Japan Under Occupation, 1945–1952

—Structure of the Occupation, Reform Policies, and "Reverse Course"—

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Summary

Japan was occupied by the Allied Powers from 1945 to 1952. Within this six-and-a-half year period, the Allied Powers implemented vigorous reforms intended to make Japan a democratic, peace-loving country. During the early years of the occupation (1945–1947), the occupiers attached great importance to the "democratization" and the "de-militarization" of Japan. However, the emphasis on democratization of Japan started to change with the historical events that occurred at the global, regional, and domestic levels. As a result, changes in the policies, the so-called "Reverse Course", occurred. Hence, Japan emerged as an ally of the United States and a stronghold against communism during the latter years of the occupation.

This paper reexamines the occupation period and captures the basics of the occupation period. It explains the definition and the origin of the reverse course and presents different interpretations from orthodox and revisionist historians to enhance our understanding of the occupation of Japan. It breaks down the structure of the occupation to understand the preponderant role of the United States in the policy-making process. It studies the purge initiatives and reform policies to gain an insight into the course of events during the occupation. At the same time, it tries to find out when and why the reform policies started to change.

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I Introduction

The occupation of Japan by the Allied Powers (1945–1952) constitutes a focal point for many researchers who are interested in Japanese history and politics. The fundamental changes in Japan’s social, economic, and po-

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political structures during the occupation attract scholars. Moreover, some scholars see this period as the starting point of further studies about postwar Japan. As Ray A. Moore puts, "anyone trying to understand postwar Japan must begin with the events of this period which have shaped the values and behavior of the Japanese ever since."

The occupation period brings forth an ambiguous and controversial concept – "reverse course" – which underlines the changes in the occupation policies to redesign Japan as a strong industrialized economy and an ally against the spread of communism. Even though the term reverse course is widely used in the literature, only a small number of historians have tried to analyze it thoroughly. Furthermore, the expression reverse course has different meanings according to various historians. On the one hand, orthodox historians accept the changes in the occupation policies but do not suggest a complete policy reversal. On the other hand, revisionist historians argue that a full reversal of policies happened during the occupation period.

Moreover, the occupation reforms and the reverse course, continue to influence the debates on the contemporary politics of Japan. In light of the recent sweeping changes in Japanese politics, namely the reinterpretation of the Peace Constitution as well as the furious debates on Collective Self-Defense, the usage of the term reverse course might become popular again. For instance, some critics argued that Japan is following a path somehow resembling the pre-World War II and that the Japanese government is repeating the reverse course with the new Special Secrecy Law and the approval of the right of collective self-defense. Of course, all arguments are open to discussion and do not represent a clear-cut explanation of the term itself. For this very reason, the occupation of Japan and the reasoning behind the reverse course becomes a fruitful topic to reexamine.

Bearing the words of Ray A. Moore in mind, this paper tries to examine the basics of the occupation period of Japan. It seeks to reveal the actors and events that drastically influenced the occupation policies and the concept of reverse course. The paper analyzes the term reverse course and the previous literature. It lays out the different interpretations according to various schools, and examines the general structure of the occupation. Understanding the structure of the occupation period is essential in order to grasp which actor had the leading role/influence over the occupation policies and reforms. Moreover, it analyzes the purge initiatives and reform policies to gain an insight into the course of events during the occupation. Needless to say, not all of the reformation process faced drastic changes. Yet, it is crucial to examine the reforms separately to understand when and why the policy reversal started. Finally, the paper offers some insights to help understand the changes in the occupation policies.

II Concept of “Reverse Course”

A What is Reverse Course? - Definition and Origin of the Term
Reverse course is a term which explains the changes in the occupation policies. Although there are different interpretations, it is usually regarded by scholars as started on February 1, 1947 when MacArthur (Supreme Commander of the Allied Powers) ordered the banning of a general strike which was planned by labor unions. Nearly, all scholars who research the occupation period of Japan by the Allied Powers, use the term “reverse course” at some point in their books or articles. Despite the fact that the term is widely used in the
literature, most scholars do not provide a common definition of it let alone an explanation about its origin. Only a small group – mostly Japanese scholars and revisionist historians – attaches importance to the definition of the term and explains its origins. The rest usually take the term for granted.

In general, reverse course means “progressing in a way that is contrary to the usual.” Specifically, it indicates a paradigm shift where the initial occupation policies and reforms designed for Japan, started to change direction and ended in negating the original goals. It is also used for describing the latter phase of the occupation period. The explanations of reverse course and the reasons behind it vary according to scholars.¹

The origin of the term goes back to the 1950s. According to Robert E. Ward, the phrase is Japanese in origin and was coined probably in the mid-1950s by elements opposed to both the Japanese government in power and to reversals of earlier policies that they discerned in SCAP itself.³ Kazuki Takano makes a more detailed exploration and argues that the term was first seen in the yomiuri shimbun’s society page starting from November 2, 1951.⁴ Asahi shimbun’s, “a state with no armaments” (Shimbun to kyû jô: Gunbi naki kuni) series, in 2015 also underlines the same date and explains that the term reverse course is used to explain the social phenomena that tries to reverse the democratization movement.⁵

The arguments presented here seem plausible when one considers the simple but important question asked by Nakamura Masanori: “According to whom were the policies reversed?” Nakamura explains that changes in the occupation policies were not considered as a reverse course in the eyes of American businessmen, American decision-makers or conservatives both in Japan and the United States. However, it was the leftist groups that perceived these changes as a reverse course. When the occupation started, they were first granted a variety of rights, but, afterwards, during the late 1940’s and early 1950’s they were stripped of these rights when SCAP initiated the purge of communists or the “red purge.”⁶ Prof. Nakamura underlines the red purge and points out that it was the left-wing that coined the term.

B Interpretations of Reverse Course

1 Orthodox Interpretation

Orthodox historians, notably Edwin O. Reischauer, consider that the main goals of the occupation – the democratization and demilitarization of Japan – were successfully carried out. Therefore, they do not think that a policy reversal happened during 1945–1952. Without a doubt, they accept that the economic problems in Japan and the emerging Cold War situation forced decision-makers to change policies. But these changes are called shifts rather than a complete reversal of the occupation policies.⁷ Reischauer’s interpretation is widely accepted by most scholars. According to him, the adoption of a new constitution was the most important aspect of the democratization in Japan. Constitutional reform was successful and made the Diet (Japanese Parliament) the chief organ of state power and also guaranteed civil rights. It was followed by the zaibatsu dissolution plan in 1947. By this time, however, it had become clear that further surgery to improve the Japanese economy for social and political reasons, might destroy it instead. Therefore, the dissolution plan was halted and the emphasis shifted to attempts to revive Japanese industry.⁸

On the other hand, labor policy started to change too. Labor reform gave workers the rights to organize, to bargain collectively, and to strike. But starting from 1947, labor strikes endangered the weak Japanese econo-
my. To protect the earlier reforms, MacArthur banned the general strike on February 1, 1947 and implemented new measures to prevent the increasing influence of communists in labor unions. The fear of communism in Japan, combined with the “loss of China” and the looming Cold War, led to the purging of the communists from the public and private sectors.

The key point of the orthodox interpretation is that the main goals of the occupation policies were fully achieved by 1947. After that, SCAP and the American policy-makers acted according to the changing situations in both domestic and global affairs. The economic recovery of Japan was chosen as the next step to preserve the earlier reforms. To achieve this new goal, zaibatsu reform was abandoned in 1948 to strengthen the Japanese economy and the communist influence in labor unions was eliminated by the “red purge” starting from 1949. These policy changes were made to undermine the influence of Soviet Union in Japan. There was no complete reversal in occupation policies during 1945–1952; however, small adjustments were made.

2 Revisionist Interpretation

Revisionist historians, notably John W. Dower, link prewar Japanese history with the occupation period to explain the reverse course. Ray A. Moore supports this argument. He argues that “every effort [not to isolate the Occupation years from prewar Japanese history] should be made to understand the occupation reforms.” According to Moore, “this effort is essential, since every occupation reform grew out of Japan’s recent history and the American perception of it. No account of land reform or zaibatsu dissolution, for example, makes much sense without an understanding of Japan’s economic development since the nineteenth century.”

Dower argues that the purge initiative could not completely replace the prewar Japanese bureaucracy and prevent the influence of some preeminent conservatives such as Yoshida Shigeru. Dower draws attention to the continuity between Yoshida Shigeru’s anti-communist beliefs as a prewar diplomat and as a postwar prime minister. As a result, these conservative bureaucrats influenced SCAP and the occupation policies. They helped stopping and restricting labor unions’ activities. They also played a crucial role in initiating the red purge. Therefore, the occupation of Japan did not occur in a vacuum that started in 1945. According to Dower, the occupation period was a part of the “Shōwa period” (1926–1989) of Japanese history and had “continuity”.

In addition Dower and revisionist historians attach vital importance to U.S. strategic and economic concerns to explain the reverse course. They argue that Japan was not important when the occupation started. But after the implementation of Truman Doctrine and Marshall Plan in 1947, the ideological rift between the United States and Soviet Union became more apparent than ever. Moreover, the communist victories in China expanded the communist area of influence and made Soviet control over Japan possible. To prevent Soviet control over Japan, the U.S. policy-makers considered making Japan “an economic bulwark” against the Soviet expansion in East Asia. This idea came into existence with Dean Acheson’s “workshops of democracy” speech on May 18, 1947. Afterwards, the idea was supported by the Under Secretary of the Army, William H. Draper, and George Kennan who visited Japan during 18–21 September, 1947, and February 1948. In light of these events, the zaibatsu dissolution plan (FEC-230) was scrapped and communist sympathizers within the labor unions, and the public and private sectors were “cleaned out”. As a result, the main goals of occupation – democratization and demilitarization – were reversed by the end of the purge of conservatives and the annulment of labor reforms. Finally, the economic recovery of Japan under the influence of conservative Japanese
bureaucracy started and the zaibatsu reforms were abandoned.\textsuperscript{12}

The most crucial point of the revisionist interpretation is that the main goals of the occupation were abandoned in light of U.S. strategic and economic concerns. Furthermore, not just the decision-makers in the United States but Japanese conservatives too, influenced this reversal of the occupation policies. The anti-communist nature of the conservative Japanese bureaucracy promoted the red purge and influenced SCAP and Washington to reverse the course of the occupation policies according to their interests. Lastly, emerging Cold War situations resulted in changes to U.S. foreign policy which inevitably altered the occupation policies.

3 The Denial of Reverse Course

In August, 1980, an International meeting related to the Occupation of Japan was held in the University of Massachusetts, Amherst, and Peter Frost presented his paper “Changing Gears: The concept of ‘Reverse Course’.” Frost objected to the reverse course theory and argued that there was no reversal in the occupation policies. According to him, the basic framework of the occupation policies for Japan, such as the exclusive control of the occupation by the U.S., the importance of the electoral system and the respect for the decision of the majority principle, promotion of the “Spiritual Revolution” of the Japanese people based on American democracy and Christian values, and lastly, the recovery and self-reliance of the Japanese economy, was maintained. Therefore, there were no changes in this framework.\textsuperscript{13}

Denial of the reverse course theory caused a great sensation among Japanese scholars. Some of them criticized while some of them supported Frost’s ideas.\textsuperscript{14} One scholar in particular, Nakamura Masanori, argued that we cannot and should not deny the reverse course. If we deny it, then we cannot explain the suffering of the people who were affected immensely by it.\textsuperscript{15}

In sum, the different interpretations, definitions and the arguable origins of the reverse course, make the concept very difficult to comprehend. Unfortunately, there is no simple, common explanation of the concept that is accepted by most scholars. Furthermore, the different interpretations cause the starting point of the reverse course to differ. For example, Hans Martin Kramer analyzes the works of Dower, Fujiwara Akira, and Miyake Akimasa to understand the changes in the occupation policies. Kramer cannot pinpoint a common starting point because of the divergent interpretations. He deduces that the reverse course “occurred somewhere along a timeline encompassing the suppression of the general strike on February 1, 1947, the formal decision of the U.S. National Security Council in May 1948 to declare openly all other occupation goals secondary to that of economic interdependence, and the contemporaneous deepening of the cold-war and growing emphasis on economic reconstruction in 1949.”\textsuperscript{16}

The main reason why the explanations for the reverse course are diverse and ambiguous rests in the social sciences. Simply put, social science theories rely on the subjectivity and the personal perception of individuals. Contrary to theories of the positive science, theories in the social sciences present multiple causal relations of a particular phenomenon. This situation enables social science theories or - as some scholars call them - “pre-theories” to be present at the same time. In case of the reverse course, the situation is no different. The orthodox and revisionist interpretations reflect the differentiating causal relationships of the reversal of the occupation policies as it is explained above. The denial of these theories reflects just another perception. Therefore, the goal of this paper is not to put forward an overarching theory that explains every aspect
of the occupation, but to understand the main reasoning behind the policy changes occurred during the occupation. In this context, the structure of the occupation will be examined next.

III Occupation of Japan

A General Situation of Japan and the Structure of the Occupation

After the dropping of the A-bombs on August 6 and 9, and the Soviet Union’s entry to the war on August 8, Emperor Hirohito accepted “unconditional surrender” on August 14, 1945. The next day, he made a broadcast over the radio, announcing Japan’s surrender. Hirohito stated the fact that “the war situation has developed not necessarily to Japan’s advantage” and wanted to “endure the unendurable and suffer what is insufferable” from his subjects. Thus, marking the end of the Second World War and the protracted wars in the Asia and the Pacific in which millions lost their lives. Japan had lost the war and the Allied powers emerged victorious.

The war was finally over. Yet, the living conditions of the Japanese people, did not improve immediately. In fact, conditions in Japan were horrible when the war ended. As well as the conventional air bombings that nearly destroyed everything in the major cities, the atomic bombings of Hiroshima and Nagasaki traumatized the nation. Most of the large cities were in ruins. Fifty-eight percent of Yokohama, fifty-six percent of Kobe, forty percent of Tokyo and thirty-five percent of Osaka were destroyed during the air-raids. According to Paul Bailey, the air-raids caused nearly 400,000 civilian deaths. This figure rose to 668,000 according to Reischauer. Millions escaped from the large cities to the rural areas as a consequence. This situation also crippled the production process and caused inflation. As a consequence, General Headquarters (hereafter GHQ) and Japanese politicians struggled with the inflation problem in the early years of the occupation. Japanese people were deprived both physically and psychologically. As Reischauer puts it, “not just the cities but the hearts of the people had been burned out.”

Under the circumstances mentioned, the first occupation troops arrived in Japan, on August 28, 1945. The official instrument of the surrender signed on the battleship Missouri in Tokyo Bay by the Supreme Commander of the Allied Powers General Douglas MacArthur, representatives of nine other Allied powers, and Japanese officials on September 2, and the occupation of Japan started. The United States planned to control the occupation. To do so, President Truman appointed MacArthur as SCAP. Even though the Soviet Union tried to include a Soviet Supreme Commander (General Vasilevski) to supervise the occupation, the United States did not allow it. On August 10 when Ambassador Harriman met Molotov, Harriman branded such an arrangement as inadmissible. He told Molotov that “the United States fought with Japan nearly four years by herself, therefore the U.S. government should decide who would be Supreme Commander.” Moreover, the Truman administration took a strong stance against a multinational occupation. The U.S. refused to consider dividing Japan into zones of occupation as had been done in Germany, demanded that all of occupied Japan be placed under U.S. supreme commander, and balked at the creation of a genuinely influential international control commission.

In theory, the occupation was planned to be controlled by the Allied Powers through the Far Eastern Commission (FEC) based in Washington and the Allied Council for Japan (ACJ) in Tokyo. But the establishment of these institutions retarde and could not be completed until 1946. By that time, SCAP was implementing
the directives from the U.S. government and U.S. control over the occupation was firmly in place. Moreover, even after the multinational institutions were established, the United States continued to have exclusive control over the occupation. Neither FEC nor ACJ were permitted by the United States to have any real influence. The Far Eastern Commission enjoyed specific policy-making functions which were decided by the majority rule. But the United States explicitly expressed that, no policy decision, could be passed without the approval of the United States.

Thus, the occupation was almost entirely an American show and was regarded as such by the Japanese.

In addition, MacArthur used the existing Japanese bureaucracy to exercise power and implement the reforms. The Japanese government was placed under the authority of GHQ. During the occupation period, Japan had no sovereignty; no diplomatic relations and no major political, administrative, or economic decision were possible without the conquerors’ approval.

However, the U.S. intention to oversee the occupation created a strange occupation structure. In December 1944, the State-War-Navy Coordinating Committee (hereafter SWNCC) was established to oversee the occupation period both in Germany and Japan. The policy making followed a peculiar process. First of all, the policies created by SWNCC were forwarded to the Under Secretary and the President. At the same time, the Departments of State, War, and Justice occasionally sent missions to Japan to observe the general situation there. These missions wrote reports and forwarded them to the President. After that, the President sent directives to the Joint Chiefs of Staff to implement proper policies in light of these reports. Then, these new policies were sent to the Far Eastern Commission. The FEC was a multinational institution dominated by the United States. For instance, “the basic initial post-surrender directive” was approved by President Truman without informing or consulting the Allies. It was later formally adopted by FEC in 1947. Moreover, the famous “FEC-230” – Zaibatsu Reform Plan – was first approved by the Far Eastern Commission and then blocked by the United States on December 9, 1948 to revitalize the Japanese economy. For these reasons, it is appropriate to classify the Far Eastern Commission under the U.S. government to underline the exclusive role of the United States, even though in theory the situation was the opposite (see Table 1).

Secondly, Far Eastern Commission forwarded the accepted policies to GHQ. At GHQ, MacArthur played the main role in implementing these policies. The Allied Council for Japan performed an advisory role to SCAP. SCAP sent the directives from FEC to related sections in the GHQ. After the necessary preparations these sections sent the directives to Japanese Government through the Central Liaison Office which was established by the Japanese Government to provide interpretation between GHQ and Japanese Bureaucracy. Then, Japanese Government implemented these new policies for the occupation.

Thirdly, the continued existence of Japanese bureaucracy was assured by MacArthur, unless it tried to prevent or hinder the occupation policies. Thanks to this opportunity, the Japanese bureaucracy found chances to propose their own reform plans. For instance, the Shidehara Cabinet decided to implement their own reforms, including a new electoral law and labor law, under-taken even before GHQ handed down any detailed directives. Even though most of the propositions were not accepted by MacArthur and revised later on, the Japanese bureaucracy increased its influence gradually throughout the occupation period.

In conclusion, the reformation of Japan started under the exclusive control of the United States govern-
ment. The United States bypassed the Far Eastern Committee by directly sending orders to General MacArthur. Because of this, the multinational institutions could not play a decisive role in the occupation and remained subordinated to the U.S. government. Moreover, MacArthur and his close aides in the GHQ (Counter-intelligence, Government and Economic-Scientific Sections) played the role of central authority overseeing the occupation. Their high influence over the reform policies continued throughout the early occupation period. As another crucial point, Japanese Government has influenced the policy implementation process within the framework that has been drawn by the SCAP. Especially the conservative governments undertook important roles in the reformation process, a topic that will be touched on below. The crucial point here is that changes in the reform policies were undertaken accordingly to U.S. concerns within the cold-war context. In this regard, the policy preferences of Washington and the reversal of the reform policies became inextricable from each other. Under this structure, occupation policies were implemented until the occupation formally ended and Japan regained her sovereignty on April 28, 1952.
B Main Goals of the Occupation

The framework of the main goals of Occupation was set forth by the Potsdam Declaration on July 26, 1945, released by the United States, Britain and China. This declaration underlined “the elimination for all time of the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest”, and “the limitation of Japanese sovereignty to the four main islands of Honshu, Hokkaido, Kyushu, Shikoku and some small islands” that are to be decided by the United States, Britain and China. Moreover, declaration stated that “the Japanese military forces shall be completely disarmed”, and “stern justice shall be meted out to all war criminals.”

This framework was filled in with “the basic initial post-surrender directive” (SCAPIN 150/4/A) which was sent to MacArthur and officially approved by President Truman on September 6, 1945. With this directive, the United States established the ultimate objectives of the occupation which were the democratization and demilitarization of Japan. Therefore, Japan was to be completely disarmed and demilitarized both politically and economically to help cultivate a political system that is as closely as it may be to principles of democratic self-government. SCAP was to encourage the development of organizations, in labor, industry, and agriculture to promote democratic forces within the society.

American policy-makers intended that Japan would not become a menace to the world again. This policy was forged within the context of realist theories. Policy-makers wanted Japan to be considerably weak in Asia to maintain the balance-of-power, because Japan’s neighbors were relatively weak. The United States considered the new position of Japan, – a weak, agrarian-based economy relying on trade with other Asian countries – would suffice in the postwar international order. More importantly, from a broader perspective, both the United States and the Soviet Union did not consider Japan as their first priority. The two superpowers were already locked in disputes over East Europe that emerged during the Yalta Conference. For the United States in the twentieth century the most important requirement for a congenial international environment was that Europe should not fall under the domination of a single, hostile area. This argument noted in April 1947, “The area of primary strategic importance to the United States in the event of ideological warfare [anti-communisms] is Western Europe, including Great Britain.” Thus, Europe was the primary objective of the United States, possibly followed by the Middle East for energy concerns. On the other hand, for the Soviet Union, Korean Peninsula constituted the primary objective because of its strategic location vis-à-vis both China and Japan and its warm-water ports in the southern part of the peninsula.

In short, the main goals of the occupation were embodied by the United States as they were set out in the in the Potsdam Declaration in 1945. The U.S. government sent “The basic initial post-surrender directive” to MacArthur to set the main route for the reformation of Japanese political, social and economic life. The two main goals - democratization and demilitarization of Japan- had the utmost priority in “the to-do-list of MacArthur” in the early years of the occupation. After that, new situations started to emerge in the domestic, regional and global areas that eventually led to changes in the occupation policies, called as “reverse course” later on.
IV Reformation of Japan

General Douglas MacArthur and a small group of advisers at GHQ started implementing various reforms according to the basic initial post-surrender directive. The reformation process continued for nearly the whole occupation period. However, the focus and the intensity of this process changed from time to time, especially between 1947 and 1949.

In the early years of the occupation (1945-1947), with the heavy influence of "New Dealers" within GHQ, reforms were made to achieve the democratization and demilitarization of Japan. SCAP started the tasks of demobilizing the armed forces, purging of public and private figures that were closely related with ultra-nationalists and militarists, establishing the International Military Tribunal for the Far East to punish war crimes, releasing political prisoners (mostly the members of the Japanese Communist Party) and creating labor unions to cultivate a backdrop for the democracy to nurture. In addition to these initiatives, SCAP set important reforms in motion: land, labor and education reforms, and a new constitution as well as a dissolution plan for the zaibatsu.

In the latter phase of the occupation (1947-1952), the economic recovery of Japan was prioritized by policymakers in Washington. During this phase, the influence of SCAP greatly deteriorated and the State Department attached vital importance to establishing a tight control over the occupation. Developments in global, regional and domestic affairs – led by the fear of spreading communism and the unrest caused by the faltering Japanese economy – created the impetus for sending more missions by the U.S. State, War and Justice Departments to Japan to grasp the ongoing situation.

This section explains the reform policies as briefly as possible because of the space limitations. Examining the reform policies is a requirement to understanding the changes in the direction of occupation policies. "Was there a reverse course?", if the answer to previous question is yes, then "what was it really?", "when and how did it start?" Before asking these questions, we should explore reform policies first and then try to capture the changes in labor, purge and zaibatsu policies. Furthermore we should consider the changes at the international level and take regional and domestic events into account to see the big picture.

A Purge Initiative and Tokyo Tribunal

MacArthur started the purge initiative by removing the ultra-nationalists and militarists from political life to ensure that Japan would not again become a menace to the peace and security of the world as it stated in the Potsdam Declaration. To achieve this goal, SCAPIN 550 – Removal and Exclusion of Undesirable Personnel from Public Office – was implemented on January 4, 1946. The original objective of the purge was to remove persons with war guilt from public life, but it expanded into removing local government officials, teaching staff and the business sector leaders to punish anti-democratic behavior. Later, from late 1949, this criterion was applied to the communists with red purge. Consequently, some 20,997 communists lost their jobs in government, information media, and private industry. (see Table 2.1).
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Criteria</th>
<th>Duration</th>
<th>Objective</th>
<th>Effected Groups</th>
<th>Number of Persons Effected</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Initiative</td>
<td>War guilt</td>
<td>1946-1948</td>
<td>To remove the roots of ultra-nationalism and militarism</td>
<td>-Military Personnel</td>
<td>172,282</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Bureaucratic Elite</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>-Ultra nationalistic Elite</td>
<td></td>
</tr>
<tr>
<td>Second Initiative</td>
<td>Anti-democratic behavior</td>
<td>1948-1949</td>
<td>To ensure a competitive economy, based on liberal values</td>
<td>-Leaders of the business sector/zaibatsu</td>
<td>1,973</td>
</tr>
<tr>
<td>Third Initiative</td>
<td>Anti-democratic behavior</td>
<td>1949-1951</td>
<td>To prevent the increasing influence of communism</td>
<td>-Japanese Communist Party</td>
<td>20,997</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Communists in general</td>
<td></td>
</tr>
</tbody>
</table>


During the occupation period, some 210,288 persons (military, bureaucratic, political, ultranationalist, business, and information media elites) were designated to be purged. The military elite constituted the biggest chunk of this purge operation in which 167,035 (79.5% of the total) persons were purged. Interestingly Japanese Bureaucracy remained intact even after the purge. Only 1,809 out of 42,251 screened bureaucrats were purged, leaving "the bureaucracy almost unchanged in the composition of its personnel." Yet the effects of the purge initiation were temporary. After the San Francisco Peace Treaty came into effect, only 8,710 persons remained purged out of the total of 210,288 designated.

Parallel to the purge initiative, the International Military Tribunal for the Far East was established in 1946 to punish war criminals. Nearly 5,700 persons were found guilty. Among them, twenty-eight figures that have played crucial roles in starting and waging the war charged with Class A-crimes. Emperor Hirohito was not tried by the Tokyo Tribunal. Although many insisted that the Japanese emperor should be put on trial as a war criminal, General MacArthur maintained that the spiritual influence of the emperor could be used equally for the purposes of democracy. Moreover, the Potsdam Declaration made it clear that the Japanese people would decide on the form of government in Japan and the majority of the Japanese people supported the Emperor system. All of these combined with the conciliatory gestures of Hirohito, such as renouncing his divinity on January 1, 1946, increased MacArthur’s evaluation of Hirohito. These factors helped the emperor to gain domestic and international support to be exempted from the Tokyo Tribunal.

B Reform Policies
According to Reischauer, “the occupation did not stop at political reform. It also boldly attempted to reform Japanese society and the economy in order to create conditions that were thought to be more conducive to the successful functioning of democratic institutions than the old social and economic order had been.” For this purpose, five important reforms – land, labor, education, new constitution and zaibatsu dissolution – were implemented by SCAP.
1 Land Reform

In prewar Japan, tenant farmers were common. By 1945, seventy percent of farm families were either outright tenants, or rented smaller portions of land to supplement their own holdings; nearly half of the land under cultivation was rented out. The tenant system created chronic rural poverty that limited domestic consumption and tended to push Japan towards expansion. The Japanese government was aware of the situation that the tenant system was creating social and economic inequality in Japanese society. But the prewar Japanese governments could not implement land reform to change this system, let alone achieve success. With the start of the occupation, Japanese government – formed by conservative politicians – found a chance to initiate land reform.

GHQ concurred with the Japanese government about the need for land reform. The tenant system was creating socio-economic problems such as income inequality and class division. In addition, it was creating an unsuitable environment for democracy to develop. The cooperation of GHQ and the Japanese government resulted in “the Farm Land Reform Law” which was issued in October 1946. The new law limited the land that farmers could possess to 10 acres. According to the law, however, only 7.5 acres could be used for cultivation. The remaining 2.5 acres could be used for other purposes excluding cultivation. Farmers who had more than 10 acres of land before the law, had to sell their excessive possessions to the Japanese government. Later on, the Japanese government resold this excessive portion to farmers.

Land reform lasted for 5 years and by 1950, ninety percent of all farmers became landowners. This reform reduced the number of tenant farmers by nearly forty percent and achieved great success. As a long-term political consequence, newly emerged landowners became the backbone supporters of the conservative governments which implemented the reform. According to most scholars, land reform was not affected by the “policy reversal” and achieved great success.

2 Labor Reform

Policymakers of the occupation attached great importance to reformation of Labor in Japan. SCAP considered creating an effective labor union system because exercising liberties under the unions such as freedom of speech, organization and press, were thought to be the foundations of democracy. In addition, Allied reformers hoped that a viable union movement would serve as a schoolroom for democracy. On October 11, 1945, MacArthur stated publicly that he expected action to encourage the unionization of labor. This was followed in 1946 by the Trade Union Act and the Labor Relations Act. The Labor Standards Act was promulgated in 1947. Collectively, these measures gave workers the rights to organize, to bargain collectively, and to strike.

As a result, left-wing grew stronger within the labor unions (see Table 2.2). As a consequence, MacArthur and the conservative Japanese politicians became troubled and started to change the policies concerning labor reform.

Three factors at the global, regional and domestic levels encouraged this change. First, by 1947, the ideological rift between the United States and the Soviet Union had become more apparent with the implementation of the Truman Doctrine. With this doctrine, the United States took a stance to support all nations struggling against communism.
The new U.S. approach was followed by Marshall Plan on June 6, 1947 to revitalize the destroyed European economies. After the Soviet Union refused to be a part of the Marshall Plan, the ideological fissure between the U.S. and USSR became deeper. Secondly, the conflict between the communists and nationalists in China started to favor the communists' side which helped the expansion of the communist ideology in Asia. This situation made "the spill of communist influence to Japan" possible which was considered as a security threat by the United States. Thirdly, inflation problem of the weak Japanese economy put another nail in the coffin. Labor unions started to protest the conditions and prepared strikes to show their discontent. MacArthur thought that the wide range of rights granted to unions would eventually lead to more strikes and worsen the economic situation in Japan. It was also thought that the Japanese population might be mesmerized by communist ideology and drift towards the Soviet area of influence.

For these reasons, policies concerning labor reform started to change its focus. Thereupon, SCAP directed the Japanese government to weaken labor's new rights by, successively, prohibiting the planned general strike of February 1, 1947, denying the right to strike and collective bargaining to most public-sector unions in 1948, diluting the original Trade Union and Labor Relations Laws in 1949, and purging suspected Communists from the unions in 1949–50.

Labor reforms started with great enthusiasm to promote democracy in Japanese society. But after 1947, the policies towards labor reform started to change and labor unions and their influence were considered "dangerous" by the conservative government of Japan and MacArthur. In 1949, SCAP started the "red purge", a sweeping action to "clear" communists from both public and private sector. Not surprisingly, these policies caused great dissatisfaction among left-wing scholars, writers and workers. They claimed "a reversal of policies" had occurred during this period.

3 Education Reform

The prewar education system of Japan was based on the 1890 Imperial Rescript on Education. It stressed the devotion and the loyalty of young Japanese people to the emperor. Furthermore, it "defended and promoted the mythic imperial polity (kokutai) and high moral education". For this reason, MacArthur considered the prewar education system of Japan as an engine that pumped militaristic and nationalistic ambitions into young Japanese minds. To prevent its influence, he insisted on reform that "promotes democratic values and individual rights." For the reasons that set out in the basic initial post-surrender directive, GHQ introduced "The

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Table 2.2  Growth of unions and union membership in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Unions</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>August</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>December</td>
<td>509</td>
<td>380,677</td>
</tr>
<tr>
<td>1946</td>
<td>April</td>
<td>8,531</td>
<td>3,023,979</td>
</tr>
<tr>
<td></td>
<td>September</td>
<td>14,697</td>
<td>4,122,209</td>
</tr>
<tr>
<td>1947</td>
<td>January</td>
<td>17,972</td>
<td>4,922,918</td>
</tr>
<tr>
<td></td>
<td>February</td>
<td>18,929</td>
<td>5,030,574</td>
</tr>
</tbody>
</table>

Source: Based on Bailey, *op. cit.*, p. 50.
Basic Law on Education” and “School Education Law” in March 1947. \(^{49}\)

The law fundamentally changed the education system. It extended compulsory education to nine years from six years in the prewar period and created a 6–3–3–4 system based on the American model (six years of elementary education, followed by junior and senior high and four years of college). The law also decentralized control over the education system, ending the Ministry of Education’s grip on education and placing control in the hands of locally elected school boards. \(^{50}\)

4 New Constitution

Writing a new constitution for Japan formed another important pillar of the reform process. As mentioned in the Potsdam Declaration, “the ultimate form of government of Japan” was to be decided by the “freely expressed will of the Japanese people.” \(^{51}\) Yet, the United States played a great role in writing the Japanese Constitution. There was a Japanese attempt—namely the Matsumoto Draft—to implement constitutional reform in line with the directives from GHQ. However, it was rejected by SCAP because the draft of the constitution was very similar to the Meiji Constitution of 1889.

The SWNCC adopted a paper on the “Reform of the Japanese Governmental System” (SWNCC-228) on January 7, 1946 and forwarded it to MacArthur. According to this paper, the Japanese basic law “was to be altered as, to provide that in practice the government is responsible to the people, and that the civil is supreme over the military branch of the government.” \(^{52}\) The dual nature of the prewar Japanese government in which the military had authority to act independently without any restriction from the civil government, was considered the main reason for the expansionist and militarist adventures of Japan. Hence, the most important goal of writing a new constitution was to destroy this dual nature of the Japanese government in line with SWNCC-228. \(^{53}\)

The new constitution was promulgated in November 1946 and went into effect in May 3, 1947. With the new constitution, the structure of Japanese politics fundamentally changed. The Emperor lost his political authority and was given a symbolic status as Head of State. Sovereignty rested in the people who elected their representatives through democratic elections. A prime minister and the cabinet ministers constituted the executive branch of government and they were responsible to Japanese citizens for their actions. A bicameral – House of Representatives and House of Councilors – legislature was formed to represent the people. Lastly, a Supreme Court was established to supervise the system of lower courts as well as to determine the constitutionality of laws. \(^{54}\)

Article IX of the new constitution became a focal point of the occupation. It famously “renounced war as a sovereign right of the nation” and stated that “land, sea, and air forces, as well as other war potential, will never be maintained”. Nevertheless, with the start of the Korean War in 1950, the interpretation of the “Peace Constitution” was changed and a Police Reserve Force was established by the indicators given by SCAP. Ignoring the common interpretation of article IX and establishing the Police Reserve Force strongly disputed especially by the left-wing scholars and politicians in Japan. This situation formed another indication of the changing occupation policies and was considered one of the starting points of the “reverse course”.

5 Zaibatsu Reform

The goals of demilitarization and democratization of Japan were the driving force behind zaibatsu reforms
same as the other reform policies. During the war period, zaibatsu – industrial and business conglomerates – made huge profits and controlled most of the Japanese industrial, finance and service sectors (see Table 3). U.S. economists like Jerome Cohen and Thomas A. Bisson underlined the increased influence of zaibatsu on heavy and war related industry between 1931 and 1941 – from a tiny base to a commanding seventy-two percent. Therefore, the U.S. decision-makers considered these conglomerates as one of the factors behind Japanese imperialism.\(^5\) As a result, U.S. decision-makers and GHQ favored the dissolution of industrial and business conglomerates to eradicate the remnants of militarist and imperialist ambitions. As a side quest, decision-makers of the occupation pursued fostering a competitive business environment in Japan by dissolving the zaibatsu.

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Years</th>
<th>1937(^*)</th>
<th>1946</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4 zaibatsu</td>
<td>10 zaibatsu</td>
<td>4 zaibatsu</td>
</tr>
<tr>
<td>Mining, Heavy, and Chemical Industries</td>
<td>%14.6</td>
<td>%24.9</td>
<td>%32.4</td>
</tr>
<tr>
<td>Other Industries</td>
<td>%7.0</td>
<td>%13.5</td>
<td>%10.7</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>%22.5</td>
<td>%23.6</td>
<td>%49.7</td>
</tr>
<tr>
<td>Miscellaneous Enterprises</td>
<td>%6.1</td>
<td>%7.5</td>
<td>%12.9</td>
</tr>
<tr>
<td>Grand Total</td>
<td>%10.1</td>
<td>%15.1</td>
<td>%24.5</td>
</tr>
</tbody>
</table>


Source: Based on John W. Dower, Japan in War and Peace, New York, W. W. Norton & Co., 1993, p. 120.

The first plan to lessen the zaibatsu’s influence came from a zaibatsu, Yasuda. According to the Yasuda Plan, the head families of four largest zaibatsu – Mitsui, Mitsubishi, Sumitomo, and Yasuda – would give up their shares in the holding companies that controlled hundreds of subsidiary firms. This plan was gladly accepted by SCAP but in reality it was a superficial reform plan. The head families lost direct control of their subsidiary firms, but, their indirect control was still possible thanks to their loyal subordinates working in those subsidiary firms.

In January, 1946, the Departments of State and War jointly sent Corwin C. Edwards (the Edwards Mission) to Japan to destroy the power of the zaibatsu completely.\(^6\) The Edwards Mission devised a definition of zaibatsu – any private enterprise or combination operated for profit – and interpreted it as widely as possible. SWNCC drafted a new policy proposal – based on Edwards’ report – for the economic concentrations in Japan. This proposal, later, forwarded to Far Eastern Commission, became known as FEC Document No. 230 or FEC-230. With FEC-230, the scope of the zaibatsu dissolution program vastly expanded and as a result, sweeping action against these conglomerates started.\(^7\) The Japanese government acted according to directives from FEC and started preparations to pass the law about the dissolution program. This law which was widely known as “the De-concentration Law” passed both Houses of the Japanese Diet on December 9, 1947.\(^8\)

At the same time, the plan to dissolve the zaibatsu and the De-concentration Law were criticized by Ameri-
can decision-makers and businessman. Most importantly, the role of Japan in the postwar international order started to change in the eyes of American decision-makers. On May 12, 1947, Secretary of State Dean G. Acheson redesigned Germany and Japan as “economic bulwarks” to prevent the spread of communism in their respective regions. In addition, when James Lee Kauffman visited Japan on behalf of his business clients in 1947, he perceived a “socialistic ideal” behind the dissolution plan and stressed the communist danger. He stated that “there was no hope for American business in Japan as long as the American occupation policy was guided by FEC-230.” These ideas were supported by the Under Secretary of the Army William H. Draper after his visit to Japan during 18–21 September, 1947. He considered FEC-230 to be no longer appropriate and realistic. A change of policy on the zaibatsu reform was imminent.

With Dean Acheson’s “workshops of democracy” speech and George Kennan’s visit to Japan, polices toward zaibatsu reform started to change. But, it was Kennan who vigorously influenced the reversal of policies. He made it clear that zaibatsu had played an indispensable role in prewar Japanese economy and destroying these institutions meant destroying the Japanese economy. He later drafted a policy analysis – Policy Planning Staff Document 28 – and condemned SCAP as a parasite gorging on Japan. According to PPS-28, the purge, reparations, de-concentration, and war crimes trials – all the elements of the reform agenda – ought to be reviewed. Moreover, nothing should continue that “operated against the stability of Japanese society” or stood in the path of the “prime objective,” economic recovery. PPS – 28 later discussed formally and appeared as the National Security Act which underlined the importance of Japan for the containment of the Soviet Union in East Asia.

Kennan underlined the indispensable importance of Japan against the Soviet Union with PPS-28, considering the widening of the ideological rift between the U.S. and Soviet Union and the communist victories in China. After Kennan’s visit, zaibatsu reform started to lose momentum (just as the labor reform and purge initiative) and it was eventually abandoned on December 9, 1948. To revitalize the Japanese economy, the banker Joseph Dodge was assigned by the U.S. government and sent to Japan. Dodge implemented a nine-point plan that was later named the Dodge Line, to create deflation and stabilize the Japanese economy. Again, a change of policy towards the zaibatsu occurred for similar reasons that affected the labor policies and purge initiative: changes at the global and regional levels – mainly the spread of communist ideology – and a fragile Japanese economy struggling with inflation.

V Conclusion

This paper has described the general situation in Japan after the end of World War II and encapsulated the main goals of the occupation. It reviewed the concept of reverse course and examined its meaning and origin as well as its various interpretations. On the one hand, it examined the political, sociological and economic reformation process imposed on Japan by the United State government and Supreme Commander of the Allied Powers. On the other hand, it mentioned some efforts by the Japanese government to implement their own reform agenda.

More importantly, this paper puts forward six indispensable attributes that are related to change of policies in the occupation period:
Exclusive control of the U.S. government over the occupation policies
2 The role of General Douglas MacArthur during the early years of the occupation
3 The influence of conservative Japanese bureaucrats
4 The domestic problems of Japan
5 Regional events with huge implications for the cold-war confrontation (e.g. Chinese civil war, Korean War)
6 Global events that drastically influenced cold-war confrontation (e.g. Truman Doctrine, Marshall Plan)

The six attributes explain the causal link for the changes in the occupation reforms. The preponderant role of the United States in the occupation arguably constitutes the most important attribute of this period. Without underlining the role of the United States, we cannot fully grasp the main goals of the occupation as well as the reformation process. What is more, we cannot capture the reversal of policies during the occupation. Therefore, it is needless to say that, occupation policies were affected by the changes in American foreign policy which was altered according to the events occurring at the international and regional levels. For instance, the zaibatsu reform was scraped considering the rising ideological tensions between the two superpowers. Only then, the policies of “Japan as an economic bulwark against the spread of communism” and “Japan as a part of containment” were considered by the U.S. decision makers. Labor reform as well, turned over when the communist elements within the labor unions became strong enough to create concerns for GHQ. The establishment of the Police Reserve Force or the limited interpretation of the peace constitution was made possible only after the communist victory in Chinese civil war followed by the looming Korean War. Therefore, exclusive control of Japan by the United States, combined with the changes in the domestic, regional, and global affairs created the impetus for the policy changes. SCAP and the conservative governments cooperated to ban the General Strike of 1947, change the labor laws, and implemented the “red purge” to lessen the communist influence on domestic matters. By doing so, they undertook supplementary measures to sustain the U.S. foreign policy in the wake of the Cold-war.

The concept of reverse course in the occupation period remains disputed among scholars. Without a doubt, all scholars agree that there were some changes in the occupation period. However, only the revisionist interpretation asserts that “a full reversal of policies”, “180 degree turn” occurred between 1947 and 1952. The orthodox interpretation and deniers of the reverse course agree on shifts in the occupation policies or departures from it, without accepting a “U-turn” in the direction of occupation. This paper underlines that U-turns in the direction of the occupation are observable in purge initiative, labor reform, zaibatsu reform, and the reinterpretation of 1947 constitution. These U-turns (policy reversals) become clearer when we apply the six attributes to five reform cases and examine the differences. Even though, the examples given above are not exhaustive, they underline the need for revisiting this topic, especially in light of contemporary debates on Japanese politics.

Notes
2) Asahi Shimbun (evening), Tokyo, 1 April 2015, p. 8.
3) Reischauer argues that shifts in the occupation policies were made to "preserve the earlier reforms". According to Mary L. Hanneman, the reverse course occurred to build Japan into a strong Asian ally against the spread of communism. Duncan McCargo argues that the dawning realities of the Cold War led to a change in U.S. policy towards Japan. According to Louis D. Hayes, policy reversal is driven by a reinterpretation of the postwar world situation, mainly the changing role of the Soviet Union and the communist revolution in China. Paul J. Bailey thinks during the latter stages of the occupation, earlier reforms were modified or overturned by SCAP and the Japanese government amidst Cold-War fears of communism. According to Joyce and Gabriel Kolko, reverse course occurred because the United States wanted to solve its economic problems. The occupation of Japan and Germany were burdening the American economy. Thus, helping German and Japanese economies and making them self-sufficient was considered as the solution. John W. Dower argues that the shift in U.S. policies occurred because of U.S. strategic and economic concerns. U.S. decision-makers aimed for rehabilitation of Japan to make it a cold-war ally. Lastly, Howard Schonberger argues that reverse course occurred because the Japan Lobby (preeminent businessmen and policymakers) in America influenced the State and War Departments and eventually helped stop zaibatsu reform and build Japan as a strong economic bulwark.


6) Asahi Shimbun (evening), Tokyo, 1 April 2015, p. 8.


16) Kramer, op. cit., p. 3.
Kurtulus: Japan Under Occupation, 1945–1952

19) Bailey, op. cit., p. 22.
20) Reischauer, op. cit., p. 103.
21) Ibid., p. 103.
27) Bailey, op cit., p. 31.
31) U.S. tried to reshape Japanese political system to make it very similar to American political system. The main reason behind this motivation was to prevent Japanese aggression in the future. To achieve this goal, labor unions were established, tenant system was reformed, and anti-democratic elements were removed from Japanese society.
36) Supra note 30.
38) Ibid., pp. 82-83.
39) Ibid., p. 80.
41) Ibid., p. 122.
43) Hanneman, op. cit., p. 93.
44) Schaller, op. cit., p. 43.
45) Hayes, op. cit., p. 38.
46) Allison, op. cit., p. 56.
49) Hanneman, op. cit., p. 92.
50) Ibid., p. 92.
51) Supra note 30.
54) Ibid., pp. 60–61.
55) Schaller, op. cit., pp. 31–32.
57) Ibid., p. 63.
58) Ibid., p. 66.
59) Ibid., p. 69.
60) Ibid., pp. 70–72.
61) Schaller, op. cit., p. 126.