also need to realize that, in the opinion of increasing numbers of Japanese, any third alternative must include casting off American interference. Efforts to dislodge that interference, in Japan as elsewhere in the world, will continue to be characterized by our diplomats and journalists as a “hate-America” campaign based on malicious falsehood or, at best, “misunderstanding of our motives.” But this may prove to be a shallow interpretation; as citizens, we need to look beneath to the physical, economic, political, and military realities.

I. "We Will Not Be Dragged Into Another War"

The painfully blistered fishermen and the contaminated tuna that came home to Japan in March, after the American hydrogen explosion in the Pacific, was written off here as an unfortunate accident. Our scientists miscalculated. If we feel deeply the horror of our newest weapons, and of war itself, we must expect and understand the answering explosion of protest from the Japanese, that twice-burned people. It is not just because we insist on carrying on our demolition practice in somebody else's back yard. Japanese involvement in American war preparations has a much more direct effect on the lives and livelihood of the Japanese than any contaminated dust blown in from Eniwetok.

The most obvious factor is the presence of American military forces and their elaborate, far-flung installations in Japan. After Japan's defeat in World War II their presence was supposed to symbolize American surveillance against a resurgence of Japanese armed imperialism. But the presence of American troops in Japan today means something else again. Ostensibly defending the country, it continually threatens to involve Japan in somebody else's war; under the less palatable guise of defending American interests in the Far East, it binds Japan to the side of Syngman Rhee, Chiang Kai-shek and Bao Dai. This very physical presence of foreign troops makes itself felt in a hundred ways. Here are some illuminating episodes from the annals of the past year:

Because of heavy troop losses in the mountains of Korea, the United States Army looked for a mountainous area in Japan to use as a maneuvering ground. They chose the Myogi Mountain area in Gunma Prefecture. The inhabitants of the area protested immediately; in June 1953 a "compromise" meeting was held, the results of which were so unsatisfactory that the Japanese workers and peasants walked out en masse. Six months later the battle was still on. U.S. Army maneuvers had been twice postponed because the people of the prefecture would not permit the troops to enter.²

Asamayama District, a volcanic region 140 kilometers northwest of Tokyo, was also chosen as a U.S. maneuvering ground. In this

case distinguished Japanese scientists joined in the protests. That particular area has been in use by the Seismological Research Institute of Tokyo for some twenty years for the study of earthquakes, a form of natural disaster in which Japan has an intense interest.³

Last summer U.S. military forces leased a stretch of sand dunes near Uchinada, a fishing port on the Sea of Japan, as a testing ground for munitions made by Japanese manufacturers. It meant that off-shore fishing would be prohibited near Uchinada, a village of 7,000 people, and that the thunder of artillery would become a daily phenomenon. Tourist traffic would also be affected. Uchinada became a national issue. The assembly of the prefecture voted unanimously against the permanent use of the area as a firing range. A thousand residents of Uchinada staged a sit-down strike; they clustered just outside the fenced-in area, while another thousand demonstrated in the streets. That day the U.S. forces had to use only short-range ammunition. Two weeks later hundreds of villagers clashed with 300 armed Japanese police in another demonstration against the firing range.⁴

Early in 1952 it was estimated⁵ that U.S. military requisitioning of land had passed the 70,000-acre mark; another estimate a year later⁶ gave the number of U.S. bases as 735, and the amount of land covered by these bases and used by U.S. military forces as over 250,000 acres. When a population half as big as that of the United States is squeezed into an area the size of California, as it is in the case of Japan, the land in itself has some importance. But what cannot be measured in acres is the disruption of economic life, as in the case of the fishing around Uchinada, and equally important the disruption of cultural life.

Time and again the protests voiced by the Japanese people include references to the disruptive influence of "GI culture" in wide areas surrounding American military installations in Japan. It would be a mistake to blame this entirely on criminal acts of individual soldiers. Guided by the traditional attitudes of our federal, state, and local governments, a large segment of our soldiery goes abroad imbued with the idea that non-white people are inferior, and they behave that way. Adding insult to injury, the troops bring with them what is usually considered the scum of American culture—taxi-dance halls, strip-tease, pin-ball machines, etc.⁷

The old, sore question with all Asians of extraterritorial rights was revived during the U.S. Occupation, when American personnel were held not liable to Japanese laws and Japanese courts. Even today, with the Occupation officially over, their liability remains incomplete.

When *Asahi*, one of Japan's largest and most conservative daily newspapers, took a poll on the question, "Should United States troops continue in Japan?" 26 per cent of the Japanese people polled refused to express an opinion; 27 per cent said yes; and the largest group, 47 per cent, said no.⁸

Peasants and villagers have not been alone in their protests against the presence of foreign troops. Japan's trade unions take an active part, for in many instances their livelihoods are affected as directly as those of the Uchinada fishermen. The General Council of Trade Unions, commonly known as SOHYO, has a membership of 3,000,000 and is the largest labor federation in Japan. Its 1953 convention took a strong stand against U.S. military bases. Army labor policies were likewise protested. Workers employed by the Japanese government to work for the American forces carried out an unprecedented 48-hour strike last August.⁹ Involved were some 95,000 members of the National Federation of Security Forces Workers and 26,000 of the All-Japan Security Forces Workers. They demanded more job security, better grievance machinery, and improved working conditions. They protested "the impotency of the reactionary Japanese government and . . . the arbitrary behavior of the U.S. Armed Forces authorities."

Anti-Rearmament Sentiment Strong

The sheer physical resistance of the Japanese people to the presence and activities of American troops in their country may well be one reason why our government is trying desperately to expand Japanese military forces. *If the Japanese people were eager to build their own military strength* in place of American troops, this "anti-Americanism" might be taken at face value. But when we analyze the news of the period since Japan regained her sovereignty, we discover instead a powerful vein of feeling *against any kind of rearmament*. "Anti-Americanism" arises, not from a hatred of the American people and all things American, but because it is the United States govern-

ment, working with the largest industrial interests and the leaders of the most reactionary political parties, which is pushing for Japanese rearmament.

It is vitally important for us to trace the sources of the drive for peace and the drive for war in Japan today.

In June 1953 Tokutaro Kimura, chief of Japan's National Safety Agency and a member of Premier Shigeru Yoshida's cabinet, sent up a trial balloon. He disclosed the rearmament proposals of a group of Japanese government officials and businessmen: by 1958, 200,000 men in the National Safety Corps, a body called "army-like" by the *New York Times*; 150,000 tons of "coastal patrol" vessels—including five aircraft carriers; an air force of 1,500 military planes, half of them jets. So violent was the Japanese reaction to this trial balloon that even some members of Yoshida's own party called for Kimura's ouster from the government.¹⁰

This is only one of a number of recent episodes pointing up the sharp conflict between peace forces and war forces in Japan. Political party strength is only part of the story. The two chief pro-rearmament parties, ironically named the Liberal and Progressive parties, have been in the saddle of government almost uninterruptedly since the end of the war. Facing this parliamentary stronghold are large numbers of "independents," the relatively large right-wing and left-wing Socialist parties, and the smaller Communist Party. Taken statistically, the fluctuating success of the opposition parties in terms of Diet seats does not fully reflect the power of Japanese anti-rearmament feeling; this is made obvious by the desperate chivvying required of American politicians in order to make Yoshida go more quickly down the road to total rearmament.

Japan's "Gift Constitution" of 1947, so-called because it was born in American Occupation headquarters and presented to the Japanese people, included a famous renunciation-of-war clause which has not yet been officially repealed. The Japanese Peace Treaty dictated in 1951 by John Foster Dulles not only to Japan herself but to the other nations which had fought against Japan, did not make adherence to the 1947 Constitution compulsory. When asked why it did not, Dulles explained in noble phrases that such adherence could not be compelled from the outside; to compel it would be to nullify Japan's sovereignty.¹¹ Yet while Premier Yoshida was attempting

to calm his critics by assuring them that no military build-up for Japan was planned, Mr. Dulles, as the new U.S. Secretary of State, announced to the Senate Appropriations Committee that Japanese "defense" forces would be increased to 10 divisions (350,000 men).

The fresh outcry from the Japanese people and even from many Japanese political leaders forced Dulles to hedge. This was only an ultimate goal, he said. "However, all decisions with respect to their National Safety Force, and especially with respect to any increase in it, will, of course, be made by the Japanese government and people through their governmental process." Then he added with curious cynicism, "Once their decisions have been made, whatever they may be, we are prepared to help equip these forces."¹²

This was in July 1953, only three months after the general Japanese elections in April. Of these elections, William J. Jordan of the *New York Times*¹³ observed that the results were "regarded as a repudiation of any immediate large-scale rearmament by Japan. . . . The parties that suffered the largest loss of strength were the Progressives and the followers of Mr. Hatoyama [a splinter group from Yoshida's Liberal Party], who openly supported a revived Japanese army."

The *Asahi* opinion poll mentioned above, taken in June 1953, inquired whether it was wise to comply with the American requests for an expanded National Safety Corps, thereby making Japan eligible for more weapons aid as Dulles was promising. 33 per cent expressed no opinion, 27 per cent said yes, and the largest group, 40 per cent, said no. A similar response was evoked by the question whether Japan should get Mutual Security aid from the United States.

In the face of this surge of anti-rearmament feeling, it is small wonder that the Yoshida government hesitated for many more months, until March of this year, before taking one of the steps demanded by the United States. The Japanese Foreign Minister hastily assured an angry Diet, after Dulles' remarks on the National Safety Corps, that Japan could not constitutionally accept military aid from the United States. But the pressure from American officials and from Japanese big business was unremitting.

U.S. Exerts Pressure

A large American news magazine¹⁴ complained that Japanese officers no longer have the moral incentive to die for the Emperor;

“people who deeply respected the old Imperial Army scorn members of the Safety Force as American mercenaries.” It added: “The difficulties in expanding the army and imbuing it with good morale partly stem from the fact that the Japanese learned the lessons of the last war too well and took the precepts of the occupation too seriously.” American newspaper editorials took the whole Japanese nation to task for failing to comply with American interests. Senator Knowland went to Japan and made his threat.

When Dulles himself went to Japan last August he indulged in some rather cynical horse-trading. He announced that the United States had decided to give back to Japan a group of ten little islands, the Amami Islands, off Kyushu, with a population of 213,000. This gift was “generally regarded as an attempt to relieve the opposition in Japan to the American occupation.”¹⁵ But the Amami Islands agreement as actually signed last December provided that the United States can keep up its military installations in the islands and can even increase them.¹⁶ The *New York Times* remarked in passing¹⁷ that the inhabitants of the Amamis have been going on periodic hunger strikes against the American forces for years! This was quite a gift.

There was internal as well as external pressure for rearmament. Speaking of “the elaborate program already completed by the industrialists of the leading [Japanese] economic organizations for rebuilding Japan’s once powerful arms industry and strengthening her armed forces,” the *New York Times* stated:¹⁹ “Japanese arms and ammunition makers regard the conclusion of a military assistance agreement with the United States as a necessary requirement for the revival of their industry.” Within two weeks after the Korean war began, the Japanese government had offered non-military aid to the U.N. forces; happily for Japan’s industrialists and her seriously sagging economy, this offer brought in U.S. procurement orders to the amount of \$100 million in the first three months alone. The Korean truce had now reduced this important source of income and threatened to reduce it further. Only the rearming of Japan, and the employment of Japan by the United States as an armaments workshop, could save the munitions makers.

These combined pressures have had some effect. At the close of 1953 a “Constitutional Research Committee” was set up by Yosh-

ida's Liberal Party, to work for the repeal of the renunciation-of-war clause.¹⁹ Lindesay Parrott reported:²⁰ "The conservative government, while slowly rearming Japan, has proved extremely reluctant to risk a referendum on a constitutional amendment to permit maintenance of an armed force because of widespread Japanese fears that a new military caste would thus be created." The repeal of the clause, if it comes, will be only a formality. In March 1954 the Japanese government signed a mutual-aid pact with the United States, while Yoshida's cabinet approved two draft bills for a "self-defense" force to enable Japan to carry out the terms of the pact.²¹ The green light has been given for the building of Japanese warships and other types of armament. The Toyo Aircraft Company had reportedly been engaged for months, with the aid of an American firm, in making bombers for the French puppet army of Bao Dai in Indo-China.²² Since the Indo-China truce at Geneva this remaining prop to the Japanese economy has also been removed.

Repressive Tactics

To continue on this course in the teeth of Japanese popular opposition requires systematic repression of criticism and protest. If Japanese reactionaries had not had behind them a long tradition in the art of repressing protest, they could still have learned a lesson from the repressive tactics exercised by the U.S. Occupation after the first few months of "democratic reform." After pointing with pride to the organized labor movement and the women's and peasants' organizations that sprang up in Japan after 1945, General MacArthur quickly realized that these workers and peasants were taking too seriously their new power and responsibility as citizens of Japan. General strikes were banned in 1947, at the behest of the Occupation, and government workers lost their new-won power of collective bargaining. Yoshida's group has continued and enhanced these repressive policies.

Under government prodding and by selective firing, leftists were driven out of union and peasant organizations. Leftist leaders were arrested under obsolete laws. Communist offices were raided and their publications banned. In one case²³ the distributor of a leftist publication was arrested and tried under a law providing punishment for criticizing the U.S. Occupation; when Japan regained its

sovereignty in 1952 the law had been dropped from the criminal code, but the Japanese courts were still using it. When workers at U.S. Army Unit 229 in Yokohama mentioned increased production in asking for a wage increase, they were charged with disclosing military secrets.²⁴

The "Matsukawa Incident," famous not only in Japan but in labor movements throughout the world, began when 23 union leaders were charged, on questionable evidence, with derailing a train. During four years of imprisonment the defendants were tried numerous times in the lower and higher courts. Great protest demonstrations were held in their behalf. When the appeal decision was handed down at the close of last year, U.S. military police were reported to have swarmed around the courthouse. Four of the unionists were sentenced to death, four to life imprisonment, and all but three of the others to lesser terms in prison.²⁵

Premier Yoshida's Minister of Education has stated that one of his major tasks is to destroy the Japanese Teachers Union, with 500,000 members. In January of this year, this union called its third Educational Research Conference; Shigeru Nambara, former president of Tokyo University, condemned Yoshida's attempt to revive militarist education as an annex to Japan's rearmament. "Peace, not militarism, is the only way to guarantee Japan's security," he declared. Resolutions were adopted to fight for peace and to oppose "thought control" bills.²⁶

On February 12, 1954, Yoshida's cabinet discussed two measures: one which would make it illegal for public school teachers to engage in any kind of political activity, and one to prohibit any organization largely composed of teachers from instigating educators to take political action. Protest meetings against these measures were promptly held throughout the country. Even Japan's major newspapers unanimously attacked the bills. Conservative *Asahi* said that the bills revealed the government's intention of "making the nation's education serviceable to the state and centralizing it under unified control"; *Mainichi*, another large conservative newspaper, said that the "twisted interpretation of the laws could place the nation's education system under police control."²⁷

Sharpening attacks like these on freedom of the press, speech, and assembly show that reaction is sitting only shakily in Japan's

parliamentary saddle. Strong-arm tactics are required against the drive for peace, and not the least of these is the agreement with the United States that American armed forces remaining in Japan may be used to put down large scale riots and disturbances in Japan.

Yet such repressive measures have not had the desired success. Even the Communist Party, according to *Newsweek*,²⁸ has made a "resounding" comeback since its low point of 60,000 members in 1951. Its "New Program," brought forward at the end of 1951, describes Japan's present position as that of a colonial country under the domination of the United States, and calls for a national coalition of most Japanese economic and political groupings except those politicians and businessmen who profit from collaboration with American businessmen and diplomats. The goals of the proposed coalition included the shaking off of American influence, the building of a peacetime economy where civilian industry can flourish, the settlement of agrarian problems and the reclamation of land now considered not arable. Aims such as these were bound to receive increasing support.

Sohyo, the largest trade union federation, was originally created by the U.S. occupation in 1950 with the intention of making it a right-wing organization. The latest effort to unseat the militant leadership of Japan's largest, 3,000,000-strong labor federation failed when, in July 1954, the delegates to the National Convention of the General Council of Japanese Trade Unions re-elected Minoru Takano to the post of General Secretary. Mr. Takano has been a relentless fighter for the economic demands of the Japanese workers as well as an outspoken advocate of the re-establishment of normal relations—diplomatic and commercial—with the Chinese mainland and the Soviet Union. He has opposed rearmament and the presence of U.S. bases in Japan. Today Sohyo is carrying on a vocal and active struggle for peace and economic reform; it has been forced to the struggle by the needs and energies of its own rank and file.

The programs of organizations like Sohyo in Japan today show a lively awareness of the fact that large political and economic issues are always closely intertwined. The political battles of these Japanese workers are bound up with, and in fact stem from, their economic needs. In our American labor movement today an attempt has been made, with some success, to separate the demand for peace from the

demand for porkchops. The connection between the two is even more clear and pressing in Japan than it is here today. For the Japanese people the fight against rearmament and against American domination goes hand in hand with the fight for a decent livelihood.

II. "We Will Not Lead a Miserable Life Any Longer"

The magnitude, vigor, and organization of Japanese workers' demonstrations has increased in spite of heavy-handed government threats and repression. In the spring of 1952 Japan was about to regain her sovereignty with a peace treaty promising continued American domination, and the Yoshida government was preparing legislation which would make trade unions liable for dissolution if they opposed government policies. On April 18 of that year over 800,000 Japanese union members took part in a general work stoppage protesting not only the anti-labor legislation but also the continuing presence of American troops, and asking for decent wage levels.²⁹ Support for this demonstration came from thousands of students and other strata of the Japanese population.

In July 1953 some three million workers carried on a series of "lightning" protest strikes against a new law banning strikes in public services.³⁰ Last December nearly a million members of the nine member unions of the National Council of Public Enterprise Workers left their jobs in demonstrations for year-end bonuses to eke out their pay.³¹ Sohyo delegates met with government officials and warned them not to interfere with the demonstrations. Such was the unity of feeling in the Sohyo federation that any attempt at interference would bring on a general strike.

These are only samplings from a tremendous struggle. What are the basic facts behind this struggle? According to *U.S. News and World Report*, an American business magazine, Japanese production had risen by 1952 to 40 per cent above its prewar level, while the standard of living was estimated at 15 per cent *below* prewar. Urban people, in fact, were 25-30 per cent poorer than before the war.³² It should be recalled that during this period the Korean war was still creating an artificial boom in Japan.

That industrial boom, created by U.S. procurement buying, was

very remunerative to Japanese industrialists; it never filtered down to the bulk of the working people. Before the Korean war the Japanese living standard had recovered to 75 per cent of the 1930-34 level (a low enough level to start with); after the Korean war began, prices rose some 50 per cent and "the government has shown neither the ability to cope with inflation nor the inclination to strengthen the social security system."³³

Official estimates of non-agricultural unemployment for that year of 1952, before the boom ended with the Korean truce, ran between 400,000 and 500,000. The *Financial Times* of London, in its issue of July 5, 1954, reported that an official survey of unemployment in Japan between March and May, 1954 was *conservatively* estimated at 4 million or about 11 per cent of the total labor force of 36.2 million. The *Times* commented that "Unemployment now is believed to be much higher. Industrial layoffs and the number of unemployment beneficiaries have shown a marked increase from month to month."

A 1952 estimate by farm experts³⁴ stated that the Japanese farming industry could absorb a total of about 13 million farm workers; yet even during the Korean war, when presumably some farm labor was siphoned off into other industries, Japan had 18 million farm workers—an economic surplus of 5 million. To this situation, as far as farming people are concerned, must be added the inherent dangers of the American Occupation's land reform program, under which government compensation of landowners for land redistributed gave them the opportunity to buy back their land under "dummy" ownerships.

The "austerity drive" now being waged by the Japanese government is openly aimed at reducing *non-military* spending only; it stems clearly from the rearmament drive abetted by the U.S. Part of this program, submitted to the Japanese cabinet by the Administrative Supervision Board at the end of 1953, is a 3-year plan to dismiss over 110,000 government workers, of whom 25,000 work for government-owned railways.³⁵ Economy was only part of the motive; the government also planned to dismiss a number of railroad union leaders, charging that they led the recent year-end campaign for wage increases. Instantly responding to this threat, both the union involved and the newly organized Council of Public Workers

Unions planned slowdowns and other measures to combat it.³⁶

In a further "austerity" move aimed at those who could least afford it, Premier Yoshida in his draft budget for 1954 called for a cut in unemployment benefit appropriations. This roused a further storm of protest from Japanese workers. The *New York Times* reported,³⁷ "For the fourth consecutive day several thousand men from two casual laborers unions picketed the Finance Ministry waving Red banners and demanding no reduction in funds for unemployment relief."

While social security expenditures were thus to be reduced, military funds in the 1954 draft budget were increased to 163 billion yen, including 61 billion yen as "occupation funds."³⁸

Japan's Economy Tottering

This emphasis on military spending, and the peculiar exigencies of American foreign policy have cast the Japanese economy in a mold in which no economy can survive for long. The damage, though severest in the workers' livelihood, extends considerably beyond, into the ranks of small and middle-sized business. The words "We will not starve quietly" come—curiously enough—not from a worker but from an Osaga industrialist, quoted in *U.S. News and World Report*.³⁹ The two major factors against which both workers and smaller businesses have to fight in Japan today are these: the re-birth and continued growth of monopoly, stamping out smaller competitors in their hundreds; and the American-imposed restrictions on trade with China, which could provide many of the raw materials needed by Japan's consumer industries.

Back in 1948 a conservative American economist, after a long and careful study of Japan's postwar economic problems, concluded that "Basic solutions for Japan can come only with the complete integration of its economy with those of all other Far Eastern countries . . . the longer this economic rapprochement in Asia is delayed, the more costly and the less successful will be United States efforts in Japan alone."⁴⁰

A number of Asian countries have been hesitant about trading with Japan since the end of World War II. Japanese trade with the Philippines, for example, has been patchy because of still unsettled Philippine claims for war damages. Former victims of Japan's

military and economic aggression fear the rebirth of that aggressive drive; with reason, in view of the rapid rebuilding of Japan's top-heavy monopolistic structure. As former colonial countries struggle toward a more industrial future, however, there is a great need in Asia for Japan's peacetime capital goods and consumer goods, while Japanese business needs many materials which it can secure economically only in other parts of Asia.

Japan's great neighbor, China, is her nearest and largest potential source and market. But by American orders Japan's trade with China has been heavily restricted. Without the China trade, Japan's foreign trade deficit is kept moderate only by her largely artificial and temporary receipts from U.S. procurement orders, tourism, and spending by foreign soldiers in Japan. Of the total of \$800 million in these "invisible exports" in 1952, U.S. special procurement accounted for \$400 million.⁴¹ Despite this temporary compensation due to the Korean war, the foreign trade deficit over-all had reached \$115 million in 1953, and a deficit of \$200 million was predicted by the Bank of Japan for 1954.⁴²

Forced by American policy, Japan now buys many items in the dollar market which she could obtain more economically in Asia (\$9 a ton for Chinese coal, for example, as against \$32 a ton for American coal⁴³). On the other hand, the Yoshida government has recently been forced to cut the prices of Japanese export commodities, so that, according to figures published in Japan's leading financial daily, *Sangyo Keizai Shimbun*,⁴⁴ an item like Japanese-manufactured cotton yarn costs 193 yen per pound *outside* Japan and 232 yen per pound *inside* Japan.

Japanese United For China Trade

To impose these trade policies on Japan, as our government has done, amounts to throttling one's ally to spite one's enemy. The "throttled" Japanese businessmen can hardly be expected to see eye to eye with American strategists on this subject. On July 29, 1953, the lower house of the Japanese Diet unanimously approved a resolution which said in part: "Japanese industry is now groaning amidst a deep economic crisis. . . . With the signing of the Korean armistice agreement, the Japanese government should act in accordance with the wish of the majority of the people and smash the obstacles and pro-

mote trade with China."⁴⁵ In October a group of Japanese Diet members and businessmen toured the Chinese People's Republic, their expenses reportedly paid by their government. Their party affiliations ranged all the way from the right-wing Liberal and Progressive parties to the Farmer-Labor and Communist parties. The industries they represented included auto, steel, marine products, shipbuilding, and textile.⁴⁶

Upon his return from China one of these Diet members, a Japanese businessman, was interviewed in some detail by Robert P. Martin, Far Eastern Editor of *U.S. News and World Report*.⁴⁷ Diet member Ikeda reported in this interview that tentative contracts had been signed during his visit for 400,000 tons of Chinese coking coal, 300,000 tons of salt, and other items. He said that the Chinese had made "great strides," and added: "I think it would help prevent another war if the United States, instead of remaining hostile, would have friendly relations with Red China. I hope the Americans will understand that the Japanese people believe this."

Owners of small and middle-sized businesses in Japan have discovered an area of common interest with the Japanese working people—not only on the question of trade with China, but also on the pressing issues of building a strong peacetime economy unburdened by monopoly. In May 1953 the League of Japanese Medium and Small Business Organizations, the All Japan Middle and Small Industries Society, and three other similar organizations made a joint statement protesting the economic policies of the Liberal and Progressive parties in the administration. These policies, said the businessmen, were aimed at relaxing the anti-monopoly laws which now exist on paper and crushing small and medium business through inequitable taxation.⁴⁸

These businessmen, along with their far more numerous allies, the working people of Japan, are daily made aware of the tremendous distortion in the distribution of economic benefits and economic power in Japan today. According to recent United Nations figures, Japanese industrial output is growing faster than that of any other non-Communist country in the world. During the third quarter of 1953 it was 23 per cent higher than in the same quarter of the preceding year. Yet living standards lag far behind and bankruptcies continue at an alarming rate.

Then what is happening to Japan's national wealth? Is it "leaking out at the seams," into the pockets of the admittedly numerous and successful black marketeers, and into the financial scandals that have rocked the highest levels of Japanese government more than once since the war? Even large-scale corruption of this kind can scarcely account for the present state of Japan's economy.

Zaibatsu-Wall Street, New Postwar Partnership

The conservative newspaper *Asahi* published last year the following figures from the Japanese Revenue Office:⁴⁹ in 1951, 36 top corporations in Japan earned a total of about \$5.5 million; in 1952, the same amount was earned by 15 top corporations. Largest earnings were rung up by the Bank of Japan, Hitachi Factory, Oji Paper Mill, Mitsui Metal, Mitsubishi Electric, Mitsui Mine, Mitsubishi Mine, Yawata Steel, Jujo Paper Mill, and Joban Mine. The reader will recognize at least some of these firms as belonging to, or as controlled by, the industrial royal families of Japan—the Zaibatsu.

At the end of 1953 it was estimated that the old Zaibatsu families now control 45% of Japan's coal, 65% of her shipbuilding, 50% of the ammonium sulphate industry, and 50% of the electrolytic copper industry.⁵⁰ The ten companies making the biggest profits in the first nine months of 1953 were all Zaibatsu-controlled.

The famous Pauley report on Japanese reparations, made by an American expert commission early in the occupation, declared that the Zaibatsu "are the greatest war potential of Japan. It was they who made possible all Japan's conquests and aggressions. . . . Not only were the Zaibatsu as responsible for Japan's militarism as the militarists themselves, but they profited immensely from it. *Even now, in defeat, they have actually strengthened their monopoly position* [italics mine]. . . . As long as the Zaibatsu survive, Japan will be their Japan."⁵¹

On paper, the U.S. Occupation "broke up" the Zaibatsu holdings early in the postwar period. A total of 325 Japanese firms were originally slated for "structural reorganization"—i.e., breaking up of monopolies. But in 1948 the Draper-Johnston mission visited Japan, ostensibly to determine how much in the way of war damage reparations Japan could afford to part with. Major-General Draper, as it happened, had been largely responsible for the decision to halt the

decartelization of German industry and restore its potential. Percy Johnston was Chairman of the Chemical Bank & Trust Co. As a direct result of their mission, Occupation officials announced (in May, 1948) that 194 of the 325 Japanese firms would be excused from "reorganization." Later in the year still more firms were excused.⁵²

The same ominous pattern shows itself in the "purge" from public activity of the men held responsible for Japanese aggression. Of 195,273 Japanese war lords, militarists and government officials "purged" by the U.S. Occupation in the first flush of democratic reform, over 177,000 had already—by 1951—been depurged by order of former Occupation authorities and the Yoshida government.⁵³ Release was promised to the remaining 18,000. It would be unrealistic to expect that a few years of "retirement" could change the motivations of these power-hungry men. Their careers have embodied all the poisonous traditions of Japanese feudalism and militarism. "In addition to returning to public life such prominent persons as ex-Finance Minister Ishibashi, former Police Chief Tanakawa, the former President of the Liberal Party, Ichiro Hatoyama and important members of the old Zaibatsu, the Yoshida government has 'depurged' former officers and directors of the Imperial Rule Assistance Association and its affiliated Youth Association. . . . More than 1,326 persons purged because of their connections with the 'thought police' have already been cleared."⁵⁴

American officials and the reactionary Japanese government have worked hand in glove to release this poison once more into the national bloodstream of Japan. With the "purgees" back on the scene, it might be said that there is only one new character in the Japanese drama: the American big businessman, who has moved in on the Japanese big businessman to control him and to share with him in the profits from Japan's lop-sided boom.

During the American occupation of Japan over \$3.5 billion—representing 75 per cent of all capital invested—was invested by American big business in Japanese industry. The names of these investors loom large among America's own "Zaibatsu." In 1950 Du Pont, Ford, and Westinghouse International invested \$600 million in Japanese industry. Standard Vacuum Oil Co. now controls 51 per cent of the stock of the East Asiatic Fuel Co. of Japan. Reynolds Metals (aluminum) has captured half the stock in the

Japan Light Metals Co. International Standard Electric controls the Japanese Electric Co., and Sumitomo Electric, while Westinghouse is firmly entrenched in the Mitsubishi Electric Co. General Electric dominates the giant Shibaura Electric Co. American Lead Manufacturing has acquired control of the Nippon Chemical Works. Dillon, Read controls the Japanese textile industry.

Remembering this tremendous investment and the specific investors, the alignment of opposing political and economic forces in Japan today becomes vividly clear. Arrayed against the vital interests of the Japanese workers and small businessmen stand the Japanese and American industrial overlords. From this industrial oligarchy, reactionary Japanese politicians like Yoshida draw their inspiration and their power. Thanks to the intervention of American businessmen, Japanese heavy industry was never forced to pay back to victimized Asian nations more than a tiny fraction of the war damages incurred on behalf of the Zaibatsu. Thanks to the intervention of the same American interests, General MacArthur and his Occupation forces promptly proceeded to undo in practice all the economic reforms proposed by the democratic nations which had just defeated the forces of fascism.

Out of the community of interests between the Zaibatsu and Wall Street have come the drive for rearmament and the drive for strengthened monopoly. Into that community has been sucked the harvest of Japanese production, leaving the Japanese working people high and dry. But the hard new factor for big businessmen and diplomats of both countries—the significant factor that must be taken into account by American citizens—is the community of interest between the smaller businessmen of Japan and the active, revitalized masses of Japanese workers.

“We want neither to lead a miserable life any longer, nor to be dragged into another war.”

These words are being repeated in Japan today in a thousand forms; carried on posters; echoed in unanimous resolutions by large union organizations, women's groups, peasant groups, and small business associations; they are sounding even in the popular books and movies of Japan. Repressive legislation and the activities of the

Japanese police testify to the fact that the Zaibatsu-Wall Street alliance is having nightmares.

In sum, the most reactionary elements of Japanese and American power have laid out a path for Japan's future:

Ever-increasing military spending, to be compensated by cuts in government payrolls, in social security and unemployment funds;

Continued emphasis on war manufactures, and increased control by American and Japanese monopoly, regardless of the damage done to the rest of the economy;

Maintenance in power and influence of those corrupt, tradition-rooted politicians and militarists whose type was rampant in pre-war Japan;

Continuing depression of the Japanese standard of living; and Intensifying suppression of all popular protest against this course.

The path is laid out, but the Japanese government is having to walk very slowly indeed. Yoshida and his friends have long since realized what American citizens must quickly learn—that the Japanese “common man” is fighting tooth and nail, in increasing numbers, against a path that can have only war and starvation at the end of it.

It must become evident to widening circles of American citizens that the money we are spending in Japan for armament and “mutual security” is a liability rather than an investment. Our money is not contributing to the basic welfare of the whole Japanese people but to the profit of a few. This method of winning allies has failed in the past. The pattern bears an unmistakable resemblance to other U.S. efforts in the Far East which have resulted in the blunders, catastrophes and defeats of U.S. foreign policy in Asia and has made our country an object of suspicion and hostility in that part of the world. Our own best interest surely lies in a Japan that is economically healthy and capable of a peaceful existence among its Asian neighbors and in the world. This means rejecting the kind of American foreign policy which is now supporting Japan's munitions makers and “reformed” imperialists. It means giving Japan the real independence she needs in order to work out her tremendous problems.

Footnotes

1. Newsweek, September 7, 1953.
2. New China News Agency, July 1, 1953, and January 1, 1954.
3. NCNA, May 21, 1953.
4. New York Times, May 24, 1953 and June 15, 1953; New York Herald Tribune, June 29, 1953.
5. Bulletin, World Federation of Trade Unions, Feb. 1952.
6. Akahata, June 24, 1953.
7. Newsweek, August 17, 1953.
8. Asahi, June 16 and 17, 1953.
9. New York Times, August 12, 1953.
10. New York Times, June 16, 1953.
11. E. O. Reischauer, *Japan and America Today*, Stanford University Press, pp. 35-39.
12. New York Times, July 14, 1953.
13. New York Times, April 26, 1953.
14. Newsweek, August 17, 1953.
15. New York Times, August 9, 1953.
16. NCNA, December 30, 1953.
17. New York Times, August 9, 1953.
18. New York Times, June 16, 1953.
19. NCNA, December 30, 1953.
20. New York Times, January 18, 1954.
21. Newsweek, March 15, 1954.
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23. Bulletin, WFTU, June 1952.
24. *ibid.*
25. NCNA, December 22 and 24, 1953.
26. NCNA, February 3, 1954.
27. New York Times, February 12, 1954.
28. Newsweek, March 15, 1954.
29. Bulletin, World Federation of Trade Unions, June 1952.
30. New York Times, July 12, 1953.

31. Allied Labor News, December 15, 1953.
32. U.S. News & World Report, September 12, 1952.
33. The Nation, September 1, 1952.
34. U.S. News & World Report, September 12, 1952.
35. NCNA, December 30, 1953.
36. People's World, January 22, 1954.
37. New York Times, January 9, 1954.
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41. New York Times, April 19, 1953.
42. Asahi, November 11, 1953.
43. Newsweek, August 17, 1953.
44. Quoted by NCNA, January 1, 1954.
45. N.Y. Times, July 30, 1953.
46. Hokubei Mainichi, October 29, 1953.
47. U.S. News & World Report, December 18, 1953.
48. NCNA, May 15, 1953.
49. Asahi, May 31, 1953.
50. NCNA, January 5, 1954.
51. Quoted by Cohen, op. cit., p. 427.
52. Cohen, op. cit., pp. 426, 435.
53. Mainichi, November 1, 1951.
54. The Nation, September, 1951.

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