

Japanese Recovery After World War Two

Economic and Political Reform

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Japan first officially entered the Second Great War in September of 1940, by signing the Tripartite Pact and joining the axis power side of Nazi Germany and Facist Italy. However before this Japan was invading much of the eastern area of mainland Asia. Economic sanctions put in place against Japan by the United States caused Japan to attack Pearl Harbor in Hawaii, USA in December 1941, causing the US to join the Allied Powers. Five years later in August of 1945, the United States dropped two of the largest bombs ever used against humans at the time on the Japanese cities of Hiroshima and Nagaski. On September 2nd 1945 Japan officially surrendered ending the most deadly war in Human history.

During the war the allies strategically targeted areas in Japan responsible for production and transportation, about 40% of the nation's industrial plants and infrastructure were destroyed¹. This not only affected Japan's ability to trade between nations, but also the ability to transport supplies around Japan itself. Just a year after their surrender a nationwide food shortage fell across the state.

Japan's expansion pre World War Two into eastern mainland Asia, the Japanese had relied heavily on importing food back to the mainland. However, as terms of their surrender, the occupied land was forced out of Japan's hands. Causing those Japanese living outside to return to the Island. This sudden surge of people returning and cutting off food both internally and externally spelled disaster for Japan.

After the defeat by the United States and Soviet Union, Japan's economy quickly crashed. Japan desperately needed help rehabilitating its government, economy, and social society. Similarly to Japan in the 19th century, the Japanese were eager to prove themselves to the world after such a defeat.

¹ Lumen (2013), "Japanese Recovery"

Once Japan officially surrendered the United States and Allied Powers wasted no time with their plans, immediately taking Japan under Allied Occupation. This occupation was led by US General, Douglas MacArthur as leader of the Supreme Command of Allied Powers (SCAP). During this occupation SCAP faced little conflict. Japanese citizens, for the most part, welcomed Allied Occupation with open arms. Saying that Japan was being liberated from their previously abusive government, some even viewed MacArthur as their new Emperor¹. Japan was hungry for this peaceful and free country that American's promised.

The first phase of SCAP was mainly to demilitarize Japan, however when the US arrived there were bigger issues. During the war, Japan censored all media to promote nationalism SCAP quickly encouraged people to speak out against their government, by removing over 200,000 military leaders, businessman, and politicians from power². MacArthur even released communist political prisoners in an attempt to turn the people against Japan's war centered government. This whole process was known as The Purge.

In the first year of Allied Occupation, 92 million dollars were spent on an attempt to stop the widespread starvation by the US³. General MacArthur and SCAP, introduced land reform which was designed to benefit smaller independent farmers. This was done by SCAP purchasing roughly one third of Japanese farm land and reselling it to Japanese farmers at a fraction of the cost⁴. Not only was this to provide more food to the people, it was also a plan to break up the extensive monopolies that plagued Japan's economy. With this labor reform, MacArthur also gave workers the ability to form small, American controlled, labor unions.

^{1,2}Pacific Century (2016) "Reinventing Japan (entire)"

³Benoit, Paul (2017) "What Happened to Japan after WW2? (How'd It Happen? History)"

⁴Office of the Historian (2017) "Occupation and Reconstruction of Japan, 1945–52"

The working class was left with over 13 million unemployed and starving. Workers were ready for more radical action. Japanese workers took to taking actions into their own hands, with 4.5 million joining in their own Japanese labor unions¹. Railroad workers even took control of stations and let citizens ride for free. Millions took to the streets on May Day to strike for higher wages and better worker conditions. In the Winter of 1947 workers threatened a statewide general strike to completely shut down Japan. However MacArthur felt things have become too radical and came in to ban this strike even though he gave unions the right to do these strikes.

Fear of Soviet Union expansion and Communist influence caused SCAP to transform Japan's recovery plan into one that followed a more diplomatic government and free market in 1948. Ironically, to do this the United States blocked any criticism of the allied occupation. More imprisoned politicians and activists were released to help influence the political climate². Realizing that MacArthur released Communist prisoners just 3 years prior, what is known as the Red Purge. Under this short Red Purge era, Communists that were previously released in 1945 were once again imprisoned. Even union leaders at the time were in danger of being labeled as Communist supporters. Without the Communist influence the radical labor unions began to fade away. The Red Purge put unions in check and in turn prevented radical strikes, like the planned one in 1947 MacArthur had to shut down, never to happen again.

In 1945 SCAP, with the input of Japanese officials, began to write a new Constitution for Japan that had more Democratic and American influence than some Japanese would have preferred. The Constitution did not pass easily, and took much time to debate because people thought it should be written by only Japanese, criticizing that American's didn't fully understand

¹Pacific Century (2016) "Reinventing Japan (entire)"

¹Benoit, Paul (2017) "What Happened to Japan after WW2? (How'd It Happen? History)"

how Japanese society functioned. Nov 3 1946 the Emperor adopted the constitution, and while still being majority written by the United States, Japan has yet to amend it¹.

Emperor Hirohito didn't have the best perception in the public's eye, because of his policies before and during the war that sent them into this economic downturn. The constitution said that the role of Emperor was stripped of all its power and instead became a figurehead for the country. However to avoid any upheaval the US prevented the Emperor from being charged with war crimes, and instead allowed the blame to be placed on high ranking military officials². One of the biggest articles in the new Japanese Constitution was Article 9. Article 9 outlawed war as a means to settle international disputes involving the state³. This meant that Japan was no longer allowed to declare war against any nation, causing Japan's military budget to shrink substantially. To not leave Japan defenseless, the United States took full responsibility to protect the state for the time being.

This loss in military spending allowed Japan to focus more on the swift industrialization of the country⁴. Joseph Dodge, a US banker, came to Japan's aid in 1948. Dodge presented an economic reform called the Dodge Line. While the Japanese government didn't follow his plans exactly, it was still able to end inflation in the country⁵. However by being able to balance budgets, Dodge was able to stop inflation dead in its tracks. This Dodge Line, while being able to control inflation caused both public and private industries to lay off more than 2 million workers in 1949⁶. This sparked outrage amongst the public and political parties. Conspiracy theories

^{1,6}Pacific Century (2016) "Reinventing Japan (entire)"

²History.com Editors (2019) "Hirohito"

^{3,5}Lumen (2013), "Japanese Recovery"

⁴Hays, J. (2013) "JAPANESE ECONOMY AFTER WORLD WAR II"

mysterious murders and sabatagoes began to spread amongst the public. As Japan started to spiral out of control once again, what some call a “Divine Aid” showed itself ¹. This aid was the Korean War.

In 1950 when the Korean War broke out between North and South Korea, Japan was able to take advantage of this to boost its economy. Because of its geological location Japan was able to switch its production into supplying weapons. Allied forces were able to use Japanese harbors and ports to service ships, repair equipment, and establish support facilities². The United States pushed Japan to militarize their country and aid the Allies in their fight against Communism. However Japan officials were skeptical of this idea, fearing that remilitarizing would only return Japan to its pre 1945 state and once again ruin the economy. The Japanese took the capitalistic teachings of the US and adopted a culture of “If it makes money, it’s good”³. By 1951, Japan was able to become the leader in shipbuilding supplies that boasted 1% control of the industry nationally that increased national wealth⁴. While at the same time being able to reach gross national production levels the same as pre war ones. Factories that previously manufactured wartime commodities began producing consumer items such as automobiles. Honda (1955), Toshiba (1939), and Sony (1946), among many others, are some of the top companies that were created near this post-war industrialization that are still influencing the way consumers purchase today.

Nine years, nine months and one day after Pearl Harbor on September 8th 1951, 52 countries came together and signed a peace treaty with Japan. This gave Japan its independence

^{1,3}Pacific Century (2016) “Reinventing Japan (entire)”

²Hays, J. (2013) “JAPANESE ECONOMY AFTER WORLD WAR II”

⁴Jessica Leung (2019) “The Japanese Economy After WWII”

but allowed US military bases on Japanese soil. On April 28th 1952 the treaty went into effect and gave Japan its full sovereignty. Japan was enough like America for the US to be happy, but Japan was also still holding enough of its original culture and independence for the Japanese happy. After the US left Japan and the Korean War ended, Japan switched to consumer goods and became one of the largest electronic producers in the world. Currently Japan holds the place for the 3rd largest economy in the world, only behind the United States and China.

The United States was the main factor to Japan's recovery after World War Two, while at the same time being somewhat responsible for the needed recovery. After the penalties of being on the losing side and devastation from the Second Great War Japan was on track to collapse on itself. Douglas MacArthur and the Supreme Command of Allied Powers (SCAP), took occupation of the crippled country. Originally to assure that Japan would not rise for revenge like Germany once did, SCAP saw the opportunity to not only save Japan but prevent Communist intervention by spreading its Democratic ideologies. Immediately the United States was able to invest 94 million dollars into the direct recovery of food and began working on writing a new constitution. The new constitution removed the Emperor of all his power, gave rights to women, allowed elections, and prevented Japan from ever using war as a way to solve conflicts. Joseph Dodge was able to step in and stop the rapid inflation in its tracks, however costing the jobs of thousands of people. The Korean War came at the perfect time for Japan, and was able to provide manufacturing jobs to those who recently lost them. After gaining sovereignty once again, Japan became a powerhouse for consumer products and electronics. Now Japan sits as one of the top economies in the world, while just 75 years prior it was on the verge of collapse.

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