

A-1002-1

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Reference Series No. 96

(Source: UP, Tokyo,
Oct. 7, 1949)

FORTUNE MAGAZINE ATTACKS
(SCAPITALISM)

The following is the full text of Fortune Magazine's (October issue) article entitled "SCAPitalism Marches On"---which assails SCAP's economists and which General MacArthur has refuted in a formal statement on 2 October, 1949.

The Japanese, according to General MacArthur's Fourth Anniversary Statement, have "advanced steadily and progressively along the road of spiritual regeneration and physical reconstruction." Yet there are reports of mounting unemployment, of strikes on foot and more to come, of growing Communist strength---of a crisis that may break this fall or winter.

What is going on in Japan, the intelligent newspaper reader may properly ask. Is or is not SCAP (Supreme Commander for Allied Powers, the military government of General MacArthur) making any progress toward relieving the U.S. taxpayer of its Japanese burden?

The political and strategic elements of the Japanese occupation are far too complex for brief consideration. The state of the Japanese economy is a simpler subject if no less relevant. Perhaps the prime economic fact to bear in mind is the so-called Dodge plan, which was promulgated last spring to deal with the stagnation described in the April, 1949, issue of Fortune. Drawn up in Japan by Colonel Joseph Dodge, President of the Detroit Bank and former head of the American Bankers Association, the "plan" is a disinflation program something like the programs sponsored by Dr. Luigi Einaudi in Italy and Dr. Ludwig Erhard in Germany. It was based on a rapid revival of trade, and called for a balanced

budget

- 2 -

budget, elimination of government subsidies, a stabilized currency, and free trade. In short, it called for a swift transition from the soft but eventually disastrous illusions of inflation to the hard but eventually rewarding realities of the open market.

The scheme has already been moderately successful. The budget has been balanced, a good many prices have come down, coal production and savings have gone up, and inflation and the black market are almost done for.

It is not easy, however, to jerk a whole nation from the fool's paradise of inflation without some dislocations. The Dodge program has resulted in many austerities and stringencies. Like the German and Italian reforms, it is flushing redundant workers out of industry and government. They will be able to find productive jobs only when the economy adjusts itself and begins to pick up speed. And that will occur only as the Dodge program is fully realized.

The current trouble thus seems to arise not so much from the enforcement of the Dodge plan, as many reporters say of imply, but from its nonenforcement. The Japanese economic authorities, so far as anyone can be sure what their stand is, do not seem to be against it. Their policies are in the hands of politicians who opposed the military before the war, and the Finance Minister is Hayato Ikeda, an able economist who agrees with the program in principle. The Americans, however, have the last word. And the SCAPitalists appear unable or unwilling to implement the whole Dodge plan.

SCAP's team of economists, admittedly second-rate, has no top authority, and is torn by disagreement and dissension. Many SCAP officials were against the Dodge recommendations when Mr. Dodge was in Japan, and have not changed their minds since. Several openly disagree with the idea that Japanese business should be run without subsidies. As a group, in brief, SCAP economists have neither backed the Dodge recommendations nor developed alternatives of their own. "I can't quite make out," remarks one Japanese in the Finance Ministry, "whether the gentlemen in SCAP are helping Mr. Dodge's budget or fighting it."

All

0419

0420

- 3 -

All this might not matter so much were it not for its effect on Japanese trade. Dodge plan, to repeat, was premised on the revival of trade. And even more than before the war, Japan must trade or die---or continue to be subsidized by the U.S., which now lays out \$500 million a year to keep her alive. But the dismal, alarming fact is that Japanese exports, as this was written, were declining.

One reason they were declining is that SCAP economists, apparently to prevent dumping, have set floor or minimum prices below which Japanese exports cannot be sold. These floor prices may have made sense when costs were rising, but they are nonsense today. The Japanese find themselves priced out of the market.

The most important reason why trade languished is that Japan, like Germany, is operating as part of the dollar bloc---that is, her exports must be paid for in dollars. The official reason for this provision is that the U.S. is heavily subsidizing its former enemies, and Congress expects dollar earnings to lighten the load.

One of Japan's most important and profitable exports used to be silk, the bulk of which went to the U.S. Silk production is now about 15 per cent of prewar, and what with American preference for nylon and other synthetics it cannot be expected to rise much higher. Obviously, if Japan is ever to regain and develop her trade, she will have to sell more in other countries than she ever did. Before the war she was practically a member of the sterling area, which in effect was her largest trading partner. The trouble now is that the sterling area hasn't dollars enough to buy what it wants from the U.S., to say nothing of buying from Japan, and is thus almost closed to Japanese products. The most cautious British economists estimate that Japan's trade would immediately increase by 50 per cent if she did not have to be paid in dollars but could freely accept sterling.

The matter of sterling convertibility, to be sure, is part of the dollar-shortage problem, and perhaps not wholly within the power of SCAP to solve. But SCAP has some power to set aside the dollar provisions. Japan has considerable

credits

0421

- 4 -

credits in the sterling area. Instead of calling for dollar payments, SCAP could accept enough goods from the sterling area to use up these credits. But SCAP still subjects the import and use of such sterling-area products as rubber, wool, and Egyptian cotton to restriction and irksome control. Like all bureaucracies, SCAP has a vested interest in its own routines and regulations, and goes on spinning red tape around every last business transaction. "It still takes a month or more," one British trader complains mildly enough "to conclude a simple deal that one could settle with a drink and a handshake in the good old days." Almost no big American company has yet gone back to Japan. "The climate is not favorable," said one U.S. businessman a year ago. By climate he meant SCAP. So far, the climate has not improved sufficiently to change his mind.

There is no substitute for direct, free deals between private buyers and sellers, and the only real way to restore trade is to restore such deals. Until the Japanese have trading rights and consular services abroad, foreign traders in Japan should be encouraged to do business freely. They should not be bound up in realms of red tape. And once the Japanese merchants regain their trading rights and consular services they should be given back their Gladstone bags and sent out on the road.

There are still a few observers and SCAPitalists who still think the cure for Japan's troubles is a better if not bigger SCAP. But most businessmen who have been on the spot believe the economic bureaucracy has outlived its usefulness. And taking everything together, it looks as if Japan's economy will be better off when SCAPitalism comes marching home.

SCAP TODAY RELEASED THE FOLLOWING STATEMENT

2 October, 1949

As reported by American news services, a current editorial in Fortune magazine contains statements regarding present economic conditions in Japan which are sharply at variance with

the

0422

- 5 -

the facts of record which have been accurately reported by many competent local correspondents. Fortune Magazine, which has no correspondent in Japan and has made no on-the-ground survey since early 1947, admittedly rests its claim to validity on statements attributed to certain unidentified 'British economists' and 'one British trader'. From its back-seat position 10,000 miles away it chooses to discredit what on-the-spot correspondents 'say or imply', disdainfully dismissing their investigations and observations, as well as official reports, in favor of its own self-ordained omniscience. The facts themselves, however, eloquently bespeak the truth.

"1. From January to July 1949 total employment in Japan rose from 35,000,000 to 38,000,000. Despite Fortune's claim of 'mounting unemployment', the total unemployed in July were only 380,000.

"2. Fortune's assertion to the contrary, there are no consequential strikes in progress in Japan today, nor are there any in prospect for the foreseeable future---a record unequalled in any other industrial country where the right to strike is recognized. Indeed, during the first nine months of 1949 the total man days lost through strikes amounted to sixteen one-hundredths of one percent, the lowest since the beginning of the Occupation.

"3. The 'growing Communist strength' referred to by Fortune is a fantastic fiction, as borne out by the overwhelming repudiation of Communist leadership in every recent political and social test. The nationwide election of prefectural land commissioners last month, the most recent of such tests, resulted in the seating of only two Communist party candidates among 460 contested seats, or less than one-half of one percent. Even in the relatively young Japanese labor movement the forces of moderation are rapidly and progressively eliminating from positions of influence previously infiltrated Communist minorities.

"4. Equally fictitious is Fortune's allegation of the existence within this Headquarters of dissension over or opposition to what Fortune refers to as 'the so-called Dodge Plan'. The program of economic stabilization encompassed in that plan was initiated here prior to the arrival of the Dodge

Mission

0423

- 6 -

Mission which in the application of the plan addressed itself solely to assisting the Japanese Government in effecting a sound budgetary policy. The purported 'non-enforcement' of this plan is belied by the facts that: budgetary revenues for the current fiscal year exceed expenditures, including provision for retirement of 80,000,000,000 yen of the national debt; internal subsidies are being progressively eliminated; currency in circulation is stabilized at a level substantially below that of 1948, and wholesale prices have remained stable since June 1949.

"5. In July 1949 the index of industrial production attained 79.5% of the 1932-36 level and 91% of the 1930-34 level, while the index of industrial activity recently expanded and revised to reflect the value added by manufacture on the basis of 69 component series reached 95.4% of the 1932-36 level and 110% of the 1930-34 level.

"6. In the twelve-month period from July 1948 to June 1949 exports totalled \$487,000,000, or three times the volume attained in the preceding twelve months. With the establishment of a single exchange rate in April 1949, export subsidies were completely eliminated and export trade was placed entirely on a buyer-supplier basis. Fortune's assertion that 'the Japanese find themselves priced out of the market,' finds its rebuttal in the expanding Japanese export trade and the fears given almost daily expression by world-wide competitive interests.

"7. Fortune's advocacy of a shift in Japanese trade from the United States to the sterling bloc completely ignores the existing dollar deficit which results from the financing by the American taxpayer of American food imports to meet Japanese food requirements. Despite this consideration, there are no restrictions on trade between Japan and the sterling area other than those imposed by the import and foreign exchange controls of the sterling area countries themselves. During the fiscal year 1949 sterling trade reached the equivalent dollar value of \$245,000,000. At present there is a balance of five and a half million pounds sterling in favor of Japan.

"If

0424

- 7 -

"If the remark attributed to Fortune's British informant is to be seriously credited, it would appear that Fortune would favor the rebuilding of Japanese international trade on a 'drink and a handshake' basis as 'in the good old days.' Fortunately, neither Occupation policy nor the Japanese advance toward reconstruction find their inspiration in any such philosophy but envisage instead an ethical plane of international relations on which may be erected a new economic and social structure of such solidity and durability that both Japan and other nations may benefit therefrom."

- End -

取扱注意

調査報告第一三七号

昭和二十六年一月

アメリカの日本軍田化およびフマッショ化政策

調査報告第三課

アメリカの日本軍田化およびフマッショ化政策
「経済の諸問題」一九五〇年八月号

日本帝国主义の海外進出と日本軍田化の政策
日本帝国主义の海外進出と日本軍田化の政策
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日本帝国主义の海外進出と日本軍田化の政策

たと服は簡日一 合資訪を海略にのしるし国
 ・首を・軍本ニ合衆と開造軍的改根將。・際ア
 そ明供合なにユ衆田・し築基標変本軍日日陣メ
 かし給衆こは1国を三たし地想さはは本本管リ
 はてし国と多ヨのし沢ア、をにせ同、に占にカ
 いい、が一教1支て、メー再立る国合お領対帝
 わるそ右でのク配確横リ連絶脚ア、を衆けの抗田
 ゆ。れ軍あ失・層保出カのししイ太田る当し主 X
 るアか隊ろ衆タはせ、軍戦、てデ平政ア初、義 X
 審メカのう者イ急し板調略多、ア洋府メか世者 X
 察リゆかとかム激め付の的教日で水へリら界ど X
 部カのめ警あスなる、代道の本な城の力同支も
 隊当管武いる一速上立表路新にけに報の国配は
 で局合器てかの唐ウ川者をかおれお告ガの権、
 ・はををいらワを妻そと建なればけ中ウ全の平
 そ既建提る、シも求のも設軍るなるにラ面樹和
 のに設供。日ンツし他はし學アらア、イ的立、
 教日ナす更本トてた多、た飛メなメ日タ軍を民
 に本るるに軍ン日。教海。行リいリ本1国目主
 お臨こに同の特本 の軍一場カとカに一化指主
 い軍とお特創派軍 航の九お占警一お代政し義
 てのはい派建員を 空号五上領い防け官策てお
 戦骨容て員はバ再 蒸大〇び当て衝る一を侵よ
 前組島はは一1建 地の年そ局い練合マお略び
 のをに、一疑口し と根二のはる一衆ッこ戦社
 日作でそ日いツつ を美月他、。の困クな争会
 本りまれば本もトつ 水地日の日こ前のアつを主
 の上るに政なはあ 久橋本施本の暗政1て準義
 審け一被府く、る に須を設の便地策サい備の

た治力る的ら全の基争
 。的を方附は期前地お現
 お復法属日間衛とよ在
 よ活に物本日地しびア
 びさよにか本とて中メ
 社せつ変らにし日田リ
 会るてじ民たて本人カ
 的方、さ族いのを民帝
 地法戦せのし右利に田
 盤に略る独組役用た主
 をよ的方立機制しい義
 保つ旅法を的にてす者
 存て設に刺、向いるど
 す、をよ奪かける直も
 るさ強つしつて。接は
 方ら化て、執、ア的、
 法にし、日妙合ジ侵朝
 には、田本な衆ア略鮮
 よ日撰内を準田に行人
 つ本裝民ア備のお為民
 て反し主ノを支配にに
 1動た主リ旅配るおた
 こ派形義カし者アけい
 れので運本てどメるす
 を経日動田来もリ主る
 お濟本をのたはカた略
 この的の抑植。戦のる奪
 な、軍圧民か後侵移的
 つ政事す地れの略方戦

九義本 年日 十本 千二 公仰 等あ メ日 変ア とよ
 四を經 本の 産る のた 二に 式々 のの リ本 ぜメ なつ ア
 九有濟 一の 業課 吉。 百に 資し 多。 カに しり つて 行
 年十の 復三 興七 年産 高の 引き 上は 彼等 とい つ占 領ち れわ カ
 にお重 興は 年産 高の 引き 上は 彼等 とい つ占 領ち れわ カ
 ける業 崎の 水準 的の 引き 上は 彼等 とい つ占 領ち れわ カ
 銃に形 比的 的の 引き 上は 彼等 とい つ占 領ち れわ カ
 鉄にお 比的 的の 引き 上は 彼等 とい つ占 領ち れわ カ
 におし 比的 的の 引き 上は 彼等 とい つ占 領ち れわ カ
 上て片 寄か 五の 復性 格を 帯ン びト いて 九三 七の 例え ば五 〇一
 び遠か かつ五 の復性 格を 帯ン びト いて 九三 七の 例え ば五 〇一
 鋼かた 五の 復性 格を 帯ン びト いて 九三 七の 例え ば五 〇一
 塊の復 興格 を帯 ンびト いて 九三 七の 例え ば五 〇一
 生興格 を帯 ンびト いて 九三 七の 例え ば五 〇一
 産高運 ば一て 九三 七の 例え ば五 〇一
 九三 七の 例え ば五 〇一
 〇一 意日 九

別のア 警隊を 付けさせ どもに した
 進カは 航機 高に 利用 され 日本 につ 対する 日本 合衆 国の 飛行 場から 艦が 発
 老朝 鮮の 都市 と農村 には 野蠻な 殺し 撃つ 砲撃 を加 え、 平和 な住 民

六〇パーセントを示していたのは、綿織物工業の生産高は僅かに
 二五パーセントの増進を犠牲にして復興させ、日本の軍需工業を、民需品生産
 諸部門の計画を達成し始めて復興させ、日本の工業力を制限を加え、イ
 意、これが計画を達成し始めて復興させ、日本の工業力を制限を加え、イ
 を首班とする合同経済委員会は、日本の工業力を制限を加え、イ
 日本にたいして毎年鋼塊二万五千トン、鋼材一萬五千トン、生鉄五萬
 日造と鋼材一萬五千トン、生鉄五萬トン、鋼材一萬五千トン、生鉄五萬
 鑄造と鋼材一萬五千トン、生鉄五萬トン、鋼材一萬五千トン、生鉄五萬
 たが、委員は一九四七年末日本を訪問した。この訪問は、日本の工業
 メリカ委員会は、一九四七年末日本を訪問した。この訪問は、日本の工業
 主張し、更に一九四八年の案に、生鉄六〇萬トン、鋼材一萬五千
 つて作成された。この案は、生鉄六〇萬トン、鋼材一萬五千
 まてに毎年鋼塊千五百トン、生鉄六〇萬トン、鋼材一萬五千
 二百万トン、生鉄六〇萬トン、鋼材一萬五千トン、生鉄六〇萬
 一、第二次世界戦争中日本は、生鉄六〇萬トン、鋼材一萬五千
 以内、重工業の発展計画が、日本に、生鉄六〇萬トン、鋼材一萬五千
 おける軍事上の考慮に、日本に、生鉄六〇萬トン、鋼材一萬五千
 く、純軍事的考慮に、日本に、生鉄六〇萬トン、鋼材一萬五千
 工、明かである。目的に出ている。日本の極東に、生鉄六〇萬トン、鋼材一萬五千
 も、明かである。目的に出ている。日本の極東に、生鉄六〇萬トン、鋼材一萬五千
 レ、一、四年八月の日本覚書には、日本の軍需工業能力の最も迅速な復興、

定を一つ競和も日る億だの年つる工パのの注関
 計九ある争的は本も円のけ対半ある。場二注る文の合
 画四得生、のののの朝ばる。に自の文。を一衆
 「取八産あは六多も鮮品例日動手を受川け一政府
 なるの十二り中日本手軍ア、カ開を三需小の式。ン同財は
 の最もア品市本段で日性格を軍一マが五〇年七月未に改装され期間において
 を探好都合を採生産する諸部門にたいして、店を、加え
 した。右計画は日本の工業、農業、對外
 政府は、合衆國の独占資本が日本経済
 を作り上げるため、日本経済安
 定乘九ある争的は本も円のけ対半ある。場二注る文の合
 計画四得生、のののの朝ばる。に自の文。を一衆
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 を探好都合を採生産する諸部門にたいして、店を、加え
 した。右計画は日本の工業、農業、對外

つ東め械管 する日のをのアの賠
 てにに製兵以 日本自の経メ放
 利用におに製兵器前 日本自の経メ放
 さるおにに製兵器前 日本自の経メ放
 れるおにに製兵器前 日本自の経メ放
 かつおにに製兵器前 日本自の経メ放
 常におにに製兵器前 日本自の経メ放
 りおにに製兵器前 日本自の経メ放
 有におにに製兵器前 日本自の経メ放
 るおにに製兵器前 日本自の経メ放
 旨におにに製兵器前 日本自の経メ放
 をにおにに製兵器前 日本自の経メ放
 声におにに製兵器前 日本自の経メ放
 明におにに製兵器前 日本自の経メ放
 したにおにに製兵器前 日本自の経メ放
 備におにに製兵器前 日本自の経メ放
 えてにおにに製兵器前 日本自の経メ放
 アにおにに製兵器前 日本自の経メ放
 メにおにに製兵器前 日本自の経メ放
 リにおにに製兵器前 日本自の経メ放
 カにおにに製兵器前 日本自の経メ放
 占におにに製兵器前 日本自の経メ放
 領におにに製兵器前 日本自の経メ放
 當におにに製兵器前 日本自の経メ放
 局におにに製兵器前 日本自の経メ放

および国内貿易、財政および税制その他に對するアメリカ独占者
 ども資本にたいする一層強化する一保障の確立を目的として重要な
 リカ資本にたいする一層強化する一連の方策を定めたる若干の諸方策の
 諸勢力にたいする一層強化する一連の方策を定めたる若干の諸方策の
 あるは、アメリカの對日支配を強固にするため、従来実施されていた
 採用は、日本経済の監督のため、従来実施されていた若干の諸方策の
 形式的に、日本経済の監督のため、従来実施されていた若干の諸方策の
 における許可の停止が宣言され、日本の市場が公布された。これは自
 際に完全な依存状態にあるのである。日本市場を征服した合衆國にたい
 が日本の輸入高の六二パーセントが合衆國に上つて占められていた
 五パーセントの世界競争まで日本は輸入に供與され、支配者どもは二
 合衆國における商品買付のため、日本は輸入に供與され、支配者どもは二
 ジットの一例は、一九〇五年三月、日本政府は、去半年間に、ボ
 本がボンドを例え、一九〇五年三月、日本政府は、去半年間に、ボ
 ンド使用各口と、一九〇五年三月、日本政府は、去半年間に、ボ
 スト、右措置は不法であり、日本政府は、去半年間に、ボ

地域諸國との貿易に於ける輸出超過によつて獲得したポンドを少
 く共一千万ポンドに上せしむる。日本は、去半年間に、ボ
 アメリ共和略奪者どもは、人民運送の諸國との貿易に於ける
 時に。日本は、去半年間に、ボ
 るに。日本は、去半年間に、ボ
 戦に。日本は、去半年間に、ボ
 再び。日本は、去半年間に、ボ
 日。日本は、去半年間に、ボ
 一。日本は、去半年間に、ボ
 米。日本は、去半年間に、ボ
 織。日本は、去半年間に、ボ
 年。日本は、去半年間に、ボ
 住。日本は、去半年間に、ボ
 一。日本は、去半年間に、ボ
 安。日本は、去半年間に、ボ
 一。日本は、去半年間に、ボ
 金。日本は、去半年間に、ボ

重マクアツテ横カたの「安定計画」は、更に日本の勤労階級の肩に
 九四の年アツテ横カたの「安定計画」は、更に日本の勤労階級の肩に
 制改の課税の準備をおこなつた。著委員の引上げ、および超利に
 いする特命は、供與を勸告した。著委員の引上げ、および超利に
 さるる使命は、供與を勸告した。著委員の引上げ、および超利に
 資する使命は、供與を勸告した。著委員の引上げ、および超利に
 的に完全した。米獨占者として、利益を断つて、排し、右の吉反動
 もの完全した。米獨占者として、利益を断つて、排し、右の吉反動
 本行を労働者に、および農民に、および農民に、および農民に、
 を行はしむるに、および農民に、および農民に、および農民に、
 閣下無条件に、および農民に、および農民に、および農民に、
 九日の本労働者の税金は、一人当たり五円、八月は、
 〇年九月の増額を、八月は、八月は、八月は、
 案に承認を得た。一大部の職員の反対を、
 案に承認を得た。一大部の職員の反対を、
 案に承認を得た。一大部の職員の反対を、

の管理下に置かれ、同司令部はこれを運用して、日本工業の一層
 の乗取りと、米國財閥の手中における資本主義的利潤の引き上
 げとを策しているのである。強とを策しているのである。

位に置かれるにいたつた。それ等財閥の株式の大部分はロ
 ムに転がり込んで、アメリカの自動車工業界を
 完全支配して、その勢力を日本に振舞つて、
 石油工業界の何れも受けては、日本工業界に
 殆んど何れの独占者とも力をつけて、日本
 ア層強化の趨勢を力をつけて、日本工業界に
 一層強力の趨勢を力をつけて、日本工業界に
 コムバニ化の趨勢を力をつけて、日本工業界に
 貿易協会の組織を力をつけて、日本工業界に
 ミニム化の趨勢を力をつけて、日本工業界に
 造船業の組織を力をつけて、日本工業界に
 メリカ人の組織を力をつけて、日本工業界に
 代償の組織を力をつけて、日本工業界に
 アメリカの組織を力をつけて、日本工業界に
 の工業界の組織を力をつけて、日本工業界に
 の工業界の組織を力をつけて、日本工業界に
 中化の組織を力をつけて、日本工業界に
 日大の組織を力をつけて、日本工業界に
 特典の組織を力をつけて、日本工業界に
 企案の組織を力をつけて、日本工業界に
 の工業界の組織を力をつけて、日本工業界に

るべき旨を指摘し、投票への参加を拒否した。しかし、マ
 アーサーの直接の圧迫の下に、右法案は七月の議会におい
 されるにいたつた。多数の場所、税務署を包囲し、免税の要
 千の納税者たちが各県で税務署を包囲し、免税の要求を
 この要求にたいしては、彼等は警察から反面を押し、何
 り、彼等の財産は競売に付せられ、彼等がある納税者に
 受けるアメリカの所得税の引き上げはあり、彼等がある納
 ちの相違となつて、日本の大資本家どもも同様にこれに
 浴してゐる。所得税の引き上げはあり、彼等がある納税者
 は例の独占排除法の一連の條項が廢止され、そのため日
 閣は更に一層自由行動の主要な中核諸社を撲滅し、ゆめ
 減政策には詰る所各財閥の主要な中核諸社を撲滅し、ゆめ
 監督下にあり、銀行がこれに取つて、その結果を同様に
 大銀行が日本工業界の代表として、その結果を同様に
 対日理事の監督を果として、その結果を同様に
 し、独占的監督の結果として、その結果を同様に
 の方策を果として、その結果を同様に
 住友、安田、その他は、アメリカの独占者どもも同様に

出—とをを出 しにいとイ定と明と客ノ義日を本
 来—中一をソをいし考ツす、明としおリ者理頭平
 得—華再るッな興し考ツす、明としおリ者理頭平
 る—約人なだけエばべいとおこにソ争外民に会すの和
 限—田民らけすトなき平るもをけイて略化るび全争由
 り—は共提み政らす和。も主けるエ来奪に日極界、擁
 短、和提起や府なへの需ツ日本に。工業は現に労働階とソ力諸
 期第田間しかに日本と。の自かたののたか、確ら自保するの工能性
 間二間したに日本と。の自かたののたか、確ら自保するの工能性
 内次のたに日本と。の自かたののたか、確ら自保するの工能性
 に世好一結し、講和條約を、ボツダム宣言に則つて
 日戦同九、講和條約を、ボツダム宣言に則つて
 本争お二、講和條約を、ボツダム宣言に則つて
 と中お二、講和條約を、ボツダム宣言に則つて
 平和開び二、講和條約を、ボツダム宣言に則つて
 條し相月、講和條約を、ボツダム宣言に則つて
 約て互十、講和條約を、ボツダム宣言に則つて
 をい抄四、講和條約を、ボツダム宣言に則つて
 締た助日、講和條約を、ボツダム宣言に則つて
 結他に調、講和條約を、ボツダム宣言に則つて
 すの開印、講和條約を、ボツダム宣言に則つて
 る諸す、講和條約を、ボツダム宣言に則つて
 よ田る、講和條約を、ボツダム宣言に則つて
 うと條、講和條約を、ボツダム宣言に則つて
 相互も、講和條約を、ボツダム宣言に則つて

の向諸、れつ者いカけ本おつ北 対アる集お
 と独け君シ日たにる干たのよて鮮日を。団こ日
 流立らの本朝た。涉。軍び、側本表リ日的な本
 べとれ英的労働のす田ど本蓋れ朝に共明カ本の検つ勤
 れ平族的圧者労働の歩進化朝田らは無者要もる者た
 て和族闘がの闘呼闘に進歩と鮮内れ人数どの業、横ち
 いと裏にりにたけ運る働い輸にるた戦戦心ら實は朝
 。榮切応かはちけ運る働い輸にるた戦戦心ら實は朝
 と者え、の諸激中協朝組し送お、いど争地、横に
 をどてり諸激中協朝組し送お、いど争地、横に
 障のわ、の完た祖は民の他反争、強の布の、お向の、
 す計れある全。田、のそ英の民運官カ、し、一、つと、は器、
 たをれ。左右の、勝呼、第一、解、闘、的、主、動、的、を、お、干、日、日、
 め打は、勝呼、第一、解、闘、的、主、動、的、を、お、干、日、日、
 、ち、利、び、一、解、闘、的、主、動、的、を、お、干、日、日、
 共碎、の、拵、と、散、闘、的、主、動、的、を、お、干、日、日、
 の、誘、人、近、の、立、少、を、固、體、す、合、衆、軍、需、品、の、ち、情、は、
 闘、わ、発、の、に、中、の、し、熱、も、同、様、支、持、ア、呼、び、る、生、に、情、は、
 争、れ、と、敵、伴、に、た、前、に、め、に、朝、支、持、ア、呼、び、る、生、に、情、は、
 を、わ、平、は、つ、は、め、に、朝、支、持、ア、呼、び、る、生、に、情、は、
 展、開、の、破、通、わ、れ、ち、上、働、て、リ、掛、日、産、向、は、
 し、兩、境、だ、ア、わ、上、働、て、リ、掛、日、産、向、は、
 上、田、に、ア、わ、上、働、て、リ、掛、日、産、向、は、

陣ては護お年 いるし士カ日と合合
 營悉アないはだる新、内帝本中衆意
 なるメ開て日が。た日に國か衆田の
 おベリ争は本、な本自主ら人の下
 けをカの外ア 軍の己義真民支に
 る力占中田民メ 幕田の者に共配勢
 戦に替てのにリ 的家海ど平和層力
 闘変者民帝とカ 隙の主おは的と、る
 隊、も、的、主、て、奪、の、権、よ、な、を、ボ、こ
 の、今、と、義、無、者、た、と、び、日、解、除、ツ、と
 一、や、日、反、者、歌、ど、め、民、空、本、決、外、ダ、を、約
 つ、田、本、帝、ど、に、も、の、族、軍、に、を、し、ム、言、す、
 と、護、に、田、も、は、に、の、戰、的、基、無、奪、い、單、を、旨、
 な、平、お、主、と、過、よ、る、基、立、を、限、去、獨、を、無、
 つ、和、け、的、内、な、日、地、を、保、に、ろ、講、和、を、定、
 い、民、か、陣、の、か、本、に、刺、存、軍、う、と、を、し、め、
 る、主、れ、管、反、た、帝、ぜ、し、を、目、睛、し、日、
 の、主、ら、が、動、た、田、し、し、日、駐、論、結、日、
 で、義、の、成、勢、。田、め、日、本、屯、ん、し、本、
 あ、お、雇、長、力、と、主、め、日、本、を、さ、で、。と、
 る、よ、人、強、と、の、義、う、を、永、せ、い、そ、の、こ、
 。び、ど、化、に、期、的、占、と、極、久、る、れ、間、れ、
 社、も、し、た、間、占、努、東、に、日、。に、に、と、
 会、と、い、に、領、力、に、奴、本、ア、よ、ソ、反、
 主、に、同、す、日、の、し、お、練、の、メ、つ、連、對、
 護、と、陣、る、本、五、し、お、練、の、メ、つ、連、對、
 の、つ、營、奇、に、力、て、け、化、領、り、て、邦、に、

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CHOSA NI KA
Reference Series No. 79(Source : The Atlantic
Monthly, April, 1949)JAPAN IS NOBODY'S ALLY

BY OWEN LATTIMORE

American policy in Japan is based on the assumption that as Japan goes, so Asia can be made to go. The fundamental assumption of our policy is that Japan can be made the workshop of Asia and a bulwark against Russia. This assumption is based on the theory that Japan, as an instrument of American policy, combines all the virtues of Britain, Germany, and the Kingdom of Nepal. Like Britain, it is to be used as a stationary aircraft carrier. Like Germany, it is superior in industrial development to all the countries near it, and therefore like Germany it is to be made the center from which the industrial development of the mainland near it is coordinated, controlled, and oriented against Russia. Like the Kingdom of Nepal, which is independent of India and furnishes

fierce

0462

- 2 -

fierce mercenary Gurkha warriors to both India and Britain, the "naturally disciplined" people of Japan, who are "traditionally anti-Russian," are expected, as time goes on, to furnish tough colonial legions of a new kind which will be solidly loyal to the American which supports their homeland "workshop."

The first link in this chain of assumptions is the entirely fanciful theory that Japan can be made not only into a workshop, but a workshop that controls Asia. The second is the equally fanciful theory that Japan can be made into a politically reliable bulwark against Russia. The third is the most fanciful theory of all: that there is only one Japan, a solid, internally indivisible unit, like one Republican, or one trained seal.

This whole chain of assumptions and cluster of fantasies is an illusion. The illusion was born out of the student docility with which the Japanese accepted surrender. After the fanatic, bitter-end ferocity with which the Japanese had fought throughout the South Pacific and at Tarawa and on Okinawa, it was thought that this unbelievably sudden and complete meekness could only be

explained here

0463

- 3 -

explained by the "inherent sense of discipline" of the Japanese when the Emperor ordered them to surrender. The growth of the illusion was fostered by the precise, clockwork efficiency with which General MacArthur took over. He did, probably, the best job of its kind that has ever been done. The illusion grew to full stature during the first period of General MacArthur's administration, which ran from the surrender in August, 1945, well into 1946.

In this period an American New Deal was carried out in Japan. With the touch of fatherly mysticism that he combines with his old-line Republicanism, General MacArthur salted New Dealers all through SCAP, his Headquarters organization as Supreme Commander for the Allied Powers. It is true that there were never many at the very top; but there were a great many in the middle ranks, which in any bureaucracy are all-important. They were especially influential in the drafting of policy, with the result that even in this period policies were usually more progressive and New Dealish in the form in which they were announced than in the form in which they were carried out.

Some

0464

- 4 -

Some of the New Dealers were civilian officers who had been commissioned during the war. Some came straight from Washington after the war surrender, when SCAP in Tokyo, desperately short of experienced bureaucrats, was squawking for help just at the time that President Truman, in his first pathetic attempt to appease the Republicans in the name of "unity," was junking New Dealers as fast as they could be nudged out of the way by the cold-shoulder treatment. The irony of this migration from Washington to Tokyo recalled the good old days when America shipped so much scrap iron to Japan that we had a shortage of scrap in America.

Portentous changes began when the Eightieth Congress was elected in America. As its first war whoops were born on the air waves to Tokyo, its tribal kinsmen on General MacArthur's staff began to gather in powers of their own. The scalps of the pale-face New Dealers began to come loose. There was a purge. The cleverest and crookedest of the old-line Japanese politicians caught on. Recovering their poise and agility, they made new bids. Get Japan off the back of the American taxpayers and easier, too, deals with periodic... If only the

0465

- 5 -

Get Japan off the neck of the American taxpayer? Nothing easier, they said with perfectly straight faces. If only the American taxpayer would stick his neck a long, long way out, they would get off it. They would make Japan an ally, a workshop, a bulwark.

2

In the development of the whole situation, and in the widening gap between the realities of Japan and the illusory picture of Japan that has been built up in America, General MacArthur's personal public-relations setup has been of incalculable importance. No American general has ever had public-relations henchmen who were so fast on their feet or so slow in the head. Their creed is that General MacArthur should be represented not only as a source of great wisdom, which he is, but as the only source of unerring wisdom, which he is not. It is a tragedy that this should be so, because when the mirage breaks down, General MacArthur's high and deserved place in history is likely to be damaged. He is a general of genius, an extremely capable administrator, a great statesman, and potentially a very great statesman.

Has one

0466

- 6 -

His one weakness, which has prevented him from realizing his full potential as a statesman, is his inability to keep sycophants out of his entourage.

The truth is that the present "realistic" policy in Japan is going to fail, because it is not in fact realistic, but pseudo-realistic. The truth is that there have in recent history been several Japans. There is the Japan that we defeated. There is the interim Japan of the New Deal period between V-J Day in August, 1945, and the election of the Eightieth Congress in the fall of 1946. There is the Japan that American policy has aimed at creating through 1947 and 1948 and still hopes to create. And, finally, there is the real Japan of today. This real Japan is unstable in its internal composition. It is likely to blow up in our faces.

The Japan that we defeated has always been presented to the American public as a Japan stunned by the atomic bombs dropped on Hiroshima and Nagasaki, but still disciplined in its reflexes and responsive to the Emperor's command to surrender, which saved untold American casualties. But the fact is that the Japan which was ready for surrender, with or without the atom bomb, was being held together in those last days by fear, not by loyalty to the Emperor.

It can

0467

- 8 -

the revulsion of feeling made admiration for the Americans paramount over respect for the Emperor or any of the other old symbols of authority. With an admirable combination of firmness and condescension toward a people who had always been used to authority and who were emotionally shattered by defeat, General MacArthur steadied the populace and guided the government into the channels of his New Deal period.

In this period the representatives of the old authority were given the fright of their lives, but were gradually allowed to understand that the Americans would not let the wrath of the people work up to a full head of steam. The people were given to understand that the Americans would grant them a lot more democracy than they had ever had before, but that they had better not try to win any democracy for themselves above and beyond what was prescribed in the SCAP directives. Political jails were opened. Even communists were let out. Labor unions were allowed to assert themselves once more. There was liberty of the press, radio, the theater, public speech, and assembly to a degree altogether surprising under a military occupation of a defeated country.

Eager

It can be said with certainty that the prestige of the Emperor had become so hollow that only a thin veneer remained uncracked. What saved the Emperor was General MacArthur's skill in treating him with just the right amount of dignity over and above what was required by correct protocol, and the clear American intention that he would be retained as the symbolic head of state.

The fear that held priority in Japan in the last weeks before surrender was the fear that the Americans would land like ravening savages, slaughtering men, women, and children. This fear made it seem better to die like brave Japanese, facing the beaches, than to submit and be slaughtered. It was not the authority of the Emperor, ordering surrender, that spelled this fear, but the instinctive knowledge of a people who had never in all their history had an order from an Emperor that was not for the good of the Emperor. If the Emperor ordered surrender, he must have fixed things up.

Once MacArthur had shown, after the landing, that his troops were under better discipline than the Japanese had ever known among their own troops, there was a shaky period in which

the