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HEADQUARTERS EIGHTH ARMY
Military Government Section
Civil Information Branch
APO 343

1 Recd
MAR 0 - 1949

FOR: CIVIL INFORMATION OFFICERS

(The statement below is extracted from President Harry S. Truman's recent inaugural address. The material may be reproduced freely in whole or in part. Suggested means of dissemination are: leaflets sponsored by unions or other organizations; or editorials which quote from the speech.)

DEMOCRACY vs COMMUNISM

"The American people desire and are determined to work for, a world in which all nations and all peoples are free to govern themselves as they see fit and to achieve a decent and satisfying life. Above all else, our people desire, and are determined to work for, peace on earth--a just and lasting peace--based on genuine agreement freely arrived at by equals.

"In the pursuit of these aims, the United States and other likeminded nations find themselves directly opposed by a regime with contrary aims and a totally different concept of life.

"That regime adheres to a false philosophy which purports to offer freedom, security, and greater benefits to mankind. Misled by this philosophy, many people have sacrificed their liberties only to learn to their sorrow that deceit and mockery, poverty and tyranny, are their reward.

"That false philosophy is communism.

"Communism is based on the belief that man is so weak and inadequate that he is unable to govern himself, and, therefore, requires the rule of strong masters.

"Democracy is based on the conception that man has the moral and intellectual capacity, as well as the inalienable right, to govern himself with reason and justice.

"Communism subjects the individual to arrest without lawful cause, punishment without trial, and forced labor as chattle of the State. It decrees what information he shall receive, what art he shall produce, what leaders he shall follow, and what thoughts he shall think.

"Democracy maintains that government is established for the benefit of the individual, and is charged with the responsibility of protecting the rights of the individual and his freedom in the exercise of his abilities.

"Communism maintains that social wrongs can be corrected only by violence.

"Democracy has proved that social justice can be achieved through peaceful change.

"Communism holds that the world is so deeply divided into opposing classes that war is inevitable.

"Democracy holds that free nations can settle differences justly and maintain lasting peace.

"These differences between communism and democracy do not concern the United States alone. People everywhere are coming to realize that what is involved is material wellbeing, human dignity, and the right to believe in and worship God.

"I state these differences, not to draw issues of belief as such, but because the actions resulting from the communist philosophy are a threat to the efforts of free nations to bring about world recovery and lasting peace."

Concerning the Three Elements of Independence

(1) We were at a loss what and how to do for the reconstruction of devastated homeland when we tried to get rid of prostration due to a severe defeat of Japan where there was a sdene of boundless ruin. Sine then, four years have lapsed. We made desperate efforts during the time, although we expersenced many hardships. Fortunately we are now at the threshola of a great work to reconstruct the country with the support of the Allied Powers.

This is, of course, due to warm kindness and help to Japan of the Allied Powers.

We are deeply greatful to the Allied Powers, and we should always keep this fact in mind. However, we are afraid that we might lose the spirit of independence as well as self-esteam and pride as a result of greatly depending upon their help and being spoiled by their good will.
We lost many precious things because of the war, but if we should lose the spirit of independence it will be the most deplorable thing.

Bright future will be awaiting us unless we lose this spirit.

A movement was sponsored in America after the war for the purpose of collecting relief funds for devastated Rusia. Among posters collected for the movement, there was a design of a little girl in a village of Russia who was asking for a relief miserably. A Russian farmer saw the picture of this little girl in a magazine, and he said, "In fact, we are poor, but not a begger."

We must remember these words over and over again.

Yukichi Fukuzawa, the author of the "Gakumon-no susume (Encouragement of learning), emphasized in the book that Japanese people had to have a "fervent will of independence" so that less anvanced Japan could secure the "independence of state" and stand beside the powers in Europe and America.

What we, 80-million populations of Japan must have now as our ideal and aim is the social and national independence. We must strive for the reconstruction of homeland steadily toward this target, although we face a severe and intense actuality from within and without. The preface of the new constitution declares that we desire to occupy an honored place in an international society striving for the preservation of peace, and the banishment of tyranny and slavery, oppression and intolerance for all time from the earth. We suppose that this "honored place," of course, premises the independence of state.

HEADQUARTERS
SHIKOKU MILITARY GOVERNMENT REGION
APO 1050

Takamatsu, Shikoku
4 February 1949

DAILY BULLETIN)
NUMBER 10)

1. Headquarters Detail: The following officers are OD on dates indicated:

Lt J.E. MIKKELSEN	0830 3 Feb - 0330	4 Feb	PHONE:	4233
Capt R.E. OERTLE	0830 4 Feb - 0830	5 Feb	PHONE:	4229
Capt E.W. STEINBERG	0830 5 Feb - 0830	7 Feb	PHONE:	4217
Capt C.H. BACK	0830 7 Feb - 0830	8 Feb	PHONE:	4215
Capt G.C. MEYER	0830 8 Feb - 0830	9 Feb	PHONE:	4234

2. Legal & Government: Telephone message from Eighth Army: In reports on by-elections held as result of last general election (an elected official resigning to run for house of Representatives), reports should include (1) Communist Party activities and trends, and (2) Cost of the by-election.

3. New Telephone Numbers: The following telephones have been installed at the SMGR Headquarters:

4142 Hqs, SMGR Personnel Section
4243 Dependent School (Recreation Building)
4242 1st Three Graders' Club (Recreation Building)
4244 Post Exchange (Recreation Building)
4235 Labor Relations Officer

4. Commissary Orders: Personnel desiring Hqs, SMGR typing pool to type commissary orders will bring three blanks with their draft orders.

BY ORDER OF COLONEL COUCHLIN:

R. A. ROSENKRANZ
1st Lt FA
Adjutant

OFFICIAL:

R H Rosenkranz
R. A. ROSENKRANZ
1st Lt FA
Adjutant

Information

1. Lost: Tuesday evening, 1 Feb, one square-cut carved jade ear-ring, between Hq Shikoku MG Bldg, and SCAP CIE Library. Reward. Call Elaine Boylan, 4162, or 4144.

2. Found: 1 pair, shell framed glasses and case. May be picked up at the Adjutant Desk.

(2) What is the independence of state? In short, it means that we are released from control by a foreign country and become independent by our own will. Concretely speaking, the first step is that Japanese is re-admitted as a member of the international society by a peace talk and can obtain an equal footing with every nation of the world.
The second step is that Japan can stand on it own leg without getting economic assistance from other countries by cultivating its economic power with the intelligence and diligence of the people. The third step is that Japan can contribute to the world's peace by making national culture develop in succession to lovely national customs.

For instance, the first step means that a child grows up to be an adult, the second step means that he is independent of his parents, and the third step means that he serves the society by fostering his character.

Such is the independence of state. These three elements are indispensable. Therefore, a state cannot become independent actually without even one of them.

(3) We do desire the independence of state including the three elements mentioned above. However, we further think that the independence of state is just only a matter of form. In other words, we have to strive for the independence of state, but what is the state like? It is nonsense to discuss about this problem abstractly apart from the essence of an independent country.

Take the fore-mentioned example again. Even though a man can sapport himself, what is he like, what is his business and how is he contributing to the society? If there is a man who believes that he is contributing to the society as a boss in a locality despite he deprives others of money by threatening, we never wish that such a man become independent.
Thus, Japan whose independence we are hoping for is never an absolute or totalitarian state.

We do desire heartily the independence of Japan will be built under the fundamental priciple of democracy.

(4) It was in the sphere of politics, we think, that democracy was desired by people in the end of the 18th century.
The objects of French Revolution which broke down the despotism of the brivileged classes are that people can act freely in capitalistic society on the basis of the private property system and free contracts, and that activities of the state whose duty is maintainance of public order and defence of foreign invasion should be decided by the representatives of people (parliament).

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During the second half of 19th century, however, democracy was stressed in the sphere of economy rather than in that of politics. For as a result of the opposition between the "haves" and the "have-nots" in the capitalistic society, the former came to make an ill use of the freedom provided for by laws for the purpose of oppressing the latter. Gigantic trusts and cartels gradually came to annihilate free and fair competition, to make little of the benefits of the working classes or the interests of general consumers and further to lead politics astray from the right path through corrupting newspapers and political parties. Therefore, democracy came to be desired not only in politics but also in economic.
Thus economic democracy came to aim at economic control and social circle equity by emancipation of farmers or laborers.
The spirit of democracy however, should be emphasized not only within the extent of politics and economy, but in social life in general, we think. For, if despotism, slavery, oppresion and intolerance stick to various spheres such as family life, education, culture and others, political or economical democratization also will become impossible.
Therefore, in the 20th century democratization in social life has come to be talked about hand in hand with economic democracy.

In short, democracy should be considered from three points, that is, political, economical and social ones.
If the state lacks one of these, it cannot be called a democratic state in a true sense.

(5) We must bear in mind three elements in reconstructing Japan as a democratic state. These three elements of independence in this sense are strongly marked in the new constitution.
Namely in the sphere of politics it stipulates that sovereign power resides with the people and that the Diet composed of their representatives is the highest organ of state power, and it also guarantees to the people the fundamental human rights such as freedom of assembly, speech, religion, throught and conscience. In the sphere of economy, it admits to all people the right to maintain the minumum standards of wholesome and cultured living guaranteeing to the "haves" the right to own or to hold and also guaranteeing to the "have nots" the right to work and the right to organize and to bargain and act collectively or stipulating for them that standards for working conditions shall be fixed by law. On the other hand, however by stipulating that private property may be taken for public use, it holds down alsolutism of property rights.
In the sphere of social life., to democratize family life and to make people's life wholesome and cultared on the state's own responsibility, the Constitution stipulates that the state shall pay its attention to social welfare and security, and to public health, and guarantees to all people the right

HEADQUARTERS
SHIKOKU MILITARY GOVERNMENT REGION
APO 1050

DAILY BULLETIN)
NUMBER 51)

Takamatsu, Shikoku
16 April 1949

1. Hqs Detail: The following officers are OD on dates indicated:

Capt E. L. MISENER	0830 18 Apr - 0830 19 Apr	PHONE 4217
Capt C. H. BACH	0830 19 Apr - 0830 20 Apr	PHONE 4215
Lt J. E. MIKKELSEN	0830 20 Apr - 0830 21 Apr	PHONE 4233
Lt GRANT JONES	0830 21 Apr - 0830 22 Apr	PHONE 4237

2. Economic Section: The following was received from I Corps via telephone and forwarded for your information.

a. Special Goods and Special Material Investigation on Ministry of Transportation and General Railroad Board will be made by regional Hoarded Goods Civision of the EIB. Investigation will begin in Sapporo, Sendai and Fukuoka from 20 April to 19 July 49 and continue in Tokyo, Nagoya, Osaka, Hiroshima and Takamatsu from 15 May to 14 Aug 49. EIB will notify local M.G. teams of non-inventorial materials.

b. Jikatabi Investigation - Administrative inspector on production and distribution of Jikatabi is being conducted by regional EIB, of Fukuoka, Hiroshima, Sendai and Sapporo. Investigation began 10 April 49 and will continue through 20 May 49.

c. Fish Distribution Enforcement Program conducted by EIB has been extended from 1 April to 15 May 49. Upon termination of this program a continuous year round program of constance surveillance of marine products control will be put into effect. - P.D. Enforcement Memo will follow.

BY ORDER OF COLONEL COUGHLIN:

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to receive an equal education so that people's culture may be promoted and developed.
As mentioned above, the new Constitution showa three aspect, politics, economy and society in which democracy should be established.

(6) We heartyly hope for national independence. This independence is conditioned with three elements of politics, economy and society.

The independent state that is our ideal should be a democratic one. Efforts must be made for construction of a democratic state in three spheres, namely, politics, economy and society, We must not forget three elements of politics, economy, and society from both points of view of "independence" and "the state to be constructed."

HE/DQU/RTERS
SHIKOKU MILIT/RY GOVERNMENT REGION
/PO 1050

D/ILY BULLETIN)
NUMBER 51)

Takematsu, Shikoku
16 April 1949

1. Hqs Detail: The following officers are OD on dates indicated:

Capt E. L. MISENER	0830 18 Apr - 0830 19 Apr	PHONE 4217
Capt C. H. B/CH	0830 19 /pr - 0830 20 Apr	PHONE 4215
Lt J. E. MIKKELSEN	0830 20 Apr - 0830 21 /pr	PHONE 4233
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1st Lt F/
/djutant

OFFICI/L:

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R. /. ROSENKR/NZ
1st Lt F/
/djutant

THREE ELEMENTS OF INDEPENDENCE

Through the diligence and persistent efforts of our people, the rehabilitation of our native land has been making rapid progress. It is now the proper moment for us to regain the national trust, domestically and internationally with the true patriotism which is growing out of the life of austerity. The idea we aim at can be summed in the attainment of complete independence of the nation.

How can national independence be accomplished? It becomes possible only through the complete independence, political, economic and social of a nation. These three indispensable elements of the independence of a nation can be called "Dokuritsu Sanyoso". Let this phrase be ever before us in our struggle to reach the goal.

Such words as "national recovery" and "economic rehabilitation" which have been widely used, have a use which is restricted to econimic matters, neglecting the importance of political and social advance. Complete independence cannot be attained by material means alone. There must be a spiritual content which tugs at our hearts and pushes and pulls us on even when the road seems rough.

Let us preach the doctrine of "Dokuritsu Sanyoso". Let us take this phrase and its meaning to our hearts in order that the national livelihood can be made brighter and the establishment of a peaceful and democratic country can be expedited.

Now let us examine the Three Elements of Independence one by one.

Political Independence - In the highest sense, we envisage as politically independent a nation which has demonstrated by its actions and national conscience its right to assume a place in international affairs on an equal plane with other sovereign nations.

Internally, political independence is the freedom of action in governmental affairs enjoyed and practiced by a group of poeple having common interests. This extends from the national government down to the smallest organized public entity and contemplates the free and untrammeled administration of governmental activities. It denies the right of a higher governmental unit to arbitrarily direct or govern the activities of another governmental unit except where, by common consent, such right has been freely given. It denies the idea of subordination. All government units, however small, have an undeniable sovereignty and right of self determination. However, some examples of national action which transcend the right of small governmental units are those affairs relating to the judiciary, national transportation, communication and postal services, national institutions of learning and research, national hospitals, navigation, etc. No local public body, contrariwise, may deal with its affairs in such a way as to contravene or nullify national laws, cabinet orders or ministerial regulations duly authorized by law. Within these bounds as further stated in Article 2 of the Local Autonomy Law, a local public body has complete political independence and autonomy.

Economic Independence - Constitutes a degree of efficiency in the agricultural, commercial and industrial economy of a country to the extent that necessary imports are limited to a minimum and exportables maintained at a maximum. It envisages well managed governmental operations on balaneed budgets from the national to the local level. It contemplates maximum use of present natural resources and intelligent and vigorous development of new natural resources. It requires cordial relations between management and labor, sound banking practices and a stable currency.

Social Independence - may be summed up in the statement that all human beings are born free and equal, in dignity and rights. Everyone has the right to life, liberty and the pursuit of happiness. None shall be held in slavery or servitude. There is the right to freedom of thought, conscience and religion. There is the right of peaceful assembly and association and the absence of coercion with reference to membership in any association. ~~There is the right to work for a just and favorable remuneration~~ insuring an existence worthy of human dignity and supplemented, ~~when necessary~~, by other means of social protection. There is the right to freely enjoy and participate in the educational and cultural life of the community and to share in scientific advance and its benefits. Man is a creature of dignity and should be treated as such.

Occupation Forces

Mr. MacLeod

KOCHI NIPPO

6 Sept. 1949

Editorial: On some of misunderstanding about allied forces.

It is said that the Kochi CAT will be abolished in near future. And a nation wide movement for retaining the civil affairs teams is being conducted at various places throughout the country. On the other hand, some officials of the Kochi Prefectural Government express various undesirable feelings concerning the abolition of the civil affairs team. For example, some of them hold such feeling that they don't fear the public opinion of the people at all, but they were afraid of the civil affairs team, and, now that the civil affairs team is abolished, there is nothing to be afraid of.

Through the frequent contacts with the officers of the civil affairs team, high-ranking officials of the prefectural government might have been convinced that the Americans deal with the business following the principle Of "the efficiency first," they are just and kind, and they are the persons filled with a democratic thought. However, when these high-ranking prefectural officials attend a farewell party of the officers of the civil affairs team, they don't dare to express their true feeling at a table speech that they were most afraid of the civil affairs team. However, it may be true that in their heart they fear the civil affairs team.

This is chiefly due to the fact that the civil affairs team has frequently pointed out the inefficiency and mistakes of prefectural officials in dealing with the business and advised them to reform these faults. And the prefectural officials have governed the people with an attitude that, whatever kind of order it may be, since that it is the order of the Allied forces, the people can not but obey the order even if they consider it somewhat impossible to practice. We are hereby not pointing out the general tendency of merely the prefectural officials in Kochi but of the governmental and prefectural officials throughout the country. The people have also almost similar sentiment of ours toward the attitude of the governmental and prefectural officials. In other words, the people and the governmental and prefectural officials are shackled by the conventional idea that "kings have long arms." However, the people must be convinced that the orders of the allied forces are not unreasonable but that the issuance of these orders are chiefly caused by the faults of the people who can not understand the social justice.

The social morals in the post-war Japan has been so degenerated that the Japanese government could not help asking the allied forces to issue even and order prohibiting passengers to stand on the motor-man's platform of tramcar. This is a clear evidence that the Japanese people have lost the spirit of independence.

However it is also an undeniable fact that there are not a few governmental and prefectural officials who attempt to attribute various responsibilities, inpracticable orders and matters which the people don't like, to the allied forces authorities, and that some of the people consider it true.

The Allied forces don't give impracticable orders. ? They issue just orders only. They don't attempt to reign supreme in the government of Japan. They only give advices and suggestions to the government of Japan. They are doing their utmost to rehabilitate Japan as soon as possible.

This is partly because every personnel of the Allied forces has a common feeling that, unless Japan be rehabilitated as soon as possible, the tax burden of the American Taxpayer will not become lighter than now for long time to come. The American personnel of the Allied forces seem to be much more interested in an effort to make Japan a self-supporting country rather than the Japanese people themselves. It is evident that the earnest interest of the American personnel of the Allied forces in the food delivery, taxation and a drive for sweeping out the blackmarket in Japan indicates their intention that they wish to lead the government of Japan properly, to quicken the rehabilitation of Japan as soon as possible and to make the Japanese people live a happy life.

Dr. Shoup made an excellent draft of the reform plan of the taxation system in Japan for only little less than three months.

We can not but admire his wonderful effort, eagerness and efficiency in drafting the reform plan.
For another example, the whole people of Kochi Prefecture have great admiration for the earnest efforts of the officers of the Kochi CAT to promote the Welfare of the people in the prefecture. The whole staff of the Kochi CAT are very kind in dealing with the businesses on hygiene, welfare, information and so on. On the other

hand they are very severe in exposing the blackmarket dealings.

The Japanese people have a misunderstanding that they are burdened with the whole expenses for the occupation forces. The expenditure for termination of hostilities for the current fiscal year is ¥107,000,000,000 yen.

However, the salary for the personnel of the Occupation forces is paid by the American Government. The salary is exchanged by "yen" bank note. The dollar as corresponding to the salary paid for the personnel of the Occupation forces is put in the special accounts for the international trade. And the money is appropriated to the fund for purchasing import goods such as food, oil and so on. The Japanese "yen" spent by the personnel of the Occupation forces at various places in the country amounted to about 25,000,000 dollars in the last fiscal year and is expected to be about 50,000,000 dolars in this fiscal year. If there where not the Occupation Forces in Japan, such an enormous amount of money dould not be spent in the country for the benefit of the Japanese people.

Some of the Japanese people have a misunderstanding that the Occupation forces don't dare to positively import goods into Japan from abroad.

But the fact is quite contrary to this misunderstanding. In reality the Occupation forces are importing various important goods worthy of 100 or 180 billion yen every year into Japan. As the accounting for these imported goods has not appeared in the national budget, it has never been made clear to the people. But from this fiscal year on, the accounting for these imported goods was decided to be noted down on the national budget by the name of the collateral fund (140 billion yen). The total amount of the collateral fund for this current fiscal year is more than one and half times the expenditure for terminating hostilities. Besides, the Occupation forces are supplying to Japan many excessive goods including buses and releasing various incentive goods for farmers who deliver food in full, such as canned goods, clothing and the like.

For unexpectedly repid rehabilitation of Japan after the end of the war, the Japanese people are much indebted to the kind offices of the Occupation forces.

Moreover, some of the Japanese people have a misunderstanding that the Occupation forces are taking away the materials in Japan to foreign countries.

But the fact is quite contrary to this rumour. As the US government authorities are well-informed of the dirficult food condition in Japan, the Occupation forces are importing almost the necessary goods for the personnel of the Occupation forces such as cabbage from America. There have never been such a good Occupation forces in the history or war in the world. A greater part of the expenditure for terminating hostilities is paid in Japan. The money is being paid to about 300,000 Japanese employees as their salary.

We, the Japanese people, should cultivate the ability to observe matters right.

NANYO JIJI SHIMBUN 26 Aug. 1949

Editorial: Democratic responsibility is grave.

General Headquarters of the Allied Forces reorganized local military governments as civil affairs teams a few months ago. GHQ further announced that local civil affairs teams would be abolished by the end of this year. According to the announcement, local civil affairs teams which are put under supervision of the Eighth Army will be merged into seven regional and Hokkaido civil affairs sections by the end of this year, and the supervision over regional civil affairs sections will be transferred to a new section to be set up in GHQ.

About this matter, General Walker, commander of the Eighth Army, often expressed his opinion.

A statement issued on Aug. 15 by Major-general Fox, Vice-chief of the General Staff, GHQ, made clear explanation about the matter. His statement included various important problems. But there are two problems which drew our special attention. Firstly, Japanese local government officials will be permitted to take grave responsibilities in every field after the abolition of local civil affairs sections. Secondly, the Japanese people will be given their responsibilities to dispose of their own problems as early as possible if they prove by themselves that they have self-governing ability. It is very important for us to engrave these two things on our mind.

Such steps which were taken by GHQ mean a big charge in its occupation policy for Japan, but responsibilities to be imposed upon us will become so much grave. Therefore, we must never make little of these measures of GHQ. It is very glad that Major-General Fox's statement promised us the bright and hopeful future of Japan. It, however, premises that we must meet GHQ's expectation in discharging our duties and proving our self-governing ability.

New step to abolish local civil affair teams marks an epoch in the occupation policy of the Allied Powers and is a big trial to test our self-governing ability. We must endeavor for this purpose and the attitude of local officials who have been too much depending upon civil affairs teams must be reflected upon.

Japan must be independent politically and economically, but first of all, we must master the democracy.

The democracy will be built on the basis of self-governing spirit of the people.

At any rate, we will have to settle many difficult problems with our own responsibility after the abolition of local civil affairs teams.

By Tsuzuki, 2 Sept. 1949

CIVIL AFFAIRS
CIV. INFO.

102.10

allied occupation in Japan

HEADQUARTERS EIGHTH ARMY
APO 343

7 July 1949

SUBJECT: Fortune Magazine Articles on the Japanese Occupation

TO: See Distribution

The following articles from Fortune Magazine (inclosures 1 and 2) are reproduced for the information of civil affairs units. Since the material is copyrighted it may not be released for republication.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

J. A. O'BRIEN
CWO USA
Asst. Adj. Gen.

2 Incls:
1. Two-Billion Dollar Failure in Japan
Fortune Magazine, April 1949

2. Japan - An Economy of Survival - General MacArthur
Fortune Magazine, June 1949

Distribution:
"B" and "Z", plus
Each CA Region and Team (2)
CA Section, Hq. Eighth Army (100)

TWO-BILLION DOLLAR FAILURE IN JAPAN

(An economic report on SCAP finds a bureaucratic mess.
Perhaps there is hope ahead.)

The Tale of Japan is quickly told. Most political and social reforms instituted by the Americans are substantial successes; the economic reforms have been massive failures.

Industrial recovery in Japan since the war is the lowest in the world, standing now at about 30 percent of the prewar economy. European nations- the victors, the neutrals, and the defeated alike- have meanwhile recovered at least twice that much.

The long-continuing Japanese depression has finally forced SCAP* to shift its main emphasis from economic reform to economic recovery. To this extent the prospect for Japan is bright for the first time since the defeat; brighter, too, for millions of Asiatics, and perhaps even brighter for the long-suffering American taxpayer who has thus far spent over $2 billion on Japan without notable return.

Even this meager brightness is comparative. The Japanese face a future uniquely bleak in a bleakish world; five, ten, or more years of sacrifices and grueling work. The American taxpayer must prepare himself for an indefinite period of vast appropriations, hoping that some day a democratized, economically healthy and pacific Japan will be established.

The new hope for Japan came in a SCAP directive of last December 18, announcing an economic stabilization program rigorously concentrated on recovery measures, without a single new reform. The directive is a kind of confession; it sets up as new goals the very thing SCAP has supposedly been doing. SCAP has at no time admitted failure- it is not in the nature of bureaucracy to point out its own mistakes; and from General MacArthur on down, the SCAP bureaucracy has a history of peculiar sensitivity to criticism. Thus the December 18 directive has to serve as the nearest thing to an admission of failure that the taxpayer is likely to get, until SCAPists retire and write their memoirs.

But the directive itself is not to be quarreled with; its points are plain and sense making, with emphasis on production, efficiency, economy, with the objectives a truly balanced budget, wage and price stability, increased exports, increased production of both raw materials and finished goods, and- most important- "the early establishment of a single general exchange rate." A directive, of course, is only a directive, and the pessimists note that there is no flesh on this bone yet.

* Supreme Commander, Allied Powers; this has come to mean not only General Douglas MacArthur but his staff of 5,983.

Inclosure 1

On the credit side

SCAP, taking over a broken, ruined country, has done great things. The first objective, the demilitarization of Japan, was completed within a year. A second prime objective, the democratization of the empire, has been proceeding admirably; all that can be done speedily has been done speedily and well. The rest remains to be done by time, and by the Japanese themselves, as they learn to use their democracy.

The new constitution, promulgated November 3, 1946, was made effective May 3, 1947; it stakes out the road to democracy with unmistakable plainness; it is comprehensive, yet simple and workable, and will serve over the years as a yardstick to measure the degree of deviation by Japan from democratic principles.

A labor movement has been constructed, from the bottom up. In prewar Japan the labor-union membership peak was 420,000; the total today is more than 6,600,000. The first gyrations of this great new force in the nation were inevitably irresponsible; unions struck at will and without cause in the first muscle flexes of discovered power.

A brave start has been made on the Japanese educational system, which has been radically revised and liberalized. The result is a blueprint only, for a whole generation of new teachers must be educated in the new education. Agrarian reform is more than a brave start; more than 75 per cent of the land chosen for redistribution has been force-sold by landlords to the government for sale in turn to tenants, not without, of course, many individual heartbreaks and injustices. But the result stands with one clear recommendation: the huge new class of small landholders should come to form a solid bloc of free enterprisers between the landlord autocrats who once owned rural Japan and the Communists with their proposed large collective farms.

In these ways and many others the political reform of Japan is hopefully under way. In innumerable particulars the crust of custom has been broken in the ancient life of the little villages and the mass habits of the crowded cities.

Thus from a political point of view SCAP has some successes firm enough to bear critical regard. The underlying political purposes of SCAP are such as show General MacArthur to be a wise and farsighted leader. He sought to inoculate 80 million people, the most productive and industrious in Asia, against the possible poison of Communism. This is why he has sponsored so much social and political reform, and why he has expressed the hope that when the U.S. leaves Japan its political center of gravity will be "a little left of center." And from the military point of view, this same vision, despite many obstacles and disappointments, has made MacArthur little short of indispensable as a symbol of U.S. determination to resist the encroachments of Russia in the Pacific.

On the debit side

But all this is so much desk work without economic recovery. This is the reality above other realities.

Ever since the surrender, Americans have had the comfortable illusion that while the rest of the world was in a fearful mess, this occupation was just about an unqualified success. Yet on the briefest investigation this belief turns out to be moonshine, and each deeper probe merely confirms and darkens the bad news.

The best thing about the occupation, the great natural advantage the Americans started with, is the conduct of the Japanese. In the shock of defeat, the Japanese have turned out to be exactly what they were before the war, a people of remarkable industry, law-abiding, polite, good-natured, quick to pick up technical know-how, with a deep and historic admiration for things American, from institutions to machinery. In short, SCAP started with a populace utterly willing to cooperate. The Japanese, perhaps unlike any other nation, could not only forgive Hiroshima but treat its memory as a good lesson.

SCAP has done nothing to channel this natural obedience and this good will toward America into productive works. Even more, SCAP's uncountable petty interferences with the Japanese way of life have tended to curdle this good will and to turn the obedience into indifference, if not veiled opposition. Now Japanese public opinion is rapidly shifting from extreme humility and gratitude toward SCAP to a highly critical realism. At first the Japanese thought all Americans omniscient; now they have learned to distinguish between the smart and the stupid, and to play politics with this knowledge.

Nothing, of course, has tended more to dissipate the good will of the Japanese than the discovery that their recovery has been unnecessarily interfered with and postponed by bureaucratic experimentation. And it is thus that all the great social reform measures of SCAP become empty words unless the economic problem is solved. Man still cannot live by reform alone; in Japan he must have rice too.

The production figures of SCAP have turned out to be only paper figures, not terribly real, small movements of numbers up and down, without the vital substance and drive of a living, functioning economy. Production makes small, spasmodic gains and then slips and drifts- the true stigmata of persisting disorganization. Spotting the villain is not so simple as selecting the man with the mustache in a Hopalong Cassidy Western. Passing over General MacArthur himself, whose long suit has never been economics and who has been indispensable on other grounds, the possibilities range from second-echelon SCAP men to the State Department, from the Department of the Army to the diplomats of twelve nations who meet fortnightly as the Far Eastern Commission, from Congress to the Yalta Conferees. But if there is no special villain, it is not hard to find the word that at present characterizes the administration of the Japanese

economy and describes the atmosphere surrounding its continuing failure to function. The word is bureaucracy- bureaucracy both American and Japanese, both military and civilian.

The very first directions given General MacArthur specifically ordered him not to assume any responsibility for the economic rehabilitation of Japan, yet contradictorily- in the same directive- ordered him to see to it that Japan avoided "acute economic distress." Almost at once the sheer weight of distress forced SCAP into the deepest sort of involvements with the economy. Later programs have stressed recovery more and more, as SCAP finally was driven to see what businessmen had seen from the start: recovery comes first.

Corruption is now Commonplace

Scandals of graft, corruption, and bribery, involving Japanese of high social standing and more than common intelligence, have become almost routine in Japan since the war- outraging ancient traditions of honor, shocking the rooted public belief in the incorruptibility of officialdom. The Ashida government fell last November when its Vice Premier was found to be a bribetaker; Premier Yoshida swept the January elections for the Conservative party not only from a revulsion against leftism but because the public had lost faith in the honesty of the middle and left parties. A prime problem of the Yoshida administration will be to restore Japanese faith in their government. Under SCAP, Japanese morality has unquestionably changed for the worse, as the countless unnecessary controls have forced the Japanese, historically a law-abiding people, into disregard of laws. For without black-market transactions people go hungry and cold; the constant violations necessary to existence naturally tend to numb individual consciences. And, as the American experiences with both prohibition and price control proved, laws that simply cannot be observed by a majority of the people are worse than useless. Most SCAP laws could be abolished without ill effect.

In 1941 the Japanese economy reached a production index figure of 200 percent (of the 1930-34 base); the postwar low was 32.5 percent for 1946. After three and one-half years of SCAP, last December this figure was estimated at 53 percent for the year. In short, 80 million people are now living on one-half the production that 60 million people barely existed on during the depression years.

Even this shallow gain has come about almost entirely by Japanese efforts, in a striking example of the will to live and a sincere desire to learn from the conquerors. In fact, a great many SCAP actions can be shown to have harassed and frustrated even this feeble revival.

In broad strokes, this is the picture of Japan today:

1) Inflation has been rampant throughout the period of rigid bureaucratic controls, and has only recently begun to decelerate, mainly owing to the credit-curb policy of the Bank of Japan, creating a temporary stabilisation of prices and wages, beginning last autumn.

2) Industry is stagnant. For example, rayon production is 15 percent of 1937; steel production, arbitrarily fixed at 3,500,000 tons by the Far Eastern Commission, reached only 18 percent of that goal in 1947, last year the unattained goal was only 34 percent. Two-thirds of all productive capacity is idle and deteriorating, research and development are forgotten, most businesses are bankrupt.

3) Tax delinquency is the norm. In 1947, 90 billion yen of taxes remained uncollected out of 133.9 billion yen of revenue due. Reason: inability to pay. By "every compulsion short of the bayonet," SCAP got tax collections up to 78 percent last year. Taxes themselves have long passed the breaking point. The real national income of Japan is less than 60 percent of prewar. The Japanese bureaucracy, coached by SCAP, have mechanically raised the tax rates again and again beyond the point of realism, let alone equity. Even miners, stevedores, and boilermen, for example, now simply stop work after they have made 50,000 yen in a year (at the rumored exchange rate of 350 yen to the dollar this would equal an annual income of $143), beyond which it does not pay the worker to work. Thus incentive to produce is killed at all levels.

4) Foreign trade, the lifeblood of the islands' economy, is 10 percent of 1938. Millions of yards of textiles made in plain weaves to SCAP specifications lie unused in warehouses, unsalable to America as inferior goods, unsalable to the rest of the world for lack of dollars, unsalable to Japanese because they have all they can pay for.

5) Uncertainty, the climate that kills incentive, still prevails. The purge of Japanese business brains has been stopped, with thousands of businessmen ineligible either to work or to have holdings, but the possibility of reparations removals still haunts every factory bigger than a laundry. Why should a Japanese work like a beaver if his plant is to be dismantled and shipped abroad at some future date?

6) The cost of the occupation has been piling up. The total bill for running Japan: 1946, $820 million; 1947, $752 million; 1948, $713 million. Projected for 1949: $886 million.

7) The natural lethargy and inefficiency of bureaucracy fail the economy in its small normal crises of supply and demand, whereas a free economy naturally meets these crises. Example: in July, 1948, there was in Japan no carbon black of a usable grade for tiremaking because SCAP had neglected or forgotten to purchase any; the industry was forced to use scarce rubber to make tires that did not last 5,000 miles. Example: with no stock of drying oils imported, the Japanese were forced to install long-sought and hard-to-get machinery in mines and elsewhere without protective paint. Example: despite eight months of warnings that Japan was dangerously short of iron ore, only piddling quantities were brought in until even this stopped in the middle of 1948, and pig-iron production dropped 50 percent before the totally inadequate imports were allowed again. More important even than such examples in the fact that no bureaucracy can maintain the intimate and hour-by-hour knowledge of the conditions of commodities in trade, a knowledge natural in private, uncontrolled enterprise; SCAP cannot check market conditions in all commodities over the world continuously and thus cannot really trade at all.

8) Japan depends on the U,S. for better than three-fourths of its imports; in other words, little has been done to restore the nation's foreign trade, although without it the islands cannot even exist, let alone recover.

The real mistake

To understand the true shape of the problem here considered, it is important to know how SCAP got that way. For example, the Oriental Economist, a publication even politer than the London Economist, but just as influential in its own area, has quietly demonstrated that probably only three controls are actually needed in all Japan: control over rice, over coal, and over the expenditure of foreign exchange. If all other controls were wiped out tomorrow, and a certain confusion period excused, the Japanese economy would certainly improve remarkably-- perhaps by the same leaps and bounds of enterprise with which the Japanese, starting from scratch, once became the foremost world producers and marketers of rayon in three years.

Yet SCAP has shown the mark of all bureaucracies in its slow, suspicious, and grudging unwillingness to relax any controls whatever. What has happened in Japan has been the unexpected marriage of the military mind and the bureaucratic mind; the Army and the New Dealers and socialists who govern Japan, both in Washington and Tokyo, have a natural affinity for the control of their subjects, and other differences have been submerged in the zeal of the two groups to dominate and interfere in the Japanese way of life.

To underlings in both departments, State and Army, SCAP has seemed an excellent billet. Exotic Japan, land of cherry blossoms and 80 million obedient slaves! Good pay, little work, superb quarters in palaces, mansions, and hotels, plenty of servants at minuscule wages! The genial agreement between weary brass hats and idealistic young bureaucrats was demonstrated in the purge of the Zaibatsu. The Zaibatsu alone, of all major groups in Japan, understood U.S. industrial might and were therefore against war with the U.S. But the U.S. Army and the young bureaucrats, ignorant of this history, got rid of 2,000 of the top managers and began to work down into the lower echelons. More than 200,000 Japanese- counting "purgees" of all types- military, politicians, and businessmen- were effectively removed from the forefront of the Japanese scene.

In the meantime, ironically enough, the wartime bureaucracy had not been purged but had been permitted to expand. Today the Japanese Government, forced to erect a bureaucratic counterpart to SCAP, has more than doubled its number since the surrender; it now numbers over three million persons, a million more bureaucrats than the U.S. Government employs today. The new Yoshida Government has made plans to reduce this total by 905,000 or roughly 30 percent.

A prime oddity, resulting from this vast encouragement and expansion of bureaucracy, U.S. and Japanese, is that General MacArthur has become the strong right arm of the leftists. Many bureaucrats express alarm at the thought of removing MacArthur from the Japanese scene; they regard him as an impressive goldlaced figurehead, solemnly occupied with visions of Japan as the "Switzerland of the Pacific," leaving them free to experiment in Socialism.

The goal: an exchange rate

The clearest evidence that SCAP has been looking through the telescope from the wrong end is the fact that only now are steps being taken toward establishing a single, general, stable foreign-exchange rate. By all laws of economics, currency stability comes first; yet this has been avoided for more than three years. Without a firm money base, an economy can live only in an Alice in Wonderland state. There has been no free domestic market in Japan, of course. The prices fixed by SCAP are set from artificial cost estimates, with little or no bearing on international price levels or actual conditions in Japan.

A single exchange rate would be painful. Such a rate, set either high or low, would automatically wipe out a sector of the tottering Japanese economy. A further reason for SCAP's hesitancy is that a considerable revival of Japanese production should precede the establishment of the rate.

A settled conversion rate would bring about the much desired rationalization of Japanese industry in one great stroke. Only enterprises capable of profitable operation could survive. The problem is that if the yen-dollar rate were set at what now seems appropriate, from 300 to 400 yen to the dollar, the textile industries almost alone would be favored, as textiles constitute from 55 to 70 percent of Japan's $200-million exports. This might not be good; the growth of cotton spinning in India, China, Australia, etc., which is now under way, clearly spells a dim future for Japanese cotton-textile exports. Chemicals and machinery, which made remarkable strides in Japan during the prewar and war years, need to be fostered; the exchange rate might operate against them.

These are typical of the doubts that SCAP can present as an alibi for not setting the rate heretofore. But they are without weight as against the enormous benefits certain to accrue eventually throughout the Japanese economy from a firm monetary base for foreign trade, the key to revival of the islands' economy.

Shipping: the lobby's power

For it must not be forgotten that Japan is an island, or rather four islands. Goods walk across land frontiers; men do business through any kind of curtain. But islands can be reached only by ships.

The Japanese merchant marine totaled some six million gross tons of vessels before the war. This fleet has now been reduced to one-fourth that size, or 1,500,000 tons, of which 70 percent consists of wartime "standard" vessels, and the rest is made up of superannuated or decrepit bulks. It is limited by SCAP edict to predominantly coastwise hauling. (Only six Japanese ships could sail the high seas, anyway.) SCAP's edict is in line with general U.S. policy, which protects the U.S. shipping interests. During the thirties, Japan was able to more than cover her trade deficit by her earnings in shipping. Today all American exports to Japan, most of them being shipped under Army contracts, have to be shipped in American bottoms, no matter what the cost. The cost is extremely high; roughly 25 percent of all American moneys, except military appropriations for Japan, have gone into shipping costs. Some examples:

Salt that sells for $3 f.o.b. a Mediterranean port costs $14 more, or a total of $17, to land in Japan. Phosphate rock bought for $7 a ton in the U.S. costs $23 landed in Japan. Coking coal, iron ore, and so on, may be shipped in foreign bottoms but, even so, cost $10 to $15 a ton, whereas the Japanese in their own ships could do the job for about 20 percent of that.

The Japanese were always effective and able ship operators. Yet they may not build a ship of more than 6,000 gross tons, a restriction that does not make sense by any applicable standards. Without an army, a navy, or an air force, Japan would find it difficult, to say the least, to commit aggressions with a merchant fleet. A proposal was made in 1947 that the Japanese be given seventy-five of the semi-obsolete, rotting American Liberty ships now lying anchored and useless up various American rivers. Obviously seventy-five such ships would be a big shot in the arm to the Japanese economy. The U.S. taxpayer would automatically save at least $100 million a year. This proposal* was swiftly killed. And this kind of politics has another significance; it tends to kill morale in SCAP as well as in the Japanese. Why should a SCAPist work hard to save nickels or to make sense in some miniature sector of the Japanese economy when the American Congress is willing to throw millions a year down the drain?

The disagreeable necessities

The Japanese economy can be sampled at random at any point, from the distribution of food to coal mining, from bicycle-making to soapmaking capacity- and the result will be along the same lines, in effect an indictment of SCAP's management of the economy.

No SCAPist can cite sabotage of any kind in excuse. The plain fact stands that the U.S., with everything in its favor, has had a clear field in which to operate, and on that field has spent more than $1 billion in fumbling attempts to revive the Japanese economy. The result: an economy

* A new proposal that Japan be permitted to acquire ninety-one of these vessels is understood to have been carried to Washington.

without oil, chemicals, raw materials, ships, without fresh capital, without incentives, harassed by bureaucrats who not only do not understand modern capitalism but are suspicious of it, rotting plants managed by men without executive experience, an economy half-dead, sucking in more and more American tax dollars to be wasted in unfocused experimentation. Nowhere is there any inducement for foreign capital to enter Japan and strive to help with fresh know-how, funds, management techniques. This is the harvest of SCAP to date.

The December 18 directive offers guideposts along one way out of the mess. They are only promises, really; the performance is yet to come.

JAPAN - AN ECONOMY OI SURVIVAL

The only effective antidote to the American public's traditional neglect of our national interests in the Far East is informed public opinion. Thus I have welcomed the attention of press and periodicals ever since the Occupation of Japan began. All matters not affected by security have been fully disclosed and writers have had every facility to acquaint themselves with the facts. The reports of these observers have been preponderantly favorable but there has, of course, been criticism ranging from mild disapproval to violent attack.

On examination, the criticism has usually proved to be based on either misinformation as to the facts, or subjective appraisals of the administration of the Occupation as too conservative or too liberal. Much of it has come from Allied interests abroad, fearful of Japanese economic competition; from frustrated men who vainly sought to exploit postwar Japan through a "carpet-bagging" invasion; from apologists for the prewar feudalistic Japan who vainly sought to restore the old order; and from a few disgruntled former Occupation employees. Much of the remaining criticism has come from Communists, following the party purpose to destroy public confidence in the Occupation and to create in Japan conditions of confused disorder leading ultimately to violence and failure.

That the criticism has come from both extremes merely shows that the Occupation has not been far off its intended course of leading the Japanese along the broad middle road of political democracy.

Fortune Magazine's last previous article on Japan, prepared by one of its former editors, Herrymon Maurer, after an extended on-the-ground survey and published in March, 1947, is still remembered here as a comprehensive, informed and balanced exposition of conditions in Japan eighteen months after the surrender, entirely in keeping with Fortune's reputation for authenticity of information and authority of opinion. Therein Fortune gave due emphasis to Japan's economic dislocations incident to the violent destruction of war and the deprivation of Empire areas prewar source of food and other needed resources, and aptly termed the result "an economy of survival." It is still by all standards an "economy of survival" and, for reasons which are obvious, will continue to be so even after the present Occupation has become but a chapter in Oriental history.

It was surprising, therefore, that Fortune's article of April, 1949, abruptly shifted from this realism and factuality to a number of glaring inaccuracies of fact and aberrations of opinion which any reasonably careful check against readily available and reliable sources, as for example the Time and Life correspondents now present in Japan, would have dispelled. I do not, of course, question the right of Fortune's editors to publish any matters of fact or opinion which they deem fit, but in view of the gravity of the issues which have been raised in the forum of public opinion, I venture to draw

attention to a view of Japan which evidently was not considered by the editors of Fortune when they prepared and published the article of April, 1949.

First, it is a mistake to attempt to assay the results of the Occupation of Japan solely or even largely in terms of economic recovery. A fair evaluation can be made only with reference to the objectives of the Occupation as set forth in the policy declarations of the United States and its co-participants. Briefly, these were to prevent Japan from again becoming a menace to the peace and security of the world and to bring about the early establishment of a peaceful and responsible government which would respect the rights of other States. Because the Allies believed that a democratic government is more likely to follow the ways of peace than an autocratic government, the Japanese government was expected to conform as closely as possible to principles of democratic self-government, supported by the freely expressed will of the people.

Until the issuance last December of the United States' interim policy directive on the economic rehabilitation of Japan, referred to in the recent Fortune article, the Occupation was expressly charged under its basic 1945 directive from Washington: "You will not assume any responsibility for the economic rehabilitation or the strengthening of the Japanese economy." Washington did not alter this basic economic directive until last December. Thus for over three years, controlling policy prescribed this limitation and the Japanese economy received no financial support from the United States other than that necessary to provide the food required to prevent "widespread disease and unrest." It was stipulated that the Japanese would be expected to carry out programs which would enable them out of their own resources to avoid acute economic distress, assure fair distribution of available supplies, and meet Occupation force and reparations requirements. Two points thus stand out clearly: (1) economic recovery to any stated level of activity was not an explicit Occupation objective or responsibility; and (2) whatever recovery was to be permitted or encouraged would have to be based on the available indigenous Japanese resources.

The meaning of this last term deserves to be examined in some detail. For many years Japan's greatest asset--and liability--has been her large, fast-growing population which now numbers over 81,000,000 or more than half that of the United States, crammed into an area about that of California. Since only about one-sixth of the land area of Japan is arable and the rest mountainous, the population in the arable plains is about 2,840 persons per square mile. Thus, with the most intensive cultivation, Japan is still unable to produce food to meet the minimum requirements for her survival.

Dr. Warren S. Thompson, population expert and Director of the Scripps Foundation at Miami University, Ohio, has estimated that if Japan depended entirely on indigenous natural resources, only fifty

million persons could exist on a reasonable standard of life. Other competent observers have estimated from that figure down to forty million. Only the high degree of prewar industrialization supported a larger population, but the growth of protective barriers and the trend toward autarchy in various parts of the world during the early 1930's raised increasing obstacles to the flow of Japanese goods abroad and the securing of raw materials to feed the Japanese industrial machine at home. This, indeed, more than anything else, led Japan's leaders to take the gamble of war. World conquest may have been the dream of some of the war lords but securing a hold on the sources of raw materials for Japan's industries was the impelling national motive.

The importance of this is recognized in Allied post-surrender policy. One of its objectives is that Japan be permitted access to essential raw materials. Japan's basic concept in the Pacific War was to seize the bases of raw material supply (the Philippines, Malaya, and the Netherlands East Indies) and there take a defensive posture on the theory that the other Powers would consider it too costly to retake these areas. She failed to foresee the new concept of war which was used against her, involving the by-passing of strongly defended points and by the use of the combined services, the cutting of essential lines of communication, whereby these defensive positions were rendered strategically useless and ultimately retaken.

Postwar Japan faced a much more serious economic situation than prewar Japan. During fifty years of empire building she had constructed a political, industrial and financial Empire network: Japan proper, Formosa, Korea, Manchuria and North China. A vast portion of her inshore economic wealth was poured into the building of her off-shore possessions where raw materials essential to sustain an industrial economy were in supply and whence surplus food could be imported to make up the food deficit in the home islands. During the war a primary American objective was the destruction of Japan's war-making potential and this required destruction or paralysis of production and transportation facilities. Our achievement of this objective is now history.

As one of the conditions of the surrender, Japan's geographic area was limited to the central hub of the former imperial system. With its satellite areas taken away, Japan lost control of both raw material and industrial producing capacity and forfeited vast capital accumulations. In the home islands industrial facilities had been devastated. What escaped Allied bombs was in poor condition due to war-imposed exhaustion and lack of repair. Over 80% of the country's shipping had been lost. Productivity of the land had been declining for several years because of insufficient fertilizer and depletion of manpower during the war. This general condition of economic impoverishment was greatly aggravated by the repatriation to the home islands of over six million Japanese, military and civilian. Thus when we entered Japan we found a condition of complete prostration--political, social and economic.

No stated time limit had been fixed for the Occupation. There was no definite indication as to whether it might be two years or twenty before the participating Powers would agree that the terms of the Potsdam Declaration had been met and that the Occupation should end. Nor was there any commitment as to how long the American taxpayer, who was to bear the burden of the expense, would continue to give his sanction thereto. Japan thereafter became in effect a large concentration camp, as it still is, with the forces of Occupation becoming the gaolers of 81,000,000 persons, with no one permitted to enter or leave without specific Allied authority.

In these circumstances I proceeded as rapidly as possible to accomplish the given mission. I decided at an early date to permit the Japanese authorities to carry responsibility and to exercise initiative in administering Japan's internal affairs. Physical disarmament and demilitarization were begun at once and soon completed. In the political field the first important moves were to order the abolition of restrictions on the basic freedoms, enfranchisement of the women, and otherwise broadening of the base of universal adult suffrage, restoration of political prisoners to liberty and return of their civil rights, arrest of war criminals, dissolution of militaristic, ultra-nationlistic and secret societies, removal and exclusion of militarists and ultra-nationalists from public office and from the fields of education, public information and predominant economic enterprises.

Japan was then encouraged to enact a new and democratic Constitution, plus implementing legislation for a representative democratic government characterized by a powerful legislature, an executive of limited powers responsible to the legislature, and an independent judiciary with the power of review. Important self-government powers were vested in the local communities, and all important local governmental posts were made elective. A land reform program of vast proportions was initiated whereby tenant farmers who for many years had lived in a condition of practical serfdom were enabled to buy from the absentee landlords the land they lived and worked on. Programs for the protection and improvement of the public health and welfare were early instituted by the Japanese with the guidance and assistance of the Occupation and have since borne fruit in alleviation of distress, greatly reduced disease and lower death rates, especially among children.

The organization of industrial workers into labor unions of their own choice was encouraged and their right to bargain collectively was guaranteed. In the economic field measures were taken to dissolve the great combines which had monopolized the commercial, financial and industrial facilities of the nation and a number of plants were earmarked for possible reparations removal. Otherwise the Japanese were permitted to maximize production of essential goods in order to restore the Japanese economy. If, at the end of two years, the Occupation had been terminated, I could with a completely clear conscience have reviewed my policy directive and reported, "Mission accomplished."

On March 18, 1947, in answer to questions at a Tokyo Correspondents' Club luncheon I recommended an early peace treaty, withdrawal of the Occupation forces and the termination of the post of Supreme Commander for the Allied Powers coincident therewith. In the same interview I pointed out that within her postwar boundaries Japan was utterly unable to produce the food requirements of her people and hence must be allowed to trade with the world to meet their needs for minimum living conditions, and that until a peace treaty was consummated Japan would remain in more or less degree in the straitjacket of an economic blockade. The Allied failure to reach agreement on such questions as reparations and the permissible level of industrial activity, the steady deterioration of international relations and the growing threat of the Communist advance in Asia postponed the then impending peace conferences and initiated a new phase of Occupation.

In this new phase revival of the Japanese economy ultimately became of primary importance and with the Interim Economic Stabilization Directive issued by the United States Government last December in accordance with the terms of reference of the Far Eastern Commission, rehabilitation of the Japanese economy became an explicit Occupation objective. The previously existing limitation upon my authority to assume responsibility for the rehabilitation of the Japanese economy was superseded and the power and prestige of the United States became committed to the issue. It should be noted that whatever improvement has taken place in the Japanese economy from the beginning of the Occupation to the end of 1948 had come about without benefit of direct American financial aid for industrial rehabilitation purposes.

To solve Japan's economic problem requires increased industrial production both for the home markets and for export. So our efforts in this field have aimed at increasing imported raw materials and production of key indigenous raw materials such as coal. Coal output has expanded from 20,376,000 metric tons in 1946 to 33,720,000 metric tons in 1948, and on this expansion has hinged the revival of production of fertilizer, industrial chemicals and a variety of exportable products. This increase in coal production is all the more notable since it has been achieved after replacing the former conscript Korean and Chinese labor forces with unionized Japanese labor, and providing decent housing and living conditions not previously available. Industrial production has risen steadily since the Occupation began.

To provide access for both raw materials and outside markets, I authorized resumption of commercial communications and, with United States backing in the Far Eastern Commission, have made unrelenting efforts--only partially successful--to relax the blockade which the Occupation imposes upon the Japanese economy, to permit foreign business men to enter Japan and Japanese business men to travel abroad.

The effort to assist Japanese economic recovery has not gone unopposed. The revival of Japanese activity in almost every line of endeavor has aroused opposition from one or more private or governmental sources abroad sensing competition or other danger. The natural

war-born antipathy against the Japanese still exists in many lands. Time alone will heal the wounds and restore Japan to a position of trust and confidence and friendly intercourse with her neighbors.

With the foregoing overall picture of Japan under the Occupation as a background, it may be profitable to examine the "broad stroke" picture drawn in Fortune's series of statements numbered (1) to (8), as well as its other critical observations:

(1) That "inflation has been rampant."

In view of the physical and financial cost of the war, the damage to Japan's productive capacity, the lack of raw materials for rehabilitation purposes and the government's social obligation to minimize widespread suffering, inflation was, of course, unavoidable. It has not, however, approached the runaway stage which the word "rampant" would imply. Compared with other war-devastated countries, postwar price readjustments in Japan have been much less severe and achieved without loss of public confidence in the national currency. The transition to stability will require a long period of austere living and hard work. In implementing the Economic Stabilization Directive of December, 1948, the Japanese Government is bending every effort to bring into real balance the budget for the fiscal year 1949-1950. This, together with a tightening of controls on the issuance of banking credit already initiated, will strike at the monetary causes of inflation.

(2) That "industry is stagnant," and that industrial recovery since the war is the lowest in the world.

Industrial activity in Japan has improved steadily since the Occupation began, and the rate of improvement compares favorably with that in other war damaged countries. According to the Statistical Bulletin of the United Nations for March, 1949, comparative percentages of increase of industrial production in the year 1948 over the year 1946 were:

Germany	133%
Japan	100%
Poland	88%
Netherlands	66%
France	28%
Czechoslovakia	20%
United Kingdom	20%

On a per capita basis the total financial aid received by Japan from the United States since the Occupation began has been but one-fourth of that extended to Germany, not counting the cost of airlift operations. The German economy, furthermore, reflects the benefit of direct American aid for economic rehabilitation. The Japanese does not.

For statistical purposes the five year period 1930-1934, inclusive, is considered representative of the Japanese peacetime economy before the war and is used by the Far Eastern Commission as a level of reference for measuring postwar peacetime economic goals. It is infinitely more realistic than the 1938 basis of comparison used in the Fortune article, for in that year and 1939 Japanese industrial production, with the full benefit of her Empire, reached the peak in gearing the economy for war. In terms of the 1930-1934 reference level overall industrial activity, including both mining and manufacturing, had reached 64.4% of normal by December, 1948, as compared with 41% in December, 1947, and 32.5% in December, 1946.

In certain fields particularly vital to rehabilitation, recoveries have been much more striking. By January, 1949, production of chemicals had reached 85.3% of 1930-1934 compared with 20.4% in January, 1946. Total electric power generated by public utilities in 1948 was 31.7 billion kilowatt hours, nearly twice the average annual figure of 16.6 billion kilowatt hours for 1930-1934.

(3) That "tax delinquency is the norm."

Since the latter part of 1947 when the Occupation took a direct interest in tax collection, this has greatly improved. Far from tax delinquency being "the norm", collections at the end of March, 1949 had reached 100% of the assessments based on the budgetary estimates for the 1948-1949 fiscal year, a record to which exception may not objectively be taken. Tax delinquency may have been a traditional norm in prewar Japan. But under the guidance of the Occupation, the record shows marked improvement. Fully as important as the monetary gain are the gains being made toward the development in individual Japanese of civic responsibility for the financial support of government.

(4) That "foreign trade, the lifeblood of the Islands' economy, is 10% of 1938" and

(8) that "Japan depends on the U. S. for better than three-fourths of its imports."

That the bulk of imports in the postwar period should come from the United States is only natural; such imports are largely food and raw materials no longer available from Japan's prewar sources of supply, and the United States has assumed the predominant Occupation responsibility.

Before the war Japan took three and one-half million tons of food per annum from Formosa, Korea, Manchuria, Burma, etc., and in return sent textiles, machinery and other manufactures. Cotton, the raw material for her textiles, came from abroad. The exchange with which to pay for cotton and other raw material imports came from the sale of raw silk, manufactured goods, shipping and other services. Since the war Formosa, Korea and Manchuria have had no food to export to Japan.

A large share of the prewar market for silk has been lost to nylon and other synthetic fibers. As noted by Fortune, Japan now not only does not sell shipping services but actually has to buy them.

Prewar competition offered in world markets by cheap Japanese goods based on underpaid labor was a source of continuing resentment and complaint in other countries. With the trade unionism developed under the Occupation, Japanese labor for the first time in history has been freed from exploitation. For the first time in history a proper balance is being effected between labor and capital in the Japanese economy, and Japanese exporters must find their markets on a more truly competitive basis.

In spite of the existing drawbacks, exports from Japan rose from $103,000,000 in the year 1946 to $173,000,000 in 1947 and $258,000,000 in 1948. Exports in the twelve-month period ending June 30th are expected to exceed $425,000,000.

(5) That "uncertainty, the climate that kills incentive, still prevails."

Uncertainty is inherent in the existing situation. Japan is a defeated country under the Occupation and, as recognized by Fortune, the victor nations have not yet agreed on her permissible level of industrial activity or reparations assessment. Once the Far Eastern Commission has determined these basic issues, much of this uncertainty will, of course, be lifted.

Fortune's contention that the purge program contributes to this uncertainty by leaving "thousands of businessmen ineligible to work or to have holdings" is without basis in fact. No one is denied the right to work in Japan, nor does the purge affect anyone's property holdings.

(6) That "the cost of Occupation has been piling up."

Both the statistics used to support this statement and the reference to two billion dollars in the title of the Fortune article are misleading in their implication that these sums had been spent in or for the benefit of the Japanese economy. They evidently include the pay and logistical support of the troops stationed in Japan, disbursed from normal military appropriations. These represent expenses which would be incurred no matter where these troops were stationed, and are of no benefit to the Japanese economy. For relief and non-military administration in Japan, the Congress has made the following appropriations: for the fiscal year ending June 30, 1946, none; 1947, $311,000,000; 1948, $354,000,000; 1949, $396,000,000. In the fiscal year 1946 some $225,000,000 in food and other relief supplies were made available out of military appropriations. For economic rehabilitation purposes the first apportionment to Japan was $107,000,000 in the fiscal year 1949, but up to the end of 1948 none of the supplies purchasable with these funds had yet arrived in Japan.

(7) That "<u>the natural lethargy and inefficiency of bureaucracy fail the economy in its small normal crises of supply and demand whereas a free economy naturally meets these crises.</u>"

The seeming purpose of this statement is to stress the evils of economic control, and in support the article states that "....the Oriental Economist, a publication even politer than the London Economist, but just as influential in its own area, has quietly demonstrated that probably only three controls are actually needed in all Japan: control over rice, over coal, and over the expenditure of foreign exchange. If all other controls were wiped out tomorrow, and a certain confusion period excused, the Japanese economy would certainly improve remarkably...."

It is correct to call the Oriental Economist "influential", but this has no bearing on the soundness of its views. This is the same Oriental Economist which was designated by the Japanese Government as bearing responsibility for formulating and propagating policies which led to the Pacific War, urging business into an all-out alliance with the military for the development and exploitation of the Greater East Asia Sphere, calling for the rigidity of totalitarianism as the ideal political and economic system in peace as well as in war, beating the drums for war against the United States fully fifteen months before "Pearl Harbor", and promising its readers that in a Pacific clash the United States' Navy would promptly be defeated by the naval might of Japan. It was the former president and editor of this same periodical who, as Finance Minister in the first Yoshida Cabinet in 1946, publicly insisted that the Japanese economy required expansion rather than a contraction of currency and whose reckless policies as Finance Minister aggravated the inflationary situation in Japan.

Contrary to the erroneous statement in Fortune that I have "expressed the hope that when the United States leaves Japan its political center of gravity will be a little 'left of center'", I have consistently and repeatedly publicly declared that our political aim here lies along the middle road of democracy. I am unalterably opposed to the imposition or retention of needless controls upon Japanese life and activity. Indeed, our primary economic purpose has been to lay strong foundations for the development in Japan of a capitalistic system based upon free private competitive enterprise, and to such end we have removed controls numbering in the thousands which long had existed prior to the Occupation. The United States interim directive on the rehabilitation of the Japanese economy issued last December, however, makes mandatory certain essential controls until its objectives have been achieved.

So long as critical raw materials remain scarce, it would be fatal to economic recovery to remove allocation procedures and thus permit their diversion to speculative and non-essential channels. Similarly, removal of rationing controls on essential consumer goods in scarce supply would profit none but the speculators and bring in-

creased hardships on millions of people. Laissez-faire proposals have their place, but not in an economy of poverty, with limited access to the outside world. No responsible administration could pursue such a reckless course.

"That the Zaibatsu alone, of all major groups in Japan...were... against war with the U. S. But the U. S. Army and the young bureaucrats, ignorant of this history, got rid of two thousand of the top managers and began to work down into the lower echelons."

This statement is thoroughly refuted by the known facts, yet continues to crop up from one or another source, usually with a private axe to grind. There is a tendency to use the goal of economic recovery as a cover for special interest pleading, sometimes insidiously persuasive to the uninformed. The responsibility of the Zaibatsu in the formulation of policy leading to the Pacific War is a matter of undisputed historical record. Some Zaibatsu elements may have privately or even publicly opposed such policy in its initial phases, but the record clearly shows that once the military entered upon its decision of conquest long before "Pearl Harbor", the great business and financial interests of Japan with complete solidarity associated themselves with the effort.

Those designated as purgees had full access to regular appellate procedures. If finally purged, they were not excluded from all economic activity but only from certain listed companies affected with a public interest where it would be prejudicial to the future peaceful development of Japan to permit a management tainted with war responsibility. Persons affected by the Zaibatsu Family Law are subject to even less restriction than persons purged as militarists or ultranationalists. Actual members of the Zaibatsu families are excluded only from managerial positions in Zaibatsu enterprises, leaving them entirely free to engage in any other activity. High policy-making officials of Zaibatsu companies not members of Zaibatsu families, but close enough to be considered their agents, are excluded only from companies belonging to the particular Zaibatsu combine with which they were identified. They are entirely free to apply their initiative and talents anywhere else, and in most cases are doing so.

That "ironically enough, the wartime bureaucracy had not only not been purged but had been permitted to expand. ...it now numbers over three million persons...."

The government bureaucracy was the very first group to be screened under the purge program, this phase having been completed by the middle of 1946.

The figure of three million persons quoted above is another example of the kind of exaggeration and misrepresentation to which the situation in both public and private employment in Japan is sometimes subject, for the administrative personnel of the Japanese government, including the postal services and the national rural police, number only 839,500. The Japanese Government for many years

has owned and operated the telephone and telegraph systems, the bulk of the railroad mileage, the tobacco monopoly and other enterprises which in the United States have been privately owned and operated. Employed in these activities are 714,578 operational persons. Even if this operational personnel of the railways, tele-communications systems and monopoly enterprises were added, the total would be only 1,554,078 or only about one-half of the figure stated by Fortune.

The employment situation in Japan is not, however, a matter of mere statistics. Much more is involved. Overstaffing undoubtedly exists, but this is not, as inferred, chargeable to the Occupation or its controlling policy. The Japanese often employ more labor to perform a given job than would seem normal in the United States. But this practice, antedating the Occupation by many years, reflects a lack of labor-saving devices, different work habits, and a residue of Japan's traditional paternalistic employer-employee relationship.

In postwar Japan, where the oversupply of labor was aggravated by the arrival of millions of repatriates from abroad, dividing the work was the alternative to mass unemployment and a large-scale government dole. The orthodox economist might favor the latter solution as a painful but quick remedy for an unsound industrial situation. But those in charge of the Japanese Government and Japanese industry during the critical post-surrender period have had to reckon with the social and political implications of mass unemployment and unrest. The Japanese solution was one way of absorbing the shock of transition. It may have been the means of preserving the capitalist structure in Japan. Certainly it has been the means of avoiding the unrest inevitable to mass unemployment.

With the Nine-Point Stabilization Program, under which the Occupation is taking more direct responsibility for control of the Japanese economy than has been true heretofore, the Japanese are moving toward the practice of strict governmental economy and a rationalization of industry so that it may be enabled to stand on its own feet in the competitive world. Since this process cannot be accomplished in one step, it has been necessary to agree to continue provision of substantial sums in the most recent budget for industrial subsidies to permit industry to make the transition.

That "SCAP firally was driven to see what businessmen had seen from the start: recovery comes first."

This statement is a plain distortion of the actualities and violates the principle of "first things first." In the very nature of the Occupation's task the reform of the prewar feudalistic structure of Japan merited and received primary attention. Without the great political and social reform measures which the Fortune article briefly credits, truly free competitive enterprise in Japan could not exist any more than could it without reform of Japan's traditional commercial, industrial and financial organization. Co-related with the pre-Occupation political and social concepts of Japan, economic

activity had a tremendous concentration of power in the hands of a few big family interests which operated in close association with the Government as partners and recipients of special privileges. Through their own monopoly powers and aided by a system of control associations which exercised governmental powers of allocation and price fixing, these groups held the power of economic life and death over millions of Japanese. Dissolution of this system was just as necessary to the development of a peaceful and democratic Japan as the measures taken in the political field, for none of the democratic and social reforms would have been secure, nor could political and social democracy exist in such an atmosphere of economic serfdom. To paraphrase one of Fortune's statements, even in Japan Man cannot live by rice alone. He must have freedom.

That "corruption is now commonplace, outraging ancient traditions of honor, shocking the rooted public belief in the incorruptibility of officialdom--under SCAP, Japanese morality has unquestionably changed for the worse, as the countless unnecessary controls have forced the Japanese, historically a law-abiding people, into disregard of laws."

The assertion that SCAP-sponsored controls have led the Japanese into unprecedented political corruption and general disregard of the laws is completely unrealistic. It finds support neither in history nor in the record of postwar Japan. There has been political corruption but such is no more novel to the Orient than to the Occident--the novelty to the Orient and to a somewhat lesser degree to the Occident is that in postwar Japan political corruption has run afoul of a new popular concept of political morality, has been exposed to the light of public odium and suffered the penalties prescribed by law. Even more vital in the Japanese advance is the living meaning thus given to the constitutional phrase, "equality before the law." Heretofore no such equality had been recognized in actual Japanese justice. It is true, as Fortune points out, that since the war there has been an increase in the number of economic crimes but the incidence is by no means disproportionate to the war-wrought impoverishment of the people and is small compared to the violence recorded in other war-ravaged areas of the world. Controls upon the equitable distribution and use of those commodities essential to preserve the people's livelihood and in critically short supply did not encourage the disregard of law, as Fortune suggests, but to the contrary preserved the people from widespread violence and death--and contributed greatly to the record of stability and calm universally credited to postwar Japan.

To fill the spiritual vacuum left by the devastation of war and defeat and the discrediting of popular reliance upon myths, beliefs and legends from Japan's past, the Occupation has brought to the understanding of the Japanese people new and totally different concepts of right and wrong in human behavior and a knowledge of the mode of life based upon the transcendent and immutable Christian principles and ethics. Occupationnaires, military or civilian, by their daily life have the opportunity to exemplify before the Japanese people that code of conduct learned in the American home, and are magnificently avail-

ing themselves of that opportunity. The institutions and laws and even many customs are being redesigned best to serve the requirements of popular sovereignty and individual dignity. Christian missionaries are ministering to the spiritual welfare of the people in double the prewar numbers and more are constantly arriving. As a result of these moral influences Japanese are coming to live by the tenets of the Christian faith and there is daily evidence of a profound and beneficial influence upon the moral viewpoint and ethical standards of the race. This is the greatest challenge and opportunity Christianity has had throughout the Christian era.

Objective criticism of the Occupation is always helpful and welcome, but too often critics, from whatever motive, tend to condemn without offering alternative solutions; to charge existing controls as unwarranted and unnecessary, without suggesting any other method by which acutely short vital resources in an economy of poverty, by Fortune termed an "economy of survival", might equitably be distributed over the broad front of urgent human need; to deprecate advances made in stepping up Japan's export trade, without regard to existing raw material scarcities, the prevailing economic blockade or the social barriers to the entry of Japanese goods into Allied countries; to criticize failure to ship Japan's products in Japanese bottoms, oblivious to the realism that such bottoms, even if they existed, could not, under present Allied policies, enter Allied ports.

Japan's recovery problems are peculiar to Japan and monumental, and intensify as the pressure of her population expands without corresponding expansion of her indigenous resources. True, there remain still ahead many imponderables in the area of international politics, economic competition and social prejudice, but I am profoundly confident that if we hold to a steady course our objectives will be fully consummated. In this, I rely implicitly upon the integrity, the ability and the devotion to the public service of that fine group of American men and women who compose my technical staff. No group has ever done more to merit the confidence, the admiration, and the gratitude of the American people.

No one who objectively reviews the record of postwar Japan in the light of both domestic and foreign circumstances influencing the course of events can help but note encouraging progress. The rate of such progress may not satisfy those who would attempt to apply to Japan standards and remedies peculiarly applicable to conditions elsewhere, but a comprehensive understanding of the Japanese problem arouses wonder that such progress has been as great and rapid as it has.

DOUGLAS MacARTHUR

ROUTING SLIP

@/1442

Section	Routing	INit.	Date
C.O.	3		31
Deputy Chief	2		31
S/M	1		31
Supply & M/P			
~~Mess~~ CI	4		
M/C			
File Sec			
T/Pool			

Nec Action ____ Info ____ Type ____

File ____ For sig ____ For Dispatch ____

ROUTING SLIP

Section	Routing	INit.	Date
C.O.			
Deputy Chief			
S/M			
Supply & M/P			
Mess			
M/C			
File Sec			
T/Pool			

Nec Action_____ Infor____ Type_____
File_____ For sig____ For Dispatch_

Remarks:

1

Report on movement of ㊥ communists During April 26 to May 25

To Commanding officer of Shibaba CAR

From chief of Police Section of Ebine NRP.

Date May-29, 1951

During this month they placed an emphasis upon election of prefectural assembly-men, May Day campaign and overall peace in their activity. Regarding May Day campaign they were unsuccessful as they were refused to participate in the campaign by other demoratic organizations. While, as for overall peace issue, lecture-meetings were really held and "so called peace-talking association (Heiwa-Danwa-kai)

was organized, in which they might be said to be successful in some extent.

The other items of concrete activities are as follows;

1 Overall Peace Fight

The Overall Peace Patriotic movement conference invited Jan Tokusaburo, critic of left wing, and Taskiro Isami, having relation with the Mitaka Train Runaway case and held the following series of lecture meeting:

April 25	lecture meeting	at Matsuyama-city
April 26	Round-table talks	at Matsuyama-city
April 26	lecture meeting	at Niihama-city
	Round-table talks	at Niihama-city

April 28 lecture meeting / round-table talks } Saijo-city

April 29 staid at Saijo-city.

April 30 left for Tokyo

The conference also invited Professor Yagawa Takamitsu of the Social Scientist association (Shakai-Kwagakusha Kyogikai) and held a meeting at Dogo Public Hall in Matsuyama-city. ~~and~~ There started a peace talking association consisted mainly of Hara Junji. (Nicar), Fujioka Namio (lawer), Suga Toshio (Professor of Ehime University), Yagawa Seigo (Professor of Ehime University), and Ito. Tsuneo (Professor of Matsuyama Commercial college)

together with about 70 members. Students are playing a main role in the association.

2 Election Fight

For the prefectural assembly communist Aoki Hideatsu who belonged to Southern Shine District Committee ran from Kitanwa-gun and he was unsuccessful with 626 votes and was confiscated his deposit money as a candidate.

3 May Day Fight

Starting from around April 28 every district committee scattered hand-bills saying, "Let us participate in the consolidated may Day Fight in order to protect independence, peace and living" throughout de prefecture but

Two they were refused to partake in the May Day event by Ehime May Day Enforcement Committee. Thus, they took part in May Day festival separated from the other participators.

4 Judicial Court Fight

a trial was held for 3 days ~~from~~ on May 2, ~~7~~ and 19 for communist member Arai Masatsune of Uwajima-city who was charged on his suspected violation of the National Tax Violation Control Law at Uwajima Branch of Matsuyama District Court. Audience seat was occupied by about 50 hearers, who only ~~enc~~ sent to the accused some encouraging words.

Arai was released provisionally on May 19

6

5 about 13 ~~troops~~ actors of
Zenshinza Troupe headed by Ichikawa Iwagoro came and made performances at the following 4 places but could ~~not~~ attract a few audience, the results were perhaps in red from view point of income.

May 21 at Matsuyama-city
22 at Uwa-town, Higashi-Uwa-gun
23 at Izumi-mura, Kita Uwa-gun
24 at Uwajima-city

6 Overall searching upon communists organ papers

On May 24, begining at 6 AM, the overall searching upon communist organ paper, "Laborers" was

7 carried out simultaneously as follows;

1. Searched places and seizured paper

sheet of paper seized	places
98	Eastern Ehime District committee office
203	Motooka Sato at Niihama-city
	do Onaka Shige at Niihama-city
98	Niihama Station of National railway, Izumikawa-cho
85	Kameshita Hisashi at Matsuyama-city
11	Hatano Yoshihiko at Matsuyama-city
Total 405	

2. Persons to whom letters of arrest were delivered

Kameshita Hisashi at Matsuyama-city

Takeda Hidematsu at Niihama-city

Onaka Shige at Niihama-city

The above persons are all now ~~run~~ under runaway and Police authorities are searching after them.

By DOI translator

昭和二十六年五月二十九日

愛媛縣警備課長

四國民事部長殿

㊦の動向（四月二十六日 五月二十五日）

本月間は縣議選擧、メーデー全講斗爭に主力をおいていたようであるがメーデーは各地とも他の民主団体より参加をボイコットされその目的を達する事が出来なかったが、全講問題は講演会を開催、平和談話会を結成一應の成功を見た状況であるその他具体的事例は次の通りである

記

一、全講斗爭

㊦縣委では

全面講和愛國運動協議会

講師評論家　淡徳三郎

三鷹事件関係者　　囚代　勇

の両名を招聘し

1. 四月二十五日　松山市で講演会
2. 四月二十六日　〃　座談会
3. 〃　新居浜市講演会
4. 〃　〃　座談会
5. 四月二十八日　西條市講演会
6. 〃　〃　座談会
7. 四月二十九日　〃　滞在
8. 四月三十日　帰京

の行事を行ったが五月十三日

社会科学者協会

大學教授　矢川徳光

を招き松山市道後会会で会合をもち

牧師　堀井順次
弁護士　藤岡南海男
愛大教授　菅　俊雄
〃　田川精三
商大教授　伊藤恒夫

等が主たる構成員として会員約七十名によって平和談話会の発足を見たがその主体は学生層である

二、送拳斗争

市町村議送拳に引續き縣議送拳には

南予地区委員会所属

㊤青木英篤

が北宇和郡より立候補したが之に之票の得票で落送供託金も没收となった

三、メリデー斗争

三四月三十八日頃より中南東各地区委では一斉に
の「独立予和と生活を守るために
ビラを撒き団としての参加要請をアジったが各地とも実行委
員より拒否され単独参加となった
四、公判斗争 統一メーデーに参加しよう」と
に対する国税及則取締法違反容疑事件公判を松山
地方裁判所宇和島支部で
九月二日 午前 政常
九月四日
五月十九日
の三回開廷され何れも原被告双方の申請に係る証人

評問に終始したが毎回㊦員約五十名内外の傍聴者が不法行爲はなく僅に同人に對し激勵の言葉を送つた位であつた尚同人は十九日身柄は一應釈放された

五、前進座開演

前進座市川岩五郎一行約十二、三名は

二十一日　松山市

二十二日　東宇和郡宇和町

二十三日　北宇和郡泉村

二十四日　宇和島市

の四ヶ所で開催されたが何れも子入りで欠損の模様である

六、機関紙の一斉手入

アカ入タ類似紙「労働者」新聞の全國一斉検挙は五月二十四日午前之時を期し行われたがその状況は次の通りである

記

(一) 捜査所

1. 東京地区委事務所「労働者」 九八部
2. 元岡サト（新居浜市） 〃
3. 大中重 〃 二〇三部
4. 新居濱駅（泉川町） 〃 九八部
5. 亀下壽（松山市） 〃 八五部
6. 波多野禎彦（〃） 〃 一一部

計四〇五部

(二) 逮捕状被発布者

亀下壽（松山市）
武田英正（新居浜市）
大中重（〃）

右何れも目下逃走捜査中である

OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

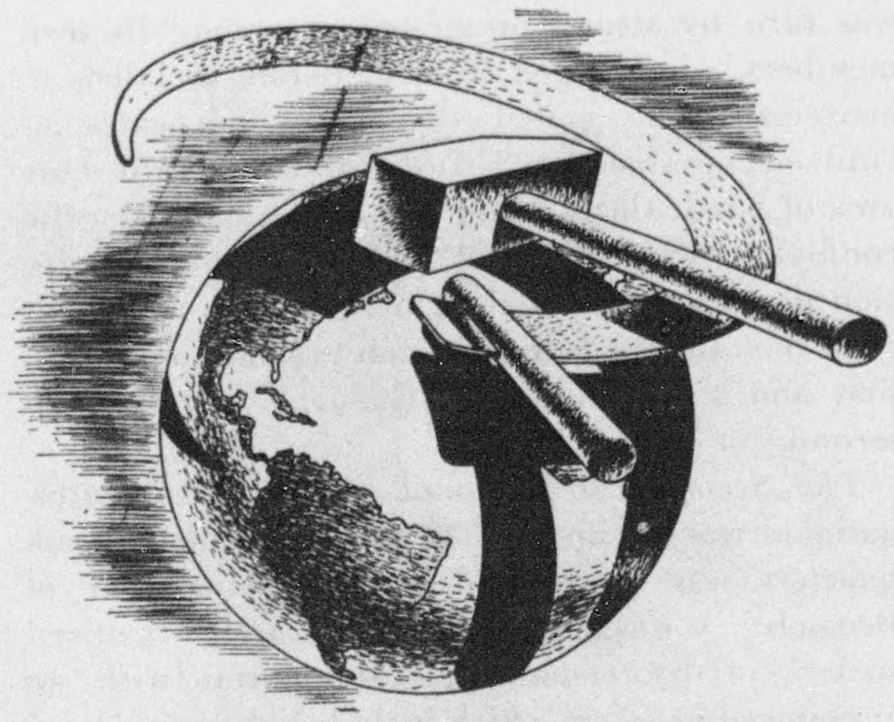
ARMED FORCES TALK

299

THIS TALK IS DISTRIBUTED FOR THE USE OF COMMANDERS IN INFORMING THEIR PERSONNEL.

Note to Discussion Leader:

This is the third of the four TALKs in the Communism Series. It discusses the spread of communism in the modern world, the methods it uses to promote this spread, the strength and weaknesses of the movement, the necessity of standing guard against it, and some steps taken to preserve freedoms on the international scene.



COMMUNISM SERIES····3

The point of emphasis is that the modern Communist movement is an international conspiracy and a menace to freedom-loving peoples.

***Presentation Pointers** (page 11) should be of assistance in planning for and conducting group discussions on this topic.*

INTERNATIONAL COMMUNISM

Introduction

THE first discussion in this series was devoted to communism's basic theories. The second told the story of the practice of those theories in one country—the Soviet Union. From these discussions, and from other sources at your disposal, you know something of the nature and influence of the Communist philosophy.

Today's discussion—the third—will center around the international aspects of communism. It will review the high lights of its world expansion and show the reasons for the spread of communistic ideas. It will describe the movement's international methods, point out its strengths and weaknesses, and reveal lessons to be learned from it.

Historical High Lights of the International Communist Movement

Communism is a global affair. When Marx and Engel laid down its basic program in the *Manifesto,*[1] they proclaimed that a violent world revolution was necessary in order that the "working class" might overthrow the "capitalist (or middle) class" and secure decent living conditions. The attempted European workers' revolutions of the middle 1800's were unsuccessful. Many of the original subscribers to the *Manifesto* were either done away with or forced to carry on their activities in secret. But a "workers' world," brought about by planned revolution, remained as a goal of Communist theory and action.

The First International.—In September 1864, the International Workingmen's Association, later known as the First International (or Internationale), met in London. Marx was the author of this organization's platform, which was strongly Communist, but he watered down some of the more radical views of the *Manifesto* in order to attract the support of the moderate labor organizations of Europe and the United States.

The First International had a short life. It interested itself in all the revolutionary movements and agitations of Europe and became a sort of rallying point for such movements. By 1874 it

[1] See AFT 294, "The Theory of Communism."

was torn by strong disagreement among its own members, who ranged from moderate socialists to anarchists who called themselves advocates of "universal destruction." It disbanded in 1876. One area of particularly bitter contention had been the conflict between national allegiances and submission to an international influence. It was difficult even then for the ordinary man to be a Communist first and a Frenchman, a Russian, or a German second.

The Second International.—The Second International was set up in 1889 in Paris, and its headquarters was established the following year at Brussels. It was originally a very loosely organized society of professional revolutionaries with an announced program which included obtaining legal "safeguards for workers," the celebration of the First of May (May Day) as an international holiday for workers throughout the world, and opposition to militarism. Under the leadership of Lenin this organization intensified its adherence to the principles of communism. Its early meetings were devoted principally to discussion of what the tactics of the affiliated groups in each country should be. When World War I was on the horizon, the International, under the guise of a peace program, called upon all "working men" everywhere to refuse to aid in the war effort. But again the loyalty of each individual organization to its nation was stronger than its allegiance to the International, and the war put a temporary end to international activities of the kind advocated by the International.

The Third International (Comintern).—The establishment of the Third International, commonly called the Comintern, came in 1919, 2 years after the Russian Communists, led by Lenin, had achieved their first great success, the Soviet revolution. Having set up the first Communist national government in modern times, Lenin was ready to renew the campaign to overthrow other governments the world over and to spread communism everywhere; so Communist leaders and leading Communist sympathizers from the important nations of both hemispheres[1] met in Moscow to form the Comintern (COMmunist INTERNational), as the international organization of Communist Parties of all nations.

For the next 24 years this international group of Communist Party representatives and professional revolutionists, always led and dominated by its Russian members, directed the policies and activities of the Communist movement in all corners of the earth. The Comintern's decisions and orders were final and absolute. Disobedience on the part of an individual or group brought expulsion or elimination. The Russian members of the Comintern were also high officials of the Russian Government. Consequently the policies of the Comintern were not only closely coordinated with those of the Soviet Government, but also actually designed to further the interests of the Soviet Union in its relations with other nations. This policy was sold to the Communist faithful on the basis that "what is good for Russia is good for communism," since Russia was the only country which so far had achieved successful revolution, and was therefore the logical base for further operations. The security of the base, Communists held, had to be maintained at all costs.

It should be noted that Comintern policies were not rigid and unchanging. As changing events affected political, economic, and social conditions in the world, or in part of it, the Comintern altered the "party line" in order to make the new situation promote Russian and Communist interests. Its ability to shift ground, or even to reverse it completely, was remarkable.

Here are some examples: Following the successful revolution in Russia, the first "line" called for immediate and violent revolution all over the world. In their enthusiasm the Communists mistakenly thought that even the United States was ripe for successful revolution. But by 1921, the Comintern realized that a period of "preparation" was in order before active, violent combat could succeed. Communist movements in Germany, Italy, and Hungary had failed, and even in Russia the movement was threatened by the economic plight of the country. So for the next 6 years the Party line became "peaceful struggle." The Soviet Union established political relations with non-Communist nations. "Agitation," in the form of propaganda and demonstrations, was accompanied by the establishment of underground organizations and party schools. During this period Lenin died and Stalin come to power as the head of both the Russian state and the Comintern. Stalin reemphasized the importance of establishing the Soviet Union as the operating base of world communism. He greatly feared, he said, a war by the "imperialists" (his term for non-Communists), against the Soviet Union. As a result, the Party line for the next 6 years was based on the principle

[1] Russia, Germany, Norway, Hungary, Sweden, Bulgaria, Finland, Armenia, Estonia, Rumania, Ukrainia, the "Eastern countries," Switzerland, Holland, Great Britain, France, Yugoslavia, Bohemia, the United States, Persia, Korea, Turkestan, Turkey, and China.

Figure 1

of strengthening the Soviet Union. Communist parties everywhere worked actively to promote revolution, and particularly to undermine the military strength of their respective countries.

The rise of Hitler in Germany caused another abrupt change in the Comintern's policy. Fear of Nazi invasion of Russia led to a 3-year period of "buttering up" to anti-Nazi nations. The Soviets were the loudest opponents of Hitler's expansion. The Party line all over the world was anti-Nazi. The Soviet Union joined the League of Nations and concluded alliances with France and Czechoslovakia. Communist parties everywhere sought the friendship and cooperation of the Socialist and other liberal parties, which they had been fighting tooth and nail. But in 1939, the world was startled by the signing of a Soviet-German Pact, pledging each nation to refrain from attacking the other. The Party line had to switch to accommodate this new development. From 1939 to 1941, all enemies of Hitler were "imperialists" and "war mongers," according to the Comintern, and the war was merely the "inevitable" struggle between imperial powers in which the "working class" had no stake. Britain and the United States now became the targets of the attacks which the Communists had been directing against the Nazis. Just as suddenly, after Germany invaded Russia in 1941, the "line" had to be switched back again, for the Soviet Union was now one of the Allies fighting a death struggle against Hitler. Communists in all lands took up the fight and played an important part in its successful completion. As "proof" of the Soviets' desire to cooperate fully with their Allies, Stalin formally dissolved the Comintern in May 1943. By most of the western world this move was hailed at the time as a most generous gesture on the part of the Soviets, and as an indication that communism no longer posed a threat to free governments throughout the world. However, evidence subsequently brought to light (in the Canadian spy trials of 1946, for example) leaves little doubt that though the Comintern was "dissolved" as a wartime stratagem, its dissolution was really a paper matter only and that Moscow continued to function as Communist headquarters all through the war and afterwards.

There now are indications that the "line" has undergone another major shift. Recently Communist leaders in France, Italy, and even in the United Kingdom and the United States, have brazenly advised their followers that they must support the military forces of the Soviet Union should conflict between the Soviet Union and their native lands ever lead to open hostilities. These treasonable statements well may be the signs of a policy decision to abandon efforts to win support for communism by outwardly accepting national

allegiances and to return instead to the basic doctrine which places loyalty to communism above everything else—even above loyalty to one's country.

The Cominform.—In October 1947, after a conference of Communist Party leaders from the Soviet Union, Poland, Czechoslovakia, Yugoslavia, Bulgaria, Rumania, Hungary, France, and Italy, it was announced to the world that the Cominform (COMmunist INFORMation Bureau) had been established. Its purpose, in the words of the Communists, is "to organize and exchange experience and, in case of necessity, coordinate the activity of Communist parties on foundations of mutual agreement." Its headquarters is at Bucharest, Rumania, rather than at Moscow. The Cominform apparently is not exactly a revival of the Comintern, but an organization of narrower scope in which the Communist parties of several countries combine efforts in opposing specific policies of the West. Its immediate objective was made perfectly clear—that of sabotaging the European Recovery Program, particularly in France and Italy. Nevertheless, its aim of world revolution and the overthrow of the capitalist system is precisely that of the Comintern.

Present Spread of International Communism

The very fact that the international Communist movement has been able to stand the strain of the sudden twists and turns of Soviet dictates, through the Comintern or otherwise, gives an indication of the strength of the movement. In the third of a century since the Russian Revolution, communism has grown to the point where it is found in practically every country in the world.[1] Its party membership of only 18 million (6 million in the Soviet Union) is a misleading measure of the power it wields, for rule by the minority is one of its fundamental principles (see figs. 1 and 2). From Moscow, communism effectively rules not only the vast expanse of the Soviet Union itself (210 million people) but also Albania, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania (totaling for the seven countries some 75 million people) and substantial portions of Germany, Austria, Korea, and China. Strong Communist parties, backed by almost one-third of the voting population, exist in France and Italy. In Greece and in Indo-China, Communist revolutionaries have carried on open warfare since the end of World War II. Burma and Malaya seethe with Communist-influenced unrest and disorder. Communism today is still on the march and a world threat, although in many areas it has been forced on the defensive.

In the six so-called satellite nations of the Soviet Union already enumerated (Albania, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania) there are one-party Communist governments which rule by police state methods. So intrenched are the Moscow-dominated puppet leaders that little can be done to oppose communism in these nations. Anyone who objects is imprisoned or executed.

In western Europe, where the United States is making its major effort to combat communism and restore economic well-being to the war-torn world, the Communists appear now to have passed their peak strength. In Great Britain, the Benelux countries (Belgium, the Netherlands, and Luxembourg), the Scandinavian countries (except Finland), Austria, Spain, and Portugal, Communist influence is slight. In France and Italy, the Communists have gained control of the labor unions and have been supported by almost a third of the voters. In Germany, they have tight control of the Russian-occupied zone and maintain a noisy, though small and ineffective, organization in the western zones.

In the Near and Middle East the Communists have threatened Greece and kept Iran on a political "hot seat" but have had little success in the face of strong opposition. Turkey and Saudi-Arabia remain firmly anti-Communist.

In the Far East the Chinese Communists have conquered all of northern China and have set up a Communist state. Communists dominate northern Korea. They are standing off the French in Indo-China. They have considerable influence in Burma, Malaya, and the Philippines, and are a continuing threat in Indonesia. Australia, New Zealand, India, and Pakistan appear to be safe, so far, from the tide of communism which has swept the Far East since the war.

Close to home, communism has flourished in spots. Cuba and Brazil have strong Communist parties operating, and Chile, Uruguay, Mexico, and Venezuela have been troubled with Communist activity. Throughout the Latin American trade unions the Communists exert a very strong influence.

Why Has Communism Spread So Rapidly Since World War II?

War Prestige.—Among factors that played an important part in communism's rapid growth since

[1] See AFT's 193, "Hungary—Majority Overruled"; 205, "Korea—Nation Divided"; 221, "Czechoslovakia—Communism Moves Westward."

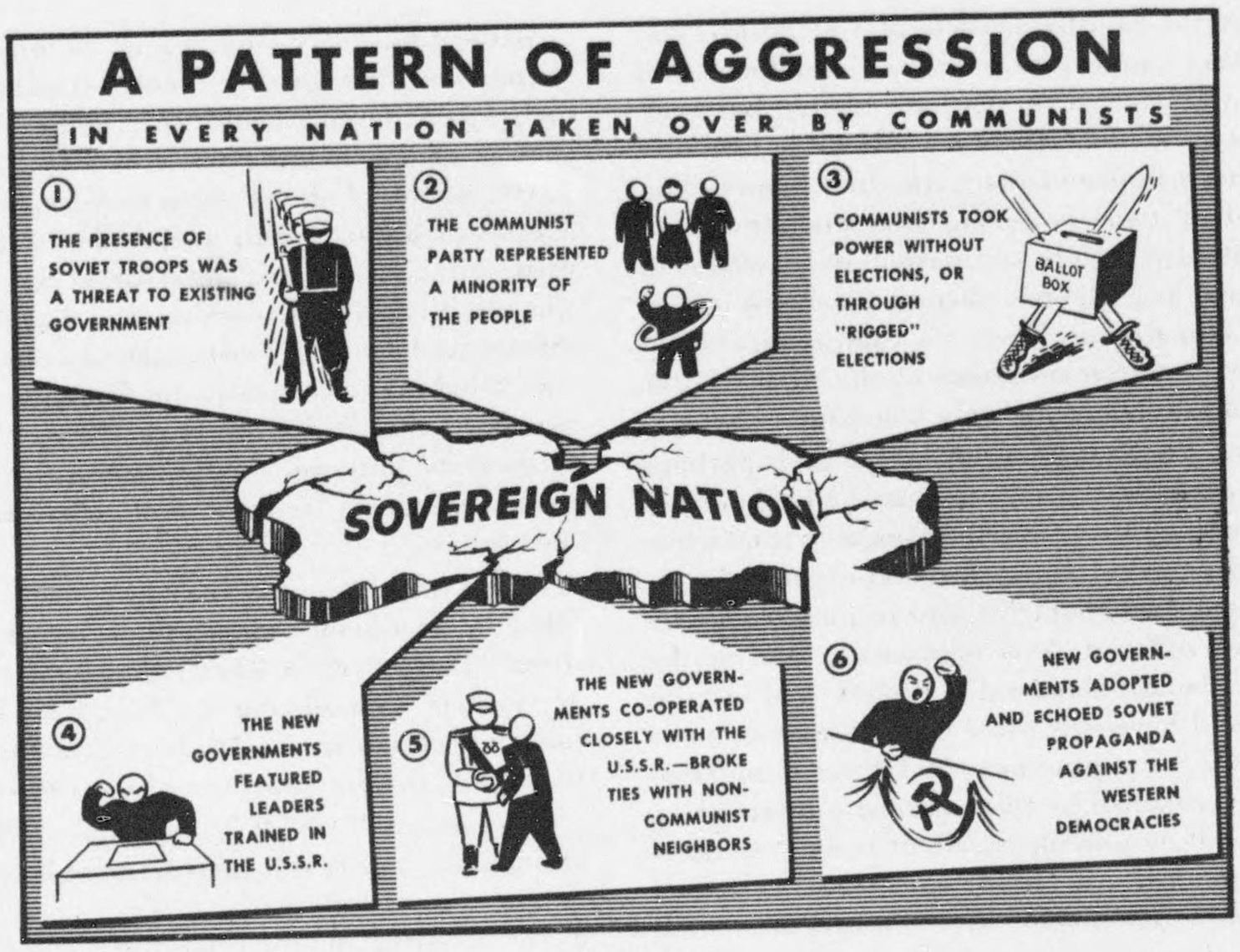


Figure 2

World War II were the military successes of the Soviet Union and the greatly enhanced prestige with which that nation emerged from the war. Admiration and respect for the power displayed by the Soviet Union in its campaigns against Hitler's armies was reflected, in some degree, in interest in Soviet political doctrine. When the Soviets entered the war against Germany, Communists in German-occupied areas went all-out in their efforts to assist the resistance groups which flourished in these areas. The Communists' experience in underground activities, and their reckless devotion to "the cause" often enabled them to take the leadership in operations. Thus the Communists of France, Belgium, the Netherlands, and Norway gained the gratitude of their countrymen, which persisted for some time after the war. Moreover, the Red Army established a reputation during the war—a reputation which has stood the Communist movement in good stead ever since. It is significant to note that the presence or nearby threat of the Red Army has assisted every major Communist success (see fig. 2). This has been demonstrated clearly in the cases of Poland, Hungary, Bulgaria, Rumania, and Czechoslovakia. If any proof were needed to show that it takes force, or the threat of force, to sell communism, the role of the Red Army since World War II furnishes evidence.

Postwar Economic Chaos.—Another postwar situation aided the Commuist movement. World War II caused vast destruction. It diverted resources and energy from bettering the lot of men to winning a struggle for survival. It upset economies, made certain moneys worthless, caused crop shortages, and broke down systems of distributing food and goods. Consequently, great numbers of people in many nations suffered acutely. Communism has its best successes among people who are leading lives of poverty and hopelessness. Its appeal is mainly to those who have everything to gain, nothing to lose. The Communist promises looked good, under such circumstances, and many people fell for them. In some countries the graft, incompetence, and excesses of the non-Communist governments in power showed up more clearly under the stress of the hard times, and the people turned toward any movement that offered a change. Such was the case in China and in Greece. The poverty-stricken of many countries failed to understand the hard, ugly truths of communism, concealed under the promises of security and improved living conditions. They did not realize that embracing communism meant sacrificing individual liberty forever. Political lead-

ers in several countries, such as Czechoslovakia, thought they could work with the Communists and give them a voice in the nation's affairs, but keep them in a minor role. They learned, too late, that there is no compromising with such a menacing movement—it must be fought and conquered or it will eventually engulf the nation in an absolute grip. Even Yugoslavia's current rebellion under Marshal Tito against Moscow's rule is apparently not a break with communism itself. Tito claims that *his* followers are the only true Communists.

Effective Organization.—Finally, and perhaps most importantly, the Communists had the advantage of tight, effective organization at a time when much of the world was greatly disorganized. In the defeated Axis countries, and in those countries which had suffered Axis occupation during the war, the liberal, democratic leaders and parties which would have furnished natural opposition to the excesses of communism had been eliminated or greatly weakened by the Nazi and Fascist rulers. France and Italy provide excellent examples. Communist organizations, developed over a period of years and strengthened by international ties, weathered the storm of war far better than did the independent, national political groups. Before the latter groups could reorganize, the Communists had seized their opportunity and had made the most of their advantage.

The Methods of International Communism

The wide spread of international communism since World War II and the avowed intention of the party to establish world-wide communism *by any means whatever* presents a present threat to liberty-loving, democratic peoples everywhere. If the threat is to be dealt with properly, we must understand how international communism works. What are its methods? (See fig. 3.)

In the first place, its leaders and key operators are trained in Moscow (see fig. 2). They go to school. They learn not only the teachings of the Communist "religion," but the tricks of the trade, violent and otherwise. Then they return to their native lands, where they take up their work in the local Communist Party. Moscow-trained leaders now in power in their native countries include Gottwald (Czechoslovakia), Pauker (Rumania), the late Georgi Dimitrov (Bulgaria), and Rakosi (Hungary). Those in non-Communist countries include Duclos (France), Togliatti (Italy), and Dennis (U. S.).

Misleading Party Names and Alliances.—If the Communist Party in any country is outlawed, or in bad repute, Communists use another party name such as the Workers' Party, the Popular Socialist Party, or the Labor-Progressive Party. Often a temporary alliance with non-Communist parties to form a so-called "front" is resorted to. A "front" was established in Italy with the Socialists, in an attempt to beat the Christian Democrats. Another was tried unsuccessfully, in Norway, with the Socialist Labor Party. Once the "front" has accomplished its purpose, the Communists throw over their temporary friends and seize full power themselves.

In the same manner, they ally themselves with other international organizations, but try to wreck them. This was their admitted tactic in the League of Nations' Commission on European Union. It has on occasion seemed to be a Communist tactic in some of the organizations of the United Nations.

Association With Worthy Causes.—The Communists attempt to sell their basic, subversive ideas in the same bundle with worthy causes supported by a majority of liberal-minded people. They thereby get a free ride on popular issues. For example, in China, Poland, and Italy they plug for land ownership reforms which will give the farmers who work the soil an opportunity to own it. In Germany, Korea, and Indo-China they loudly proclaim that national unity and freedom is their aim. In Greece, Iran, and Bolivia they couple their sinister propaganda with justified criticism of oppressive government rule. In the United States they align themselves with organizations supporting housing programs, veterans' benefits, and civil rights. The trouble is, if you go along with them to get the good items, you have to buy the whole bundle, communism and all.

An associated feature of the Communists' operation is the use of existing groups of all sorts to promote their cause. They attempt to control trade unions because of their belief that the movement has a particular appeal for the unions, since the basic idea of communism is to place the "working class" in power. Youth organizations, fraternal orders, and social groups are Communist targets. Moreover, in their "schools," Communists are trained in parliamentary procedure and the method of conducting business by group action, and hence they are able to put their aims across at local meetings, since the average member of most local organizations usually knows and cares little about parliamentary procedure.

Figure 3

The "Hard Core" Principle.—Communists aim at having active, strictly loyal members, even at the expense of numbers. A "hard core" of devout Communists is preferred to a large number of fair weather members. If their strength is watered down by hangers-on, Communist groups often conduct purges to rid themselves of the excess baggage.

Strikes and Violence.—With their heavy influence in labor unions the Communists are able to make extremely effective use of strikes, a favorite weapon, to further their ends. In France, Italy, Germany, Cuba, Chile, and many other nations various kinds of political strikes have been a common plague of the postwar years. Almost without exception they have been Communist-inspired and usually Communist-led. In addition, all manner of strong-arm methods are practiced. Violence and intimidation are used on those who don't convert to communism easily. In Greece, Communist guerrilla bands terrorize the countryside, murdering, pillaging, and impressing unwilling recruits into service. In other Balkan states political meetings of the non-Communist parties, in the election campaigns just prior to the full coming to power of the Communists, were broken up by bands armed with clubs. French miners resisted the police in recent strikes with bricks and even firearms. They inflicted serious casualties on the police. Troops had to be called out to restore order.

Infiltration Into Government.—As they grow in strength in a country, the Communists demand a voice in the government. They are very cautious, however, about teaming up with other parties in coalition governments, since they wish to avoid responsibility until they have full control. In this way they can continue to criticize the failures of their political opponents without having to try a solution of their own. Instead they use their minority representation in the country's parliament, to vote along with whichever party promises legislation favorable to the Party line, or to wreck the government's attempts to accomplish anything useful. This has been a favorite standard tactic to set the stage for the final drive to power.

The final step in "taking over" a country's government usually has followed a familiar pattern. The Communists ultimately come to power either by "rigged" elections, as in Poland and Bulgaria, or by using a minority position in the government to "pressure" their opponents out, as in Hungary, Rumania, and Czechoslovakia (see fig. 2). A convenient method usually employed is insistence on the ministries of defense (the armed forces) and interior (the police) as their share of the cabinet

posts whenever they gain a minority representation in the government. The Ministry of Defense controls the country's armed forces, and in most European countries the Ministry of the Interior controls the election machinery and both the regular and secret police. With these forces in their control the Communists can render their opponents helpless to fight them when the crisis is reached.

Once Communists have taken over, they are in for good, for there are no free elections thereafter. In a Communist state the names of only one party's candidates are printed on the ballot. If a voter wishes to vote for a non-Communist he must ask for a special ballot, or write in the name of his choice (under observation of the Communist election guards), and thus open himself to subsequent punishment. The Communists call their freedomless states "People's Democracies."

Espionage.—One other feature of international communism must be noted. This feature is espionage. Communist parties, and especially Communist agents, throughout the world provide an excellent spy system which feeds valuable information and state secrets to the Soviet Union for use in furthering Communist and Soviet aims and ambitions. The Communist spy ring in Canada, whose activities were brought to light in 1945, served to illustrate how the Soviets spied on friend and foe alike.

What Are the Weaknesses of International Communism?

The account of international communism is not entirely one of strength. Communism has its weaknesses, too. It is important to understand them, if the picture is to be complete.

In the first place, belief in the necessity of revolution, basic in the Communist creed, is a proven falsehood. The Communists say that the only possible way to improve the lot of the "working class" is to overthrow all the world's governments by violence. Marx devised this falsehood, and the Communists have stuck to it ever since. But even if we were to admit (as we do not) that people who work with their hands constitute a working "class," look at what has happened in the hundred years since then. Labor unions have grown strong in all the truly democratic nations of the world. Working conditions have improved. Workers' wages have risen. Income tax systems have been put into practice, throwing the heaviest tax burdens on those best able to pay. Governments in all enlightened countries have adopted social programs including health and old age insurance, unemployment relief, sickness and disability compensation, accident prevention, and a host of other benefits. The lot of the worker has improved. It has not been necessary violently to overthrow the governments of the United States, Great Britain, France, the Scandinavian countries, and other free nations to achieve this goal. So the fundamental belief of the Communists is "just plain wrong."

Another weakness of the Communist movement is the simple fact that Communist governments don't make good on their promises when they do achieve power. The life of the ordinary man in Bulgaria, Hungary, or the Soviet Union itself does not begin to compare favorably with that of his fellow men in the free countries of western Europe and North America. Many victims of communism are beginning to appreciate this fact. They cannot do anything about it now, for they are citizens of police states, but at least they know what the score is.

Communism is anti-religious. Though Communists have denied this from time to time, in order to gain new members or to attract votes (as in Italy), nevertheless it is a fact that communism demands all of the loyalty and devotion of its followers and cannot permit it to be shared with any church. The Catholic church, realizing this fact, is an all-out enemy of international communism. Other Christian churches, as well as the Moslems and Hindus of the Middle and Far East, find themselves naturally opposed to communism. The success or failure of communism in China may depend on the resistance to it provided by Confucianism. In Poland, Czechoslovakia, Yugoslavia, Rumania, and Hungary, the Catholic church continues its fight in spite of the tight grip of the Communists, and maintains practically the only flame of resistance to be found in these countries. The Communists are trying to put out this flame by disposing of high church officials who are the leaders of the resistance. But all of these anti-religious activities are a definite weakness in a world which has through long centuries been convinced of the value of religious faith. Communism is anti-religious, but events of the past few months in the Balkans have served to make religious men more aware of the danger and more anti-Communist than ever before.

Finally, Communists everywhere give final loyalty to communism rather than to the governments of their own countries. Communists have denied this whenever it has suited their purposes. However, few people are deceived entirely on this point anymore. The operations of the Comintern and

Figure 4

the Cominform, the training schools in Moscow, and the Soviet direction and support of the movement all over the globe leave little doubt that the goal of communism is still the goal of Marx and Lenin—the elimination of national governments and their replacement by the "dictatorship of the proletariat," on a world-wide scale. In the stronger free countries, such as France, Communists sometimes may stress national aspirations rather than the goal of the "workers." In colonial territories like the Dutch East Indies they may help stir up revolt against the mother country in the hope of national independence. But as the citizens of all the states which have lost their freedom to communism will come to realize, if they have not already, they are now subjects of international communism first, and citizens of their native lands second.

Sooner or later, people take note of unfulfilled promises. In general, they have strong ties of patriotism and religion. They can be shown, under proper circumstances, that the doctrine of a world revolution is a delusion. In brief, advantage can be taken of communism's weaknesses. But men first must understand what international communism means.

Summary

Communism's development as an international movement was promoted by organizations of workingmen, radical political theorists, professional revolutionists, and their sympathizers known as the First, Second, and Third Internationals. Each of these organizations was progressively more and more communistic in its preachments and programs. In 1919 the Third International, called the Cominterm, with headquarters in Moscow, became avowedly the international organization of the Communist Parties of all nations and set the pattern for a program of centrally controlled world-wide activities that is still being carried on.

Internationalism, in itself, is not an evil. As Americans, we are sworn to the support of genuine efforts, as represented by the United Nations, to build a peaceful world and a just society. But the internationalism of communism, as we have seen, is not a genuine internationalism. It is a false internationalism based always upon the interests of the Communist "fatherland." Its operations are directed from a single, central command post—Moscow. Its effective central organization and direction, the appeal of its propaganda, and the ruthless efficency of its operations make it a threat to free, liberty-loving nations everywhere. Already several nations have been picked off, one by one, to become totalitarian police states dominated by Soviet Russia.

Awareness of the dangers of present-day international communism to free men everywhere is

necessary to the security of free nations. From today's review some important warnings have emerged:

First: Communist action, like Communist theory, is based on false doctrine; but false doctrine can blind the unwary. If free nations are to remain free, their citizens must be made aware of what communism really means in practice.

Second: Communism feeds on unrest, the excesses of dictators, labor troubles, and the sufferings brought about by hard times. To prevent its rise and growth it is necessary to preserve and foster democratic principles, develop fair labor-management relations, protect the rights of minorities, and maintain a healthy economy, so that citizens will not need to listen to the promises of those who promise everything.

Third: Communism seeks to gain its ends by all manner of subterfuge and false fronts—promoted by the followers and trained agents of a very efficient national organization. To avoid being taken in, a country's population must be alert and well informed.

Fourth: Communism in practice clearly means the elimination of basic freedoms and the overthrow of independent governments. Those who value citizenship in a free nation cannot afford to look lightly upon its encroachments, and must be determined to preserve their liberties (see fig. 4). Such economic measures as the European Recovery Program and such economic and military measures as Western Union, the North Atlantic Treaty, and the Military Aid Program are looked upon by most of our leaders as measures to preserve freedom.[1]

The fourth and last discussion in this series will be devoted to communism in the United States.

"In analyzing Soviet communism, we can distinguish certain basic characteristics or elements. The first element is a group of ruthless and ambitious men, animated by a lust for power and bound by a fanatical doctrine which holds that the end justifies the means, no matter how brutal or unjust. The second element is the seizure by this group of absolute control of a large and powerful nation, whose strength and resources are used by the arbitrary rulers to carry out their aggressive and expansive policies. The third element is the control and manipulation by these rulers of subservient groups in other countries so as to subject those countries to the will of the dominant power, as has been done throughout Eastern Europe, as is being done in China, and as will be done wherever freedom and democracy do not prove themselves strong enough to resist."—(From an address by Lt. General Walter Bedell Smith, Commanding General, First Army, at the Conference of Governors, Colorado Springs, Colorado, 20 June 1949.)

DISCUSSION LEADER'S OUTLINE

I. Introduction

This discussion will center around the international aspects of modern communism.

II. Modern Communism's Historical High Lights

A. Marx, Engel, and the *Manifesto* (1848).
B. The First International, 1864–1876.
  1. A rallying point for revolutionary movements.
  2. Short-lived.
C. The Second International, 1889–1917.
  1. More definitely communistic.
  2. Controlled by professional revolutionists.
D. The Third International (the Comintern)—the international organization of Communist parties, 1919–1943.
  1. Its central direction from Moscow.
  2. Its changing "party line." (Give examples.)
E. The Cominform, 1947—
  1. Apparently of narrower scope than the Comintern.
  2. But of precisely the same world-revolutionary aims.

III. Present Spread of International Communism (Display figs. 1 and 2)

A. In the satellite states of Europe.
B. Elsewhere in Europe.
C. In the Near, Middle, and Far East.
D. In Latin America.
E. A world threat, although in many areas now on the defensive.

IV. Why Has Communism Spread So Rapidly Since World War II?

A. Because of the war prestige of the Soviet Union.
B. Because of postwar economic chaos.
C. Because of effective party organization.

V. The Methods of International Communism (Display fig. 3)

A. Moscow-trained leaders.
B. Misleading party names and alliances.
C. Misleading association with worthy causes.
D. Maintenance of a "hard core" of fanatical members.
E. Strikes and violence.
F. Infiltration into governments.
G. Espionage.

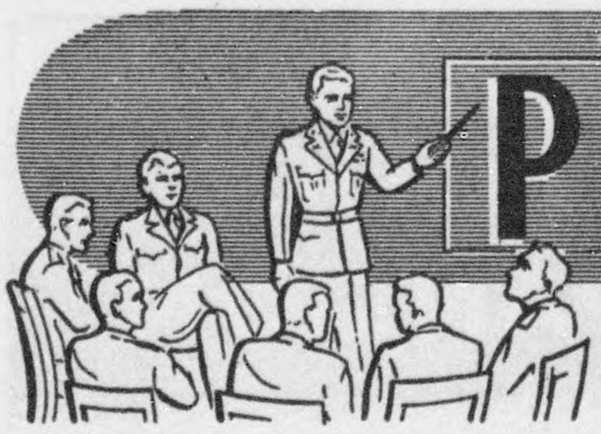
VI. International Communism's Weaknesses

A. The proven falsity of its belief in the necessity of revolution.
B. The fact that it hasn't "made good" on its promises.
C. Its anti-religious practices.
D. Its insistence upon loyalty to communism and to Moscow as above national loyalties.

VII. Summary

A. Historically, international communism has been and is promoted by international organizations which sponsor world revolution.
B. Its internationalism is based entirely upon the interests of the Soviet Union as its "fatherland."
C. This review of its purposes has shown that—
  1. Communist action is based upon false doctrine.
  2. Communism feeds on economic and social unrest.
  3. It gains its ends by all manner of subterfuge.
  4. In practice it means the end of freedoms and independent governments.
  5. Democratic principles and practices must be preserved to prevent its rise and growth.
D. Most of our leaders consider such international measures as ERP, Western Union, the North Atlantic Treaty, and Military Assistance to be measures to preserve the liberties of freedom-loving nations.

[1] See AFT's 252, "Western Union—A United States of Europe?"; 277, "What Progress ERP?"; and 286, "Security for the North Atlantic?"



PRESENTATION POINTERS

1. Salient Points. Principal points covered are—

a. Modern communism is an international movement and conspiracy which aims at world-wide revolution.

b. Its interests have been promoted by four international organizations—the 1st and 2d Internationals, the Comintern (3d International), and the Cominform.

c. It is effectively organized and uses recognized techniques.

d. It has spread rapidly since World War II and is a world threat, but it has many weaknesses.

e. Freedom-loving nations have taken steps (ERP, Western Union, the North Atlantic Treaty, Military Assistance) to oppose its advance and preserve their liberties.

2. Preparation. As usual, your preparation for the hour should include at least (*a*) reading the TALK all the way through; (*b*) reading these *Presentation Pointers* carefully; (*c*) reviewing AFT's 294 and 296 sufficiently to have their gist in mind; (*d*) reading this TALK through again several times until, with the aid of the *Discussion Leader's Outline* and the visual aids, you can present the material in your own words.

From news reports, familiarize yourself with one or more recent occurrences related to international communism, so that you may use them as news summary items and as a springboard for the hour's discussion.

3. Presentation.

a. Like the other topics in the Communism Series, this one lends itself well to presentation by the Conference Method in which you, as discussion leader, present the basic materials and then (or at the same time) raise questions and suggestions to arouse discussion.

b. However, you might have one or more selected members of the discussion group present selected sections of the material: for example, "The First and Second Internationals," "The Comintern and How It Worked," or "Why Communism Has Spread Rapidly Since World War II."

c. In discussing communism in the satellite countries, be sure to point out that Yugoslavia's break with Moscow apparently does not mean a break with communism. It is apparently the kind of break which Communists call "nationalist deviation"—that is, refusing to put the interests of the U. S. S. R. above the interests of Yugoslavia.

d. Some *Questions To Stimulate Discussion* are given below (section 7). You will probably think of and formulate others, growing out of your preparation or from the actual discussion during the hour.

4. Visual Aids.

a. Points at which figures 1, 2, 3, and 4 may be used to advantage are indicated in the text and in the *Discussion Leader's Outline.*

b. Use also a blackboard or striptease outline of principal topics to help the group follow your presentation and subsequent discussion. The following outline is suggested:

Introduction	I
Communism as an International Organized Movement	II
Its Spread and the Reasons for It	III, IV
Its Methods	V
Its Weaknesses	VI
Summary: Lessons To Be Learned	VII

The roman numerals above refer to headings in the *Discussion Leader's Outline.* They are given to help you but should not appear in your blackboard or striptease outline.

5. Discussion. One of the principal aims is to arouse discussion. The subject has enough general interest to make this part of your job not too difficult—but remember that usually *questions will help.*

6. Summarizing. Don't forget to summarize at the end of the hour, even if the discussion has to be cut short. A discussion which does not conclude with a recapitulation of "what we have said during this hour" is likely to leave the group with a sense of incompletion and frustration.

7. Suggested Questions To Stimulate Discussion.

a. It is sometimes said that one weakness of the democracies is that they have not organized to teach and promote their way of life on an international scale. Do you think that the criticism is valid? If so, why? If not, why not?

b. Do you think the European Recovery Program, the North Atlantic Pact, and the Military Assistance Program will tend to diminish, or to strengthen, Communist expansion in Europe?

c. Many free nations have taken peaceful steps toward socialism by nationalizing certain industries or providing broad security measures for their people. Critics say this will eventually lead to communism, while others assert it is the best way to avoid violent revolution. With which point of view do you agree? Why?

d. Some free nations have outlawed their Communist parties while others have let them operate in the open. Which do you believe is wiser—to outlaw them or to give them free rein in advocating their cause? Explain your answer.

e. From which area do you think the United States faces a greater Communist threat—western Europe, Latin America, or Asia? Why?

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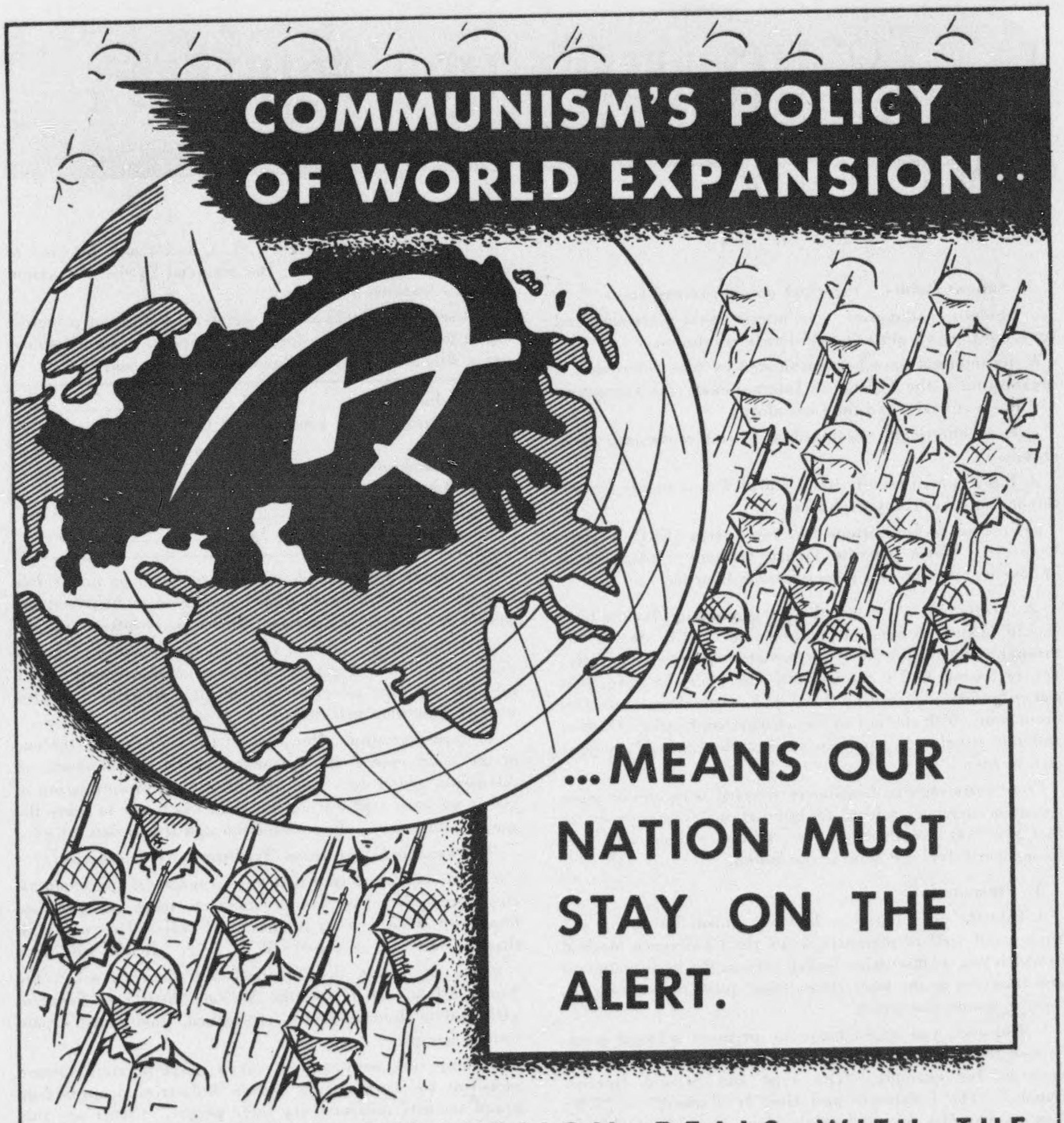

THIS WEEK'S DISCUSSION DEALS WITH THE COMMUNIST THREAT TO FREE PEOPLE EVERYWHERE, AND OUR EFFORTS TO STOP THAT THREAT..

THIS WEEK'S DISCUSSION—

INTERNATIONAL COMMUNISM

(Time) _____ (Place) _____

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