

THE OHIO JOURNAL OF SCIENCE

VOL. XLIX

NOVEMBER, 1949

No. 6

JAPAN AS SEEN BY A FOREIGNER

HENRY LUDMER,
University of Toledo,
Toledo, Ohio

Recently Senator McCarran, Democrat of Nevada, stated among other things "If communism takes China completely, communism will take all Asia. If Japan is denied access to the markets and food supplies of China, this nation will be forced to give up its position in Japan, not for military reasons, but because we can neither feed 85,000,000 Japanese nor provide a market for Japanese industrial production. In that event the Japanese people will accept communism rather than starve. And the next Communist advance will be into the Philippines. If we continue to sit idly by while these events take place, we shall have forfeited our world leadership for peace and democracy. All our gigantic efforts to rehabilitate Western Europe as a bulwark against communism will have been largely to no avail."¹

This warning illustrates the importance of the area I am about to survey. Although I served in the Pacific Military Intelligence Research Section, U. S. Army, in 1945 and wrote "Japan's Financial authorities," published in the Bulletin of the National Tax Association, volume XXXI, in March, 1946, and "Japan's Tax Structure," published by the International Fiscal Association, Amsterdam, in July, 1947, it does not make me an expert on the subject. Therefore I am using such a cautious title. But I shall try to add a few facts to clarify the main problems we are confronted with in Japan: 1. The geographic problem is how to make use of the strategic advantages of Japan without increasing her military potential; 2. The political problem is how to stop communism without encouraging the growth of authoritarianism in any form; 3. The economic problem is how to attain economic and financial stability in the long run; 4. The main social problem is the annual population increase of two million Japanese without any increase in resources (land, capital, etc.) to take care of them resulting in a tremendous crime wave, etc.; 5. The main military problem is how to provide Japan with self-defense against both internal and external foes without nursing a viper, endangering S. China and the Philippines.

All these major problems, of course, are interrelated and there are many minor problems.

1. THE GEOGRAPHIC SITUATION

Japan is that long crescent-shaped group of four large islands (Kyūshū, Shikokū, Honshū, Hokkaido) and numerous small islands which lie off the Eastern coast of Asia between 30 and 46 degrees north latitude, 130 and 146 degrees east latitude. Somewhat south of the north temperate zone, it is an excellent location for the development of human energies, intensive agriculture and hydroelectric

¹*New York Times*, April 17, 1949, p. 34.

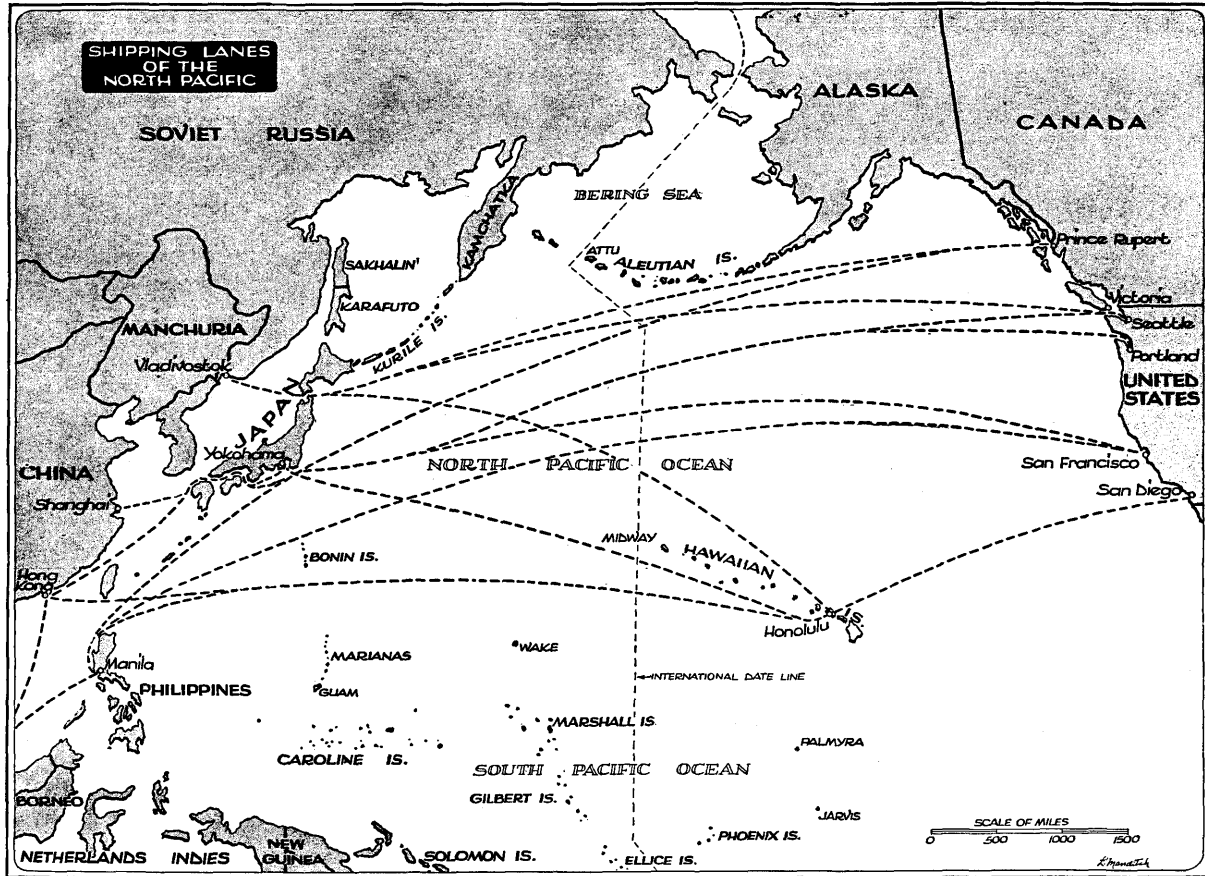


FIG. 1. North Pacific shipping lanes.

power. After World War II Japan lost Korea, Karafuto, Manchuria, etc. Now the total land area is 145,000 square miles—about $3\frac{1}{2}$ times that of Ohio. But Japan's population of 85 million inhabitants is more than 12 times that of Ohio. This overpopulation is a major source of troubles. In addition, about 85% of the total area is mountainous (see figure 2). Many peaks, including the famous Fuji, are volcanic and several are active. Volcanoes contributed to the formation of deposits of sulphur and abrasives, but also caused losses of life and property. Volcanoes, earthquakes, typhoons, and frequent thunderstorms have exercised a profound effect on the Japanese character. The people—nervously energetic, often cruel, subjected to hysterical acts of violence, and possessed of a deeply rooted admiration for the man who has the courage to take life, his own or another's—have the profound sense of insecurity that comes from the fact that the earth shakes under their feet and the mountains rain ashes and hot rocks. This has helped to make them a very cohesive folk, leaning strongly upon one another, more effective in group action than singly—hence more sensitive to group opinion and receptive to authority. To the Japanese the personification of authority is the Emperor (see figure 4), on whom they bestowed divine attributes in the hope or belief that he could give them, his loyal and valuable subjects, some security against unpredictable forces of nature that are themselves the ancient gods of the Japanese and the ancestors of the royal house.

Probably Japan's greatest single natural resource is the position of the islands between the principal Asiatic ports and those of North America, and the further peculiarity of the conformation of those islands that places the best harbors on their Pacific coast and gives that coast the most favorable soil and climate. Hence this area already had a great concentration of population and a considerable development of both commerce and industry long before the opening of the north Pacific trade route brought the world's ships just offshore.

Japan dominates the sea lanes to northern Asia. The whole of the Sea of Japan is truly a Japanese lake. The Sea of Okhotsk, immediately north of the Sea of Japan and extending above the 68th parallel, likewise became a Japanese lake.

The radical curtailment of Japan's naval and air power did not nullify their effectiveness as controls on world trade as long as she has a large industrial population capable of supplying goods and services to the world market. Japan will tend to dominate the commerce of the east coast of Asia.

Tokyo, Yokohama, Nagoya, Osaka, and Kobe, Japan's five principal port cities, are on the far side of the main island and therefore much more accessible to the world's shipping than would be any of the ports on the continent, and it is easily seen that Japan is in a position to cut off or dominate most of our east coast trade even though shorn of her naval and air power.

Strategically the Japanese islands can be considered as one land traversed by two convenient channels for ship traffic, a narrow, very mountainous land bent almost at right angles at 35 degrees north latitude near Tokyo Bay. Japan is a land of good harbors. Her 17,000 miles of coast line are a continuing succession of coves, bays, and estuaries. Thus the greater share of her domestic commerce can be cheaply transported by water. There are a number of excellent deep-water harbors on the Pacific side, particularly on the lower east-to-west extension of Honshu. Yokohama and Tokyo on Tokyo Bay, Nagoya on Atsuta Bay, and Kobe and Osaka on Osaka Bay become natural ports of call for all ships plying the north Pacific shipping lanes (Fig. 1).

Then, too, Shikokū Island, the fourth in size, fits snugly in between Kyūshū and the southward-jutting Wakayama peninsula of Honshū. Between Shikokū and the westerly extension of Honshū is the narrow island-studded Inland Sea that begins at Osaka Bay and extends westward 300 miles to Shimonoseki Straits. There are only three entrances to this all-important waterway and they all are exceedingly narrow, treacherous, and easily defended.

Japan's shipping and fishing industries developed in its protected waters in primitive times. It was a safe avenue for the interisland commerce that must have played an important part in unifying the nation before the beginning of written history. After the establishment of transpacific commerce in the second half of the last century it became even more important because it gave Japan a landlocked passage from Kobe, her greatest shipping port, and Osaka, her greatest industrial city, to the Yellow Sea and the Sea of Japan and the closest route to all the ports of north China, Manchuria, and southern Korea.



FIG. 2. All suitable land is being utilized by the Japanese.

The amount and comparative certainty of the rainfall during the growing season, together with the natural water storage in the heavy snow on the still well-timbered mountains, makes possible an enormous production of rice in tiny flooded fields (Fig. 2). Japan's food production has been almost sufficient for her own needs, and until recently, it furnished a surplus for export, despite the fact that only about 12 per cent of her total land area can be cultivated (Fig. 3).

Her situation gives Japan her exceedingly important fishing industry. The seas all around her are exceptionally prolific in marine organisms. Offshore

fishing was developed early to supply her population with proteins that could not be raised on her restricted agricultural acreage. When Japan became industrialized she already had a large number of experienced fishermen who readily adapted themselves to the use of motorized equipment and began harvesting the entire Pacific from the Arctic to the Antarctic as efficiently as a farmer harvests a field of wheat. They not only kept Japan's rapidly growing industrial population supplied with the seafood that is such an essential part of its diet but furnished a large exportable surplus that has been an important factor in the country's expanding foreign commerce.

It is important to emphasize that Japan's commercial potential has two obvious factors: 1. production and 2. the utilization of the Asia-North America trade routes. The removal of restrictions that hamper trade over these routes will mean that their use will be vastly increased. The Japanese ports will never



FIG. 3. Intensive agriculture is the main occupation in Japan.

remain mere way stations on these routes as long as Japan has 85 million highly productive inhabitants. That production must be reoriented to fit into a new pattern of world trade based on amity and a free flow of goods rather than one of uneconomic self-sufficiency, the accumulation of military supplies, and the capacity to produce armaments is obvious.

2. THE POLITICAL SITUATION

The primitive basis of Japanese government is the family council. An early unity of all local groups was achieved by the "King of kings," Mikado Jimmu Tenno (550 B. C.) whose picture is very common (Fig. 4). The royal family is in power so long that by the beginning of written history it was already reputed to have had a divine origin. Political unity was the only advantage of the Japanese in their long war to dispossess the larger, stronger Ainus. The political history of Japan may be divided in six periods:

1. 555-1005—Japan under the rule of court nobles, naturalizing Chinese culture.

2. 1085-1550—The feudal period of Samurais and provincial nobles.
3. 1554-1624—The Christian interlude.
4. 1603-1868—The Tokugawa era of bureaucratic autocracy.
5. 1868-1945—The Meiji period and modernization of Japan. Copying of alien civilization. Persistent, purposeful and ruthless expansion.
6. 1945— Occupation period.

Throughout this history democracy never existed in Japan and it is difficult to transplant it there now. General MacArthur and his staff are doing their best. On March 31, 1949, was the 95th anniversary of our "Open Door" policy established by Commodore Perry in 1854. It went by unnoticed. The Japanese greatly admired Commodore Perry secretly (although he ruthlessly frustrated their designs) but sometimes openly disparaged the sentimental collaborationists and appeasers who conducted American affairs in Japan during subsequent periods. On April 14, 1949, Premier Shigeru Yoshida refused to commit himself before Parliament on whether Japan would remain neutral in the event of a third world war. He did so after a heated interchange with Communist deputy Sanzo Nozaka pressing for "permanent neutrality."² The present constitution outlaws wars, but seems to be highly unrealistic in view of the ancient military tradition and present conditions there. A firm and just administration of Japan by SCAP is absolutely necessary.

Prof. Carl S. Shoup of Columbia University will arrive in Tokyo in late May or June, 1949, for a four-month study³ to revise the Japanese internal revenue system.

3. THE SOCIAL SITUATION

The patriarchic social order of Japan was not changed by SCAP too much. But a great amount of social legislation was passed in the last few years (Labor Standards Act, Seamen's Law, Workmen's Compensation Insurance Law, Unemployment Compensation Laws, Employment Security Law, etc.).

Shortly after the occupation of Japan by the U. S. Army, the Supreme Commander for the Allied Powers (SCAP) announced that occupation policy would encourage the growth of trade unions as one means of developing a peaceful and democratic Japan. Confirmed by the Far Eastern Commission in December, 1946, this policy was later included in the Japanese constitution, and embodied in a number of laws. The National Public Service Law gave all wage and salaried workers employed by the Government the right to organize and engage in collective bargaining, and a number of contracts were concluded between government workers and the administrators of government departments and industries run by the government. The law did not deny Government employees the right to strike, but SCAP had full authority to forbid strikes which might endanger the objectives of the occupation.

Nearly 40 per cent of organized Japanese labor is employed by the Government; at the end of July, 1948, 2,500,000 out of Japan's 6,700,000 organized workers were members of Government unions. In contrast with conditions in the United States, about three-fourths of these Government employees were engaged in industrial or other activities not usually considered as part of central Government administration; nearly 850,000 were railroad workers, nearly 350,000 worked in communications, more than 500,000 were in the educational system. In addition, Government workers were employed in coal mines, in the merchant marine, and in the tobacco, camphor and salt monopolies.

The spring and summer of 1948 were marked by a series of strikes over wage disputes in the railroad and communications systems (radio, telephone and tele-

²*Toledo Blade*, April 15, 1949.

³*New York Times*, April 17, 1949.

graph) which aroused fears as to possible future interference with public services essential to the Government and the occupation. At that time the union of communications workers was Communist-dominated; there was Communist influence in the railroad union but anti-Communists had gained control.

In July, after receiving a letter from SCAP, in regard to the trade-union activities of public service employees, the Japanese Cabinet issued Order No. 201. This Order outlawed acts of dispute by public service workers; revoked the right to collective bargaining; abrogated existing collective bargaining agreements; and



FIG. 4. Mikado Jimmu Tenno, God-Emperor, center of all Japanese philosophy and life.

threatened with jail and fines anyone violating the terms of the ordinance. The labor unions claimed that these restrictive measures violated the trade-union principles laid down by the Far Eastern Commission; SCAP stated that these principles did not apply to Government workers.

Under laws consequently enacted in December, 1948, all public service workers were to be subject to the revised National Public Service Law until April 1, 1949, except that provincial public workers, i.e., employees of prefectural and municipal governments were to remain under the jurisdiction of Cabinet Order No. 201 until other legislation is passed. However, on April 1, 1949, a new Public Corporations

Labor Relations Law started to govern the labor relations of employees of the public monopolies—tobacco, salt, crude camphor, and camphor oil—and of the railroads. Communication workers are among the Government employees who remain under the amended National Public Service Law. The revisions of the National Public Service Law caused considerable unrest among Japanese labor groups as well as considerable criticism in the United States. Differences of opinion as to the new policy regarding government employees resulted in the resignation of James Killen, the U. S. Labor Advisor to SCAP. Both the AFL and the CIO conventions passed resolutions censuring the actions taken in Japan.⁴

Union membership in Japan increased slowly during 1947 and 1948 compared with the very rapid growth in earlier phases of the occupation. According to the September "Summation" issued by SCAP, labor unions numbered 23,270 with a membership of 5,724,851. The Japanese Labor Ministry reported 25,896 unions with a membership of 5,926,986, and added the following figures for some major industrial groupings:

	<i>Unions</i>	<i>Members</i>
Mining and manufacturing.....	12,792	2,702,144
Governmental and "free occupations".....	5,187	1,013,479
Transportation.....	3,635	1,203,196

There are 4,273 collective agreements covering 8,585 unions with a membership of 5,053,297.

Communism has made gains in Japan in the last year and a half in coal mining and electrical workers' unions.⁵

Japan is highly overpopulated which causes social unrest. The comparison between Japan and France on Chart 2 illustrates the gravity of the situation. The overpopulation is also responsible for the present crime wave. The Legal Affairs Committee on the Diet's House of Representatives reported on April 5, 1949, "Last year juvenile crimes amounted to roughly 250,000 out of a total of 520,000 recorded criminal offenses. On the basis of the 1948 informal census, one boy or girl out of every 100 is a convicted delinquent. . . . These youths should be given honest work to do and instead of building more homes and asylums we should build factories and workshops where these boys and girls can work."⁶

Such endeavor should be encouraged by SCAP. The Japanese need work, land, and markets for the ever increasing population, if we are to prevent social unrest. The best way to stop Communism is to make Democracy work.

4. THE ECONOMIC SITUATION

The Japanese economy consists of 50.3% agriculture and fishing, 19.7% mining and manufacturing, 20.2% commerce, 7% public services and occupations, and 2.8% domestic work.⁷

Agriculture still is Japan's most important industry both in capital invested and in net output. There is an enormous burden of taxation on farmers. They are greatly in debt. Most of the subsidies granted favored industries are paid by agriculture. There is a decline in soil fertility and increasing use of expensive chemical fertilizers. The silkworm raising and charcoal burning are deteriorating.

Half of Japan's 16,000,000 arable acres are used for rice plantation. Second in importance is barley. Other agricultural commodities raised by Japan are wheat, rye, tobacco, tea, soybeans, fruits, pyrethrum, peppermint, camphor, and garden vegetables.

The most important animal industries are sericulture, coast and deep-sea fishing, and livestock production.

⁴*Labor Abroad*, February, 1949, No. 10, p. 64.

⁵*New York Times*, April 10, 1949.

⁶*New York Times*, April 17, 1949, p. 32.

⁷Japan's Wirtschaft im Spiegel der Statistik, Dr. Georg Zimmermann, Berlin, 1941, p. 216.

Japan mines coal, copper, gold, iron pyrites, petroleum, silver, zinc, sulphur, lead, aluminum, manganese, and magnesium. It is important to us because Russia cut off her supply of manganese to us in retaliation to the North Atlantic Pact.

Japanese commerce would need a merchant marine of 1 million tons to handle the normal peacetime inter-island and coastal traffic, and 2½ million tons to transport goods to and from the adjacent coast of Asia. This traffic is absolutely vital to her industry. Japan would also need an internal air transportation system to supplement the 15,000 miles of railroad tracks, canals, and motor transportation. Because of World War II, Japan's foreign trade is way below the pre-war average of 3.6% of the world's foreign commerce. Japan has to have foreign markets in order to feed her growing population.

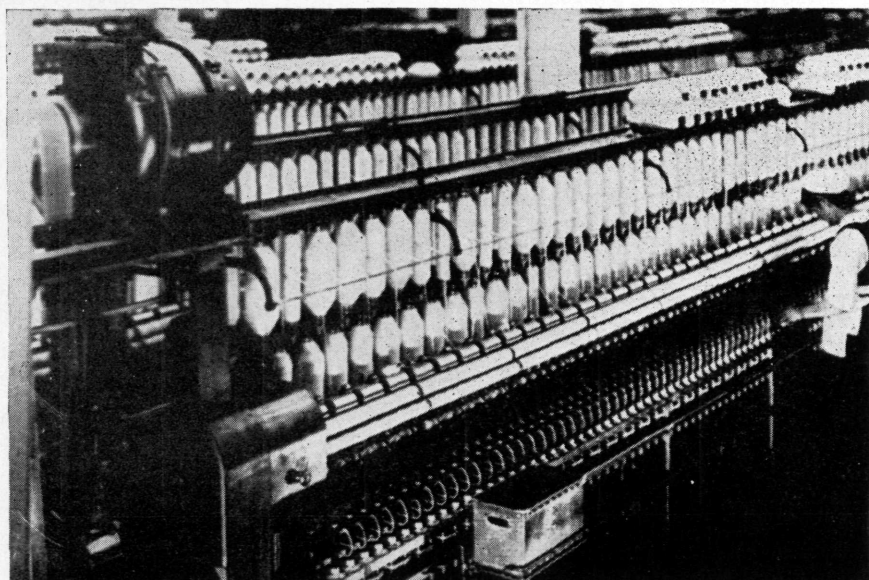


FIG. 5. The most modern textile machines in Japan.

With regard to Japanese manufacturing, the textile industry occupies first place (Fig. 5). Output of textiles is valued at one-third of Japan's total output. The heavy industries, largely the result of Japan's urge for industrial self-sufficiency in the production of arms, is largely uneconomic. It had to be heavily subsidized. Japan produces industrial machinery, engines and motors, prime movers, marine engines, Diesel engines, electric motors and generators, machine tools, railroad equipment, airplanes, automobiles and bicycles.⁸

The chemical industry is of increasing importance, especially the production of synthetic petroleum, dyestuffs, cosmetics, drugs, glass, glassware, and rubber goods. Chart No. 3 shows the organization of the methanol production in Japan.

The production of foodstuffs, clay products and wood products is steadily increasing. Japan is self-sufficient in cement production. The production of newspapers, periodicals and books is relatively more important in Japan than in the U. S. The motion picture industry emphasizes traditional tales. Table I indicates the trends in production from 1930 to 1948.

⁸Japan: Its Resources and Industries, Clayton D. Carus and C. L. McNichols, Harper & Bros., 1944, pp. 231-232.

Industries which increase the military potential of Japan should be curtailed. Reconstruction of such industries, destroyed or damaged in World War II, may again backfire. The key to the maintenance of Japan is production. The primary responsibility for bringing about the required sharp increase in production must of necessity rest with the people of Japan. No action by the United States of itself could bring this about.

TABLE I
KEY PRODUCTION TRENDS IN JAPAN, 1930-1948
(Monthly averages)

Item	1930-34 Average	Peak	1945	1947	1948 First Quarter	1948 as % of 1930-34	1948 as % of Peak Year
Coal (1,000 metric tons).....	2,597	4,777 ('40)	4,111	2,270	2,825	108	59
Pig Iron (1,000 metric tons).....	104	353 ('41)	42	30	39	37	11
Crude steel (1,000 metric tons).....	227	652 ('43)	89	78	97	43	14
Raw silk (bales of 132 lbs.).....	59,840	62,838 ('34)	7,768	9,292	8,572	14	13
Cotton yarn (1,000 lbs.).....	96,497	132,207 ('37)	4,933	22,434	21,803	21	16
Rayon yarn & staple (1,000 lbs.).....	6,888	44,986 ('39)	2,293	2,967	3,891	56	8
Ammonium sulphate (metric tons).....	34,733	103,500 ('41)	20,250	60,082	58,103	167	56
Electric power* (millions of kwh.)..	1,308	2,857 ('44)	2,715	2,468	2,299	175	80
Cement (1,000 metric tons).....	308	500 ('40)	98	103	107	34	21
Crude oil (kiloliters).	21,645	32,049 ('37)	19,947	16,821	15,193	70	47

*Data for 1930-44 represent output of all utilities, while later data represent 95% of all public utility generation.

SOURCE: "Japanese Economic Statistics," Bulletin No. 20, April, 1948, Research and Statistics Division, SCAP-GHQ, Tokyo.

Economic cooperation of America is needed to accomplish two things:

1. Help in the rebuilding and development necessary to reknit the economic fabric of Japan and to increase the level of production so that further relief will not be needed.

2. Relief and financial aid to tide Japan over its present distress and allow it time to accomplish the necessary expansion of production.

The destruction of Japan's industries is the most obvious of Japan's misfortunes. Not all of the destruction was done by bombs; the worst damage was done by the Japanese to themselves under the pressure of blockade. By 1944, Japan was desperately short of three things it couldn't do without—oil, bauxite, and iron ore. The worst case was oil, the shortage of ore was nearly as serious. By 1944 the much publicized stockpiles of steel scrap (the Japanese had accumulated about 250,000,000 tons by 1941)⁹ had been nearly exhausted. The government launched a frenzied scrap drive. The greatest victim of the drive was the cotton-textile industry. Of 13,000,000 spindles before the war, only about 2,800,000 were operable at Japan's surrender. Japan had 450 full-fashioned-

⁹"Japan's Road Back," *Fortune*, Vol. XXXIII, No. 3, March, 1946, p. 125.

hosiery machines; all but 50 were broken up, though each machine cost about \$15,000 and yielded only 15 tons of scrap, worth about \$250.¹⁰

5. THE FINANCIAL SITUATION

Money, at the end of the war, was plentiful. Notes outstanding of the Bank of Japan increased from 5.9 billion Yen at the end of 1941 to 42.3 billion Yen at the end of August, 1945, and were approaching 56 billion Yen at the end of 1945. Prices were held stable in a white market by price fixing and rationing while bushels of surplus money went shopping in the black market. By Bank of Japan estimate, the black market price of rice in October, 1945, was 47 times the official price; vegetable prices were nearly 10 times; sugar, sauce, and salt were 52 times.¹¹

A huge excess of money and liquid claims over salable assets is commonplace in the financial wreckage left by the war. Prodded by General MacArthur's headquarters, the Japanese Government pared down some of the excess liquidity with a walloping capital levy running up to 70%. In addition, a 100% tax was applied to all war profits earned since Japan went to war.¹²

Another big financial operation accomplished for the Japanese economy was the excision of the *Zaibatsu*, the handful of huge family trusts that owned or controlled a good two-thirds of everything in Japan (Mitsui, Mitsubishi, Sumitomo, Yasuda, Iwasaki).

The Government was also ordered to stop all financial assistance to the cult of State Shintoism, which every Japanese previously had to embrace in addition to his personal religious beliefs. It also has to balance its annual budget.

Japan has lost as a result of the war 47% of her former territory while the population, within the reduced area, has witnessed an increase of 13 million since the surrender. Industrial production has declined 77%. Even in total production, there has occurred a decrease of 40%.¹³ It is impossible, under such circumstances, to stabilize the Japanese economy without the aid of foreign capital. In spite of the strenuous effort for economic recovery, industrial production lags behind expectation because of uncertainties of the future, instable exchange rates (\$1 = 14-320 yen), lack of capital and the unknown burden of reparations.

The Board of Directors of the Export-Import Bank of Japan on April 21, 1948, authorized participation to the extent of 29 million dollars by the Bank with a group of commercial banks in a \$60 million revolving credit in favor of the Occupied Japan Export-Import Revolving Fund to finance purchase and exportation to Japan of U. S. cotton, including cotton linters and waste. This Fund was established by SCAP for the purpose of providing a credit base and a means for financing primarily on a self-liquidating basis, Japanese imports and exports of commodities and services required for the achievement of the objectives and policies of our Occupation. Accordingly, SCAP transferred to the Fund approximately \$104,000,000 worth of gold, silver valued at \$18,000,000, and cash \$378,000. Thereby we are subsidizing Japan's foreign trade. This help, though great, is not adequate to achieve financial stability and to sustain 85,000,000 Japanese in their poorly-endowed islands.

6. THE MILITARY SITUATION

On August 14, 1945, General MacArthur was designated Supreme Commander by the nine nations at war with Japan (Australia, Canada, China, France, Netherlands, New Zealand, U. S. S. R., U. K., and U. S.) and accepted the unconditional surrender of Japan. Occupation forces which first went ashore were U. S. troops

¹⁰*Ibid.*

¹¹"Japan's Road Back," *Fortune*, Vol. XXXIII, No. 3, March, 1946, p. 128.

¹²"The U. S. Does a Job," *Fortune*, Vol. XXXV, No. 3, March, 1947, p. 134.

¹³"The Birth of the New Japan," *Education*, Nov., 1948, p. 171.

and the policy directives under which General MacArthur began enforcing Japanese fulfillment of the surrender terms were issued by the U. S. Government on August 29, 1945. The policy document was the product of a coordination of efforts among the State, War, and Navy Departments recognizing that in the postwar period U. S. foreign policy and U. S. military policy must function as one, as national policy.

In Tokyo, SCAP works closely with the Allied Council for Japan (ACJ) which is composed of SCAP or his deputy as chairman and U. S. member, one representative from the Soviet Union, one from China, and one representing jointly Great Britain, Australia, New Zealand and India. To carry out the job of occupation, SCAP has a carefully planned and specially staffed organization composed of staff sections controlling virtually every phase of life in Japan. SCAP closed 159 institutions with assets of 209 billion yen. Liquidation proceeds have been 8.8 billion yen and payments of domestic claims 7.4 billion yen.¹⁴ SCAP is demilitarizing Japan. The Japanese people seem united in opposing war. Their determination is based not only on the formal pledge to renounce the right to belligerency as set forth in the new constitution, but on their hatred and disillusionment with regard to the past militarism.

Strong opposition is being voiced by China and the Philippines to the U. S. plan to assist and promote Japan's recovery. It is based on the apprehension that an economically strong Japan would again prove to be a menace to them. But General MacArthur never envisaged any plan for American assistance to Japan at the expense of China or other Asiatic countries. The recent change in American policy toward Japan in assisting her recovery has given new hope to the Japanese people. But real recovery for Japan waits upon the formulation of a comprehensive and coordinated program for the revival of all Far Eastern countries along the lines which the United States has been pursuing in Europe, i.e., a PACIFIC SECURITY PACT, tying together all countries opposed to aggression from Alaska to New Zealand.

¹⁴"Two Years of Occupation," SCAP HGQ, August, 1947, p. 10.