

## AN EMPIRE WON AND LOST

*by James B. Crowley*

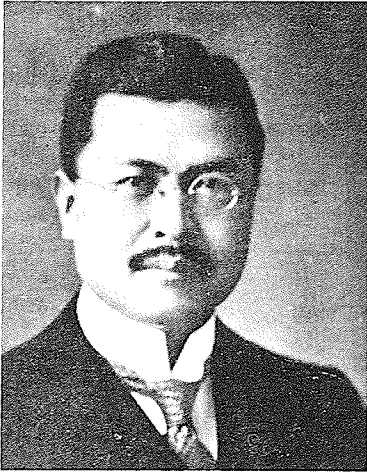
In 1905, some 50 years after Commodore Matthew Perry's squadron sailed unchallenged into Tokyo Bay, Japan astonished the world by trouncing Tsar Nicholas II's Russia in a modern East Asian war. Imperial Japan had made its entrance onto the world stage.

Nobody should have been surprised. After 1889, when the Meiji Constitution established a solid political foundation at home, Japan's leaders had immediately turned their attention overseas. Beginning with the brief 1894–95 Sino-Japanese War, Tokyo embarked on a program of military and economic expansion, first to secure its gains against the Western powers active in Asia, and later to attain autarky—self-sufficiency in the raw materials that Japan itself lacked. That program produced an economic growth rate surpassing any in the world and an empire encompassing almost three million square miles of land and sea. In the end, however, it also brought disaster.

For more than half a century, Imperial Japan was driven by a curious dynamic, derived from the paradoxes at the heart of its national existence. Imperial Japan called itself modern and aspired to join the community of civilized nations, but it was also a sacerdotal state, based on a cult of loyalty to an Emperor who was revered as the direct descendant of the sun goddess Amaterasu Ōmikami. Imperial Japan prized science and technology but outlawed scientific inquiry into the Emperor's mythical origins. While striving to free itself of the "unequal treaties," a legacy of Western imperialism, it charted a course of *Eastern* imperialism for itself. Even as they tirelessly modernized their economy, many Japanese sought to preserve their traditional, patriarchal culture.

Imperial Japan developed in three phases. From 1890 to 1923, national industries began to emerge, and Tokyo set off on a drive for empire, almost out of an instinct for survival. After 1924, in the flush of a new prosperity, Japan flirted with constitutional monarchy and peaceful diplomacy abroad. Eight years later, the democratic interlude ended as the Japanese military reasserted its power, methodically expunging Western-flavored liberalism and embarking on a renewed quest for empire.

From the beginning, it was not Japan's industrialists and



*Courtesy Michitaro Shidehara, and  
Jiji Press and Pan-Asia Newspaper Alliance.*



*Takahashi Korekiyo (right), a pro-military Finance Minister, was assassinated in 1936 by radical officers who felt he was too moderate. Shidehara Kijuro (left) led the internationalist faction of Japan's prewar civilian leadership and became Premier in 1945.*

financiers who demanded an expansionist foreign policy, but her military and political leaders. Despite its accomplishments, Japan in 1890 was still not an industrial nation—manufacturing accounted for less than 10 percent of GNP—and businessmen had little need for new overseas markets or raw materials.\*

The imperialist impetus arose chiefly out of Tokyo's sense of insecurity about the country's future. The European powers had divided most of Africa and Asia into exclusive "spheres of influence," where they monopolized trade. Nearby, China was of particular concern. With Britain, France, and Russia slicing up what one American official called "the Chinese melon," it seemed that Japan would have to jump in or risk being forever deprived of Manchuria's iron and coal—which Tokyo knew would be needed one day, if not yet. As Yamagata Aritomo, one of the powerful Meiji oligarchs, put it: "The independence and

\*Their chief requirement was raw cotton for the burgeoning textile firms. Steel, chemicals, machinery, and other necessities of modern industry were purchased overseas, not made at home. Japan's primary natural resources were low-grade coal (not suitable for steel making) and running water for hydroelectric power. Everything else had to be imported.

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self-preservation of a country depend, first, upon the defense of its 'cordons of sovereignty,' and, secondly, upon the defense of its 'cordons of interests,' outside the country's borders.

In July 1894, Japan went to war with China, ostensibly to guarantee Korea's independence from Peking. After routing an ill-equipped Chinese Army in only six months, Tokyo dictated stern peace conditions: Peking had to keep its hands off Korea, cede Taiwan to Japan, pay a \$177 million war indemnity, and lease the Kwangtung Peninsula to Japan. Kwangtung, in southern Manchuria, was the real prize.

### Factory Feudalism

This victory planted the seeds of the next war, because Russia had her own designs on Manchuria and, with French and German backing, demanded that Tokyo relinquish control of Kwangtung. Japan capitulated. Immediately, however, the Japanese Diet authorized a massive arms build-up, determined to "suffer privation to achieve revenge." Beginning in 1896, Japan beefed up her military with six new Army divisions, four battle-ships, 16 cruisers, and 23 destroyers.

In 1904, four years after Russia occupied southern Manchuria, Tokyo declared war.

After more than a year of fighting, the conflict was finally decided at sea, when the Japanese Navy overwhelmed a Russian fleet in the Straits of Tsushima, between Korea and Japan. This stunning victory, in which the Russians lost all but 10 of their 35 ships, catapulted Japan to the level of a major power.\*

Whatever else they accomplished, Japan's conflicts with China and Russia confirmed one thing: The chief spur to the nation's economic growth would be war—the preparation for war, the waging of war, and the fruits of war.

Between 1896 and 1913, military expenditures accounted, on average, for 66 percent of Tokyo's budget. The government invested heavily in arms, as it had in the past, but it also began fostering basic heavy industries to supply the shipyards and

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\*Under the Treaty of Portsmouth (New Hampshire), the Japanese won back Kwangtung and acquired ownership of the South Manchurian Railway connecting Port Arthur and Mukden. Tokyo formally annexed Korea in 1910.

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weapons makers. Much of the capital came from the huge Chinese war indemnity, worth three times as much as the government's gold and silver holdings. Tokyo built the first large Japanese steel mill in 1901, Imperial Steel. (Japan remained a steel importer, however.) Textiles and raw silk remained the leading products sold overseas; exports of cotton cloth and clothing grew nearly sixfold between 1900 and 1913.

The key industrial institutions of the day were the *zaibatsu* (financial cliques). These sprawling conglomerates were usually run by a family bank or holding company. Each *zaibatsu*, typically, was active in a number of fields—heavy manufacturing, foreign trade, textiles, shipping. To head off an incipient Western-style labor union movement, the *zaibatsu* managers revived the “beautiful customs,” as one put it, of Tokugawa Japan. Employees were offered lifetime employment in return for complete loyalty to the company. The managers declared that profits should be secondary to the “heavenly assigned work” of serving the Emperor.

Such deference to authority was reinforced at the elite imperial universities, where the business, labor, and governmental leaders of the future were inculcated with Tokyo's statist doctrine. Students were taught that the government ruled in the name of the Emperor, acting as his administrator and standing above party, class, and economic interests. Partly as a result, once Tokyo made a decision, most Japanese acquiesced.

### A Wartime Bonanza

The *zaibatsu* worked closely with the government. Tokyo needed their considerable capital resources to achieve its modernization goals and rewarded cooperating firms with lucrative contracts and business opportunities. Among Japan's chief aims: development of Taiwan and Korea as food sources (mainly rice and sugar), and the exploitation of Manchuria's vast mineral resources through the South Manchurian Railway and its subsidiary corporations.

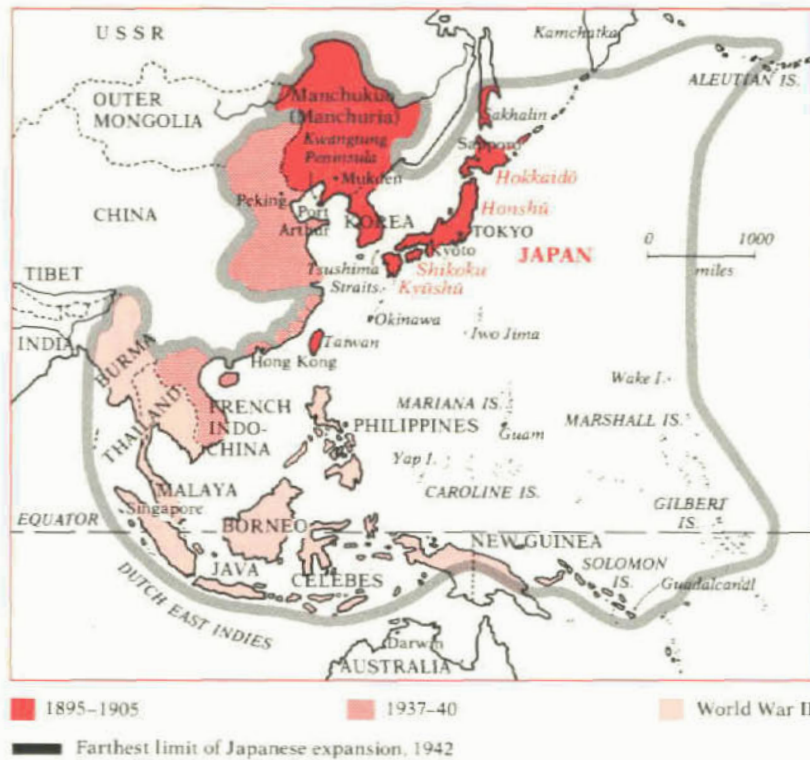
The outbreak of World War I in 1914 brought one of the biggest bonanzas in Japanese history. Tokyo wisely entered the conflict on the side of the Allies but limited the country's military role mainly to escorting Allied merchant ships. Afterward, Japan was rewarded with title to the German Pacific territories and the Marshall, Caroline, and Mariana island groups. But the real spoils of war lay in overseas trade.

From 1914 to 1919, Japan's GNP nearly tripled as the Japanese provided munitions and shipping services to the be-

leaguered Allies and picked up the slack in their old Chinese and Southeast Asian markets. The wartime boom brought \$1.5 billion into the country, far exceeding all its trade deficits since the Meiji Restoration. Most of the windfall, \$900 million, was garnered by the zaibatsu merchant fleets, which doubled in size during the war. Japan's steel mills and shipyards prospered.

The economic policies of Takahashi Korekiyo, who became Finance Minister in 1918, are typical of the entire 1890–1923

**THE JAPANESE EMPIRE: 1895–1945**



Source: Richard Sims, *Modern Japan* (1973).

*Under the slogan "Asia for the Asians," Japan extended its rule to some 419 million people; but its colonial policies were harsh and exploitative.*

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era. Takahashi spurned foreign capital, except in colonial ventures firmly under Tokyo's thumb, such as the South Manchurian Railway. He looked to China, Manchuria, Formosa, and Korea as the foundation of a self-sufficient "yen bloc," where Japan would have assured access to raw materials and markets for its finished products. Most important, he believed in deficit public spending, devoted mostly to Navy expansion, to spur industrialization.

After World War I, however, such policies were gradually abandoned. At the 1921–22 Washington Naval Conference, Tokyo agreed to reduce its Navy in return for American and British promises not to fortify additional bases in the western Pacific. At about the same time, Japan was moving toward a form of liberal parliamentary democracy.

Japan's form of government had remained essentially unchanged since 1890. The Meiji oligarchs, the military, and the bureaucracy, ruling in the name of the Emperor, had wielded most of the power. The Cabinet was "transcendental"—appointed by the Emperor without regard to parliamentary majorities in the Diet. In 1924, however, both major political parties, the conservative Seiyukai and the liberal Kenseikai, joined in loudly opposing an attempt to organize another transcendental Cabinet, and the Emperor invited the majority Kenseikai to form a Cabinet, inaugurating a brief period of party rule. The new Premier, Kato Takaaki, proclaimed the "flowering of democracy."

### **Trading Guns for Butter**

Baron Shidehara Kijuro, the Foreign Minister, was the exemplar of the new era. Shidehara, a career diplomat tied by marriage to the Mitsubishi clan, announced a new China policy based on "international cooperation." He promised to set aside "territorial aggressive intentions" and to help China on its path to "peaceful unification" under Chiang Kai-shek.

Shidehara and the Kenseikai (renamed Minseito in 1927) pursued an economic strategy geared to international markets rather than the yen bloc. Shidehara encouraged further armament limitations, promoted foreign investment in Japan, and emphasized the reorganization and concentration of industry for the export trade. He wished he had never heard of the South Manchurian Railway, which he considered a foolish diversion of capital and a sore point in relations with China and the United States. At home, the Kenseikai pushed for democratic reforms, granting universal male suffrage in 1925, while Shidehara reduced military spending to an average of 33 percent of the

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national budget, the lowest proportion since 1894.

The new political and economic liberalism of the 1920s coincided with Japan's poorest growth rate of the 1890–1945 period. But the "slowdown" was due mostly to events beyond anyone's control—the end of the war boom, the devastation of Tokyo by a massive earthquake in 1923, a financial panic in 1927 (brought on by the banks' overextension of credit), and the Great Depression. Indeed, the Kenseikai strategy of tight money and military cutbacks produced some immediate and long-term payoffs. Despite the deceleration, Japan had the highest rate of industrial growth in the world during the 1920s, with production increasing from \$31.3 billion in 1923 to \$49.6 billion in 1932. Partly because the government had encouraged exporters to form cartels, overseas trade stayed on an even keel. During the first two years of the Great Depression, exports declined but then quickly bounced back.

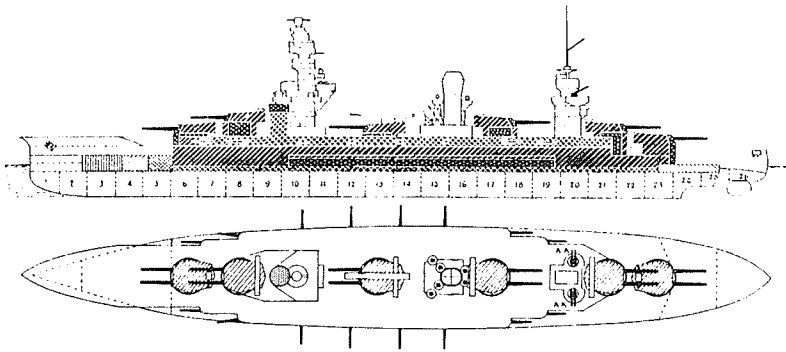
By 1928, the Japanese had developed the most efficient textile plants in the world. They began to parlay their gains into advances in other industries. Toyoda Kiichiro, founder of Toyota, built his first automobile plant with the profits he made by leasing his patent for textile machinery to the British. By 1930, a new electric appliance industry, producing lamps, light bulbs, and other consumer items (the first "cheap Japanese goods"), was thriving. By opening up new markets in Africa and Latin America, where few people could afford the more expensive American and European products, the industry grew briskly.

### Prosperity and Its Discontents

The 1920s were years of relative affluence, and Western ways and ideas enjoyed a resurgence in Japan, at least in the cities. By 1930, *basu-boru* (baseball), once reviled by Meiji intellectuals, had become the national pastime. Emperor Hirohito (crowned in 1926) symbolically legitimized the sport by attending a game between Waseda and Keio universities.

Hollywood movies were the rage, and Douglas Fairbanks and Mary Pickford became matinee idols. Lavish new department stores along the Ginza, Tokyo's Fifth Avenue, made window shopping a popular outing. New Japanese merchandise (produced by domestic cottage industries) mirrored the latest Western fashions in everything from furniture to clothing. At night, jazz bands and dance halls drew throngs to the entertainment districts of Ōsaka and Tokyo.

Most social critics despaired over the new "decadence," condemning it as "the Americanization of Japan." Moreover,



Reproduced by permission of Jane's Publishing Co., Ltd. From Jane's Fighting Ships 1941.

Launched in 1914, the Huzo (above), with its distinctive "pagoda" bridge, was one of nine Japanese battleships in service in 1941.

well before the Wall Street crash in 1929, leading intellectuals were calling "monopoly capitalism" the gravest threat to the Japanese way of life and denouncing the zaibatsu and the political parties as "self serving" and "evil." They looked to the throne to save Japan by carrying out a second Restoration that would bring the nation back to its authentic cultural heritage.

These ideas were well received in the countryside and in the military, particularly the Army. Rural Japan had not shared in the prosperity of the 1920s. The mass production (after 1918) of rayon, a cheap synthetic substitute for silk, bit into the profits of silk producers and of the largely rural silk reeling and weaving industries. The rural decline was compounded by a surge of rice imports from Korea and Taiwan, which depressed farm profits at home. The Army, meanwhile, saw its once-high prestige waning under Shidehara's internationalist foreign policy.

Civilian groups such as the radical Society for the Preservation of the National Essence, which called for the redistribution of land and personal fortunes and the nationalization of industry, attracted a great deal of attention but had little real influence. The Army, however, was another story.

The Army was unhappy over the "domestic unease" brought on by liberalism and over Tokyo's restraints on military spending. By 1931, the "Control Faction," comprising most of the General Staff, had decided that survival of the empire required control over all of Manchuria and the imposition of stern imperial rule at home. China, which was beginning to unify and turn



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against Japan, would have to be subdued, too. The General Staff's strategy called for accelerated exploitation of Manchurian resources and rapid industrialization of the colony under Army control. Once Japan had become a giant industrial power, the generals argued, it would have the power to drive the United States, its main adversary, from the Pacific. It was, in effect, a doctrine of waging war in order to wage more wars.

### Worshipping War

In September 1931, a group of Army officers in Mukden blew up a section of the South Manchurian Railway, calling it the work of Chinese saboteurs. Within a few weeks of the "Manchurian Incident," Japan's Kwangtung Army, acting on its own authority, had seized all of southern Manchuria. The Manchurian Incident also prompted a wave of extremist terrorism at home, culminating in the assassination of Premier Inukai Tsuyoshi by the Blood Pledge Corps, a radical Navy-civilian group, in May 1932.

In the wake of these incidents, party government, like the ir-resolute government of the Tokugawa *shōgun* before it, was discredited. Party rule was abandoned in favor of nonparty "national unity" Cabinets. These generally followed the military's will, especially in the matter of military spending and the need to create a self-sufficient empire. Takahashi Korekiyo returned to his post as Finance Minister and reinstated his stimulative policy of deficit financing for arms.

This time, however, even more of the money went to heavy industry—the producers of tanks, planes, trucks, and other weapons of modern warfare. By 1935, Takahashi had increased total government spending by 44 percent—nearly doubling arms outlays but increasing civilian expenditures by only 20 percent.

Takahashi soon had the economy running at full steam and contemplated a lid on military spending. That idea died with him in 1936, when he was assassinated by extremist Army officers. The more moderate General Staff quelled the mutiny but later that year demanded the return of an old practice: naming only active officers to the War Minister's post. With one of their own now required for the formation of a government, the military exercised effective veto power over any Cabinet. During the next four years, military spending quadrupled.

At the same time, Tokyo systematically re-emphasized traditional values, particularly loyalty to the Emperor. In 1937, the Education Ministry published a textbook called *Basic Principles*

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*of the National Polity*. It attacked individualism as the cause of "ideological and social confusion and crisis" and proclaimed that "our national economy is a great enterprise based on His Majesty's august Will to have the Empire go on developing for ever and ever, and is a thing on which the subjects' felicity depends." A War Ministry pamphlet was blunter: War, it declared, is the "father of creation and mother of culture."

Meanwhile, at the Army's insistence, Japan was investing heavily in Manchukuo, a puppet state it had created in Manchuria in 1932. The Army wanted to exploit the region's iron and coal and to build up an industrial base in steel, chemicals, and machinery to support the growing war machine. By 1945, Japan had sunk more capital into the colony than the British invested in India in more than 200 years.

In 1937, the long-simmering conflict between Japan and Chiang Kai-shek's Nationalist government in China erupted into open warfare. The immediate cause was the "Marco Polo Bridge Incident"—a skirmish between Chinese soldiers and a small Japanese force stationed near Peking. As Japan plunged into what would become a wider Asian war, the military's grip on the nation became unshakable.

### **In the End, Kamikazes**

In 1938, Tokyo announced its plan for a "New Order" in East Asia, calling for the economic unification of Japan, Manchukuo, and China—"the victim of the imperialistic ambitions and rivalries of the Occidental powers"—under Tokyo's direction and protection. It was the old idea of a yen bloc in new clothes. In 1940, with the British and French fully engaged in the struggle against Hitler's Germany, Japan extended the New Order to all of Southeast Asia, announcing its intention to forge a "Greater East Asia Co-Prosperity Sphere." Implicitly, the sphere encompassed French Indochina, the Dutch East Indies, and Britain's colonies, Hong Kong and Malaya. As the government explained, "This change was dictated by the necessity to shake ourselves free from our economic dependence on the United States and the British Empire by securing economic self-sufficiency in order to counter their economic strangulation of Japan."

It was clear, however, that Washington would not stand idly by while Japan took over most of the Pacific. After General Tojo Hideki was named Premier in October 1941, war became inevitable. Tojo, known as the "Razor" because of his severity as the Kwangtung Army's Chief of Staff, ordered the attack on

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Pearl Harbor on December 7, 1941 (followed by lightning strikes at British, Dutch, and other U.S. outposts). This was done not with the hope of defeating America in a protracted war but in the belief that Washington, with its Pacific fleet crippled, would have no choice but to sue for peace if squeezed between Nazi Germany and Japan. Of course, it did not turn out that way.

At home, the war effort accelerated the growth of the *zaibatsu*, dutifully doing their bit to aid in the mobilization. By 1944, four *zaibatsu*—Mitsui, Mitsubishi, Sumitomo, and Yasuda—owned or controlled 25 percent of Japan's business firms, 50 percent of the country's mortgages and loans, and 32 percent of all heavy industry. But compared to that of its chief foe, Japan's wartime output was woefully inadequate. In 1943, even before U.S. bombing raids began, Japanese military aircraft production totaled 10,000, versus 85,000 in the United States. Moreover, Japanese war technology, with the notable exception of shipbuilding, lagged well behind the accomplishments of its enemies—in radar, in communications, in long-range bombers, not to mention in atomic energy—or of the Germans, who fielded rockets and jet aircraft.

By war's end, the Japanese military had been reduced to relying on *kamikaze* raids as a counter to American might. Of the major urban centers, only Kyōto, the old imperial capital, survived intact. Three million Japanese had perished in the conflict. The search for autarky, begun only 50 years earlier with the Sino-Japanese war, ended with Japan occupied by a foreign power, the worst fear of the old Meiji oligarchs. Japan, which had yearned for self-sufficiency, wound up unable even to feed its people.

In defeat, Emperor Hirohito turned to the living symbol of Japan's liberal interlude, the aging Shidehara Kijuro, to help guide the country's reconstruction. In late 1945, Shidehara peered beyond the rubble and, with American backing, began charting a course for Japan more in accord with his internationalist aspirations. The years of military expansionism were over, but a new, peaceful kind of empire-building was about to begin.