

**U.S. Strategic Preference for Securing Military Bases and Impact of
Japanese Financial Community on Constrained Rearmament in Japan,
1945-1954**

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Synopsis

The research question in this paper is what made it possible for Japan to implement “constrained rearmament” despite strong pressure domestically and from the United States to carry out rapid rearmament. Both external and internal factors are relevant. This paper presents and verifies the hypothesis that the U.S. strategic preference for securing military bases in Japan instead of Japan’s rearmament on the one hand and the implementation of tight-money policies precipitated by the Dodge Line of 1949 culminated in a one-trillion yen budget for Japan in 1954 on the other established firm ground for Japan’s constrained rearmament from the late 1950s onward.

Japan's rearmament started during the Allied occupation and continued afterward, but the size and speed of military expenditures were considerably less than U.S. requests. What Japan effectively carried out was a constrained rearmament. U.S. military strategy toward post-occupation Japan was an important factor in fostering Japan’s constrained rearmament. This strategy placed more emphasis on retaining U.S. military bases in Japan than on coercing Japan to implement massive and rapid rearmament. In addition, many domestic factors, including the war-renouncing Article Nine of the Japanese constitution¹, Japan’s anti-militarist norms², the strategy of buck-passing³, the Yoshida Doctrine of restraining Japan's rearmament in favor of focusing national efforts on economic development⁴, the shift in the U.S. of Japan policy priorities from strengthening Japan’s self-defense forces to promoting economic and political stability⁵, and civilian priority in civic–military relations in postwar Japan⁶ combined to form a national policy framework that supported a constrained approach to rearmament. No less important was the state of Japan's post-war finances. The level and scope of rearmament hinged upon the defense budget, or more generally, Japan’s fiscal policy. An increasing number of researchers point out that the Ministry of Finance and major bankers exerted an important influence on the decision-making process for Japanese defense policy in the late 1950s⁷.

The Ministry of Finance increased its influence over defense policies in the late 1950s, but in fact the Ministry consolidated its power between 1949 and 1954. During this period the Bank of Japan also secured a powerful inside role, allowing it to work in

its own way to promote constrained rearmament. As will be discussed, the turning point for the Japanese financial policy community's ability to gain a powerful hand in steering Japan toward a course of restrained rearmament was the Dodge Line in 1949.

¹ Kasuya, Sengo Nihon.

² Katzenstein, Cultural Norms; Hook, Militarization; Berger, Cultures.

³ Lind, "Pacifism."

⁴ Kosaka, Saisho; Nagai, Gendai; Inoki, Hyoden; Tanaka, Anzen Hoshō; Sakamoto, Nichibei Domei; Iokibe, Senso/Senryo/Kowa;

⁵ Nakajima, Sengo Nihon, Chapter 5.

⁶ Koide, "Sengo no Nihon."

⁷ Sado, Sengo Nihon, 68; Ohtake, "Nihon ni okeru;" Koide, "55nen Taisei;" Samuels, "Reinventing."