

The Korean War and Japan*

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Preface

The Korean War began at dawn on June 25, 1950, with the advance south of the 38th parallel by the North Korean army. It is a classic example of an international civil war. It combined the confrontation within the Korean peninsula over leadership of a united Korean nation, with the struggle for spheres of influence between the United States and the Soviet Union that had begun in the closing stages of the Second World War. It was fought for over three years until the armistice agreement of July 27, 1953, leaving the Korean peninsula deeply scarred and having a profound influence on the Cold War.

The Cold War between the East and West had at first been anticipated as being a local event limited to Europe. However, with the Korean War, it became a militarized confrontation. Furthermore, with the formation of the American-led anti-communist military encirclement from Europe to Asia, it also became a global confrontation. Meanwhile, in Asia, the Korean War transformed the division of Korea into a permanent reality. It made it impossible for China to think of “liberating” Taiwan by military means. And it created a situation of confrontation between the United States and China that was to continue for twenty years. The United States’ decision to intervene in Vietnam was also heavily influenced by the Korean War.

*This is a revised and updated version of the following articles: “Chōsen sensō no shōgeki,” *Gunjishigaku* 36, no. 3-4 (2001), 33-47; “The Impact of the Korean War on Japan,” *Keio Journal of Politics* 13 (2008): 1-9.

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Seoul Journal of Korean Studies 24, no. 1 (June 2011): 175-184.

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So what kind of an impact did the Korean War have on post-war Japan? The Korean War was, quite literally, like a fire on the other side of the water to Japan. The question was, would it remain a civil war, or would it develop into an international conflict? If it did not develop beyond a civil war, since Japan was still under Allied occupation, Japan would be able to watch developments with its arms folded. However, once the United Nations criticized North Korea's attack and the United States immediately led a force in the name of the United Nations to intervene in the war, Japan suddenly found itself involved.

The main issues facing the Japanese government at the time were: 1) how to interpret the military actions of North Korea; 2) how to interpret the situation that was developing on the Korean peninsula; and 3) in what way to cooperate with the actions of the United Nations forces. Further, the Japanese government was also faced with the serious problem of what kind of effect the outbreak of the Korean War might have on the peace treaty with Japan, which had at last been showing signs of progress.

However, in fact it is not an easy task to accurately judge the effect and impact the Korean War may have had on neighboring Japan. Is it really true to say that the Special Procurement of the US forces during the Korean War breathed life back into the Japanese economy, which had been suffering from recession caused by a policy-guided deflationary economy? And is it true that the Korean War made possible the generous conditions of the peace treaty between Japan and the U. S. that restored Japan's independence?

This article will address the impact of the Korean War on Japan in terms of: 1) the Japanese people's view of their own security, from the perspective of the Japanese government's response to the war; 2) the impact of the war on the peace treaty between Japan and the U. S.; and 3) the Japanese economy.

The Peace Treaty

The negotiations for the peace treaty to officially end the Allied war with Japan were conducted between the Allied nations: Japan was in a position only to give its opinion and was effectively at the mercy of the United States government. However, within Japan, public opinion was divided as to whether they should seek an overall peace treaty, to be completed with all parties to the combat, or whether they should seek individual peace treaties, that is, multiple peace treaties, with the United States and the other Western powers, but excluding China, the Soviet Union and other Communist countries.

At the time of the outbreak of the Korean War, the Yoshida cabinet and the

ruling party had begun to seek the latter option of multiple peace treaties with the Western powers, and was becoming firm in its view that Japan's security required a policy of providing the United States with military bases in exchange for the United States guaranteeing Japan's defense.¹

On the other hand, the leftist forces in Japanese politics, led by the Socialist Party, the mass media, and the majority of intellectuals, argued for pursuing an overall peace treaty to include the Communist bloc and wanted to remain outside the confrontation between East and West, in a position of demilitarized neutrality. John Foster Dulles, who visited Japan as Secretary of State just before the outbreak of the Korean War, commented that Japan did not realize just how much of a storm was brewing internationally. He viewed the idea of suing for an overall peace as being completely impractical and as not reflecting the realities of international politics. However, public opinion was divided in Japan; the idea of an overall peace retained powerful domestic influence and, therefore, could not be ignored.

The outbreak of the Korean War changed the basis for arguing for an overall peace and transformed the atmosphere of public opinion in Japan. On July 4, 1950, the Yoshida cabinet agreed on a policy of cooperating with the American military actions on the Korean peninsula, within the limits of their executive control. In other words, it was decided that Japan would provide America with the use of domestic transport and communications networks, and the services of Japanese merchant ships for transportation to Korea. Ultimately, Japan's cooperation in the Korean War took the form of basically providing total rear support. Whether it liked this or not, the Japanese homeland ended up becoming the major military supply base for the United Nations Forces for the duration of the war.

Prime Minister Yoshida tried to reassure the Japanese people that the military efforts of the United Nations force would protect Japan against any possible attack. But still the Japanese people feared that they would be dragged into World War Three. On August 16, Japan's Foreign Office released a public document entitled "Our Position Regarding the Upheaval on the Korean Peninsula." It stated that, given the Cold War situation, it would not be possible for Japan to maintain her security without acting in full cooperation with the United Nations and the Western powers.

1. Recent research on Yoshida and his times includes Yōichi Miura, *Yoshida Shigeru to sanfuranshisuko kōwa* [Shigeru Yoshida and the San Francisco Peace Treaty], 2 vols. (Tokyo: Otsuki Shoten, 1996); Masayasu Hosaka, *Yoshida Shigeru to iu gyakusetsu* [The paradox of Shigeru Yoshida] (Tokyo: Chuo kōron sha, 2000).

The upheaval on the Korean peninsula clearly teaches us that the two camps will not come together as one as we might hope, and that they will not work together to jointly assure our security. As long as Japan remains a peaceful democratic state, no matter what we do to try to convince them, we will not be able to satisfy the Communist powers. Therefore, until we rise up against democracy and submit to totalitarianism and Communism, we are fated always to be exposed to the threat of war. The only thing that can protect us from the violence of Communism is the strength of the solidarity of democratic states . . .

Thus, we can only choose to proceed along one of two roads. In other words, do we give up the democracy we have achieved in our nation, and submit to the Communist world, or do we build a peaceful democratic Japan, based on the security produced by cooperating to the fullest degree possible with the International Allies? We must choose between these. The struggle for democracy on the Korean peninsula is none other than the struggle to defend Japan's democracy. If we choose not to cooperate to the greatest extent possible with the United Nations force on the Korea peninsula to defend the independence and autonomy of Korea, how will we be able to maintain the security of Japan?²

Even reading this now, more than sixty years later, the sense of crisis is clearly conveyed. The support Japan provided to the United Nations and U.S. forces was given based upon this basic position.

Despite the deepening Cold War situation, General Douglas MacArthur, Supreme Commander for the Allied Powers, was not necessarily enthusiastic about remilitarizing Japan. Nonetheless, when the US ground troops, which had comprised the occupation forces, were sent to Korea, a power vacuum emerged in Japan. Therefore, on July 8, MacArthur ordered the establishment of a 75,000 man strong National Police Reserve, and an increase in the numbers of members of the Japan Coast Guard. This marked the beginnings of rearmament, five years after the abolition of the Imperial Japanese Navy.

On August 23, 7,000 joined the first entry of the National Police Reserve, and by September 10 a camp had been established in Hokkaido to replace the remainder of the U.S. 7th Division, which then departed for Korea. Furthermore, in November, a reprieve was granted to former Imperial Army officers previously banished, and the National Police Reserve began recruiting from among them.

On October 25, 1950, the Chinese People's Volunteers Army crossed the Yalu River, marking the beginning of the Chinese intervention in the Korean

2. Gaimushō, "Chōsen-doran to warera no tachiba" [Ministry of Foreign Affairs, 'Our Position Regarding the Upheaval on the Korean Peninsula'], August 19, 1950. In *Nihon gaikō shuyō bunsho nenpyō* (1) 1941-1960, ed. Kashima Heiwa Kenkyūsho (Tokyo: Hara shobō, 1983), 113-119.

War and the decisive moment of the conflict's internationalization. The United Nations responded with a resolution describing Communist China as an "aggressor." Thus, the situation surrounding the Korean War shifted so that, at least for a while, the voices in Japan arguing for an overall peace treaty or for the realization of some kind of idealistic idea of peace became much quieter, and the Japanese government's position – in favor of a policy of concluding multiple peace treaties with America and the Western powers and of relying on the security relationship with America to ensure Japan's security – was greatly strengthened.

The Impact on the Japanese Economy

The next topic of this paper is the impact of the Korean War on the Japanese Economy. Before the Korean War, the Japanese economy was in a state of prolonged depression under the so-called Dodge Line. Joseph Dodge, Governor of the Bank of Detroit, who had been sent to rebuild the Japanese economy and put a stop to the inflation, had pegged the yen's exchange rate at 1 dollar to 360 yen. This brought inflation under control. However, the lack of currency became serious and without sufficient demand, companies' goods piled up in store rooms, and the economy remained depressed. The imbalance of accounts, major organizational reshuffles and private sector bankruptcies resulted in rising unemployment. In this domestic economic situation, great hopes were placed on exports as a means to recovery, but the world's economy was also in a depression and fairly indifferent to the plight of Japan, with Britain devaluing the pound, etc. The future of Japanese exports was bleak.

Within a month of the Korean War breaking out on June 25, 1950, "Special Procurement" had been introduced. However, at the time, the economic circles were more worried about the damaging effect the war might have on foreign trade. Japan had made its first commercial and financial treaty with Korea after 35 years of Japanese occupation on June 4, and at last it had seemed that the environment might be conducive to the resumption of genuine trade activity, but this idea had to be temporarily abandoned. In addition, it had also become difficult to resume trade with China, and it was feared that this would have a serious impact on the Kyushu region which had previously conducted about half its trade with China.³ The economic circles were very

3. Masaru Ikei, "Chōsen sensō to Nihon" [The Korean War and Japan], in *Reisenki no kokusai seiji* [International politics in the Cold War Era], ed. Masao Okonogi and Kanji Akagi (Tokyo:

concerned about the possible effects of the war.

By the time China intervened in the war in the fall of 1950, world trade had been stimulated by the war, particularly America's strategic purchases. Japanese exports had also massively increased, and orders produced by the "Special Procurement" eliminated in one fell swoop what was said to have been 100 billion yen's worth of excess stock, as well as stimulating increased production and a jump in prices, leading to a sudden swell in company profits.

In the narrower sense, "Special Procurement" was the materiel or labor services that were needed to supply the United Nations Forces in the Korean War. The US 8th Army command or the US Army's logistics division stationed in Japan made orders for special procurement in Japan. In the first three years of the Korean War, this amounted to approximately 1 billion dollars, 70% of which was military procurements, and the other 30% of which was in services. However, in a broader sense, "Special Procurement" also included the yen spent by the United Nations Forces on leave etc., and receipts from the expenditure of foreign-related organizations, which comprised a cumulative total of some 2.4 billion dollars over the 3 years of the war. By comparison, the total U. S. economic aid provided to Japan after the Second World War amounted to approximately 3 billion dollars. The President of the Keidanren (Keizai Dantai Rengō Kai: Japanese Federation of Economic Organizations), Shichirō Ishikawa called this situation an "act of providence" for the Japanese economy. The "kamikaze" had come at last – five years late.

However the "Special Procurement" boom gradually died down as the war reached a deadlock in 1951. The US stopped making its strategic materiel purchases in February 1951, and from then on the trend of international economic prosperity seemed to relent. In response, the Japanese political and financial circles instead tried to rationalize industry, improve the competitiveness of exports, and achieve economic self-sufficiency.

With the Korean War, it had become clear that Japan's relationship with the Western powers, and in particular with America, was to be the most critically important factor for Japan's economic future. This brought about a sharp shift in the image of Asia held by the Japanese people. Before the war, most people had thought of North-East Asia as being "Asia." However, with the Korean War, much of this area had been swallowed up by the Communist side in the Cold War. This forced the Japanese people to revise their traditional view of "Asia," and to redesign Japanese economic planning accordingly. Subsequently, however, it was the huge market of North America that went on to support the

development of the Japanese economy.⁴

Japan's Cooperation with the UN War Effort

Next I would like to deal with Japan's direct cooperation with the UN war effort. The most famous instance of this was the removal of mines by the mine-sweeping division of the Japan Coast Guard. However, in October 1950, one of the Japanese minesweepers engaged in mine-sweeping made contact with a mine and sunk off Wonsan. The mine-sweeping division refused to continue with its tasks, returned to Japan and was disbanded. Another division was disbanded on December 15, 1950, upon completion of its mission, and only one minesweeper continued its mine-sweeping activities until June 30, 1952.⁵

A less well known aspect of Japanese participation was the involvement of former Imperial force specialists in communications and intelligence activities relating to China: that is, the analysis of intercepted Chinese wireless transmissions.⁶ In addition, there was a special clandestine air transport for dropping spies into various parts of Asia and it is likely that several Japanese civilian pilots, who had been working in commercial transport since before the second world war, were involved in US activities under the command of the Far Eastern Air Force until 1954, since they knew the skies of Asia extremely well.⁷ Moreover, large numbers of Japanese people worked to maintain ports, telephone and railway lines.⁸

4. Kanji Akagi. "Sengo Nihon no tōnanajia kaiki to Amerika no reiseisaku" [US Cold War policy and Japan's reemergence in Southeast Asia], *Hogaku-kenkyū* 68, no. 11 (1996): 125-127.

5. Kaijō Bakuryō Kanbu Bōei Bu [Japan Maritime Self-Defense Force Staff Office, Defense Division] ed., "Chōsen doran tokubetsu sōkai-shi" Typewritten ms. [History of Japan's Mine Sweeping Operations during the Korean War (1966)]. <http://www.mod.go.jp/msdf/mf/touksyu/tokubetusoukaisi.pdf> (accessed March 20, 2010). See Nobuyuki Kano, "Nippon sokaitai no Chōsen sensō sankā" [The participation of Japanese minesweeping divisions in the Korean War], *Gunjishigaku* 34, no. 1 (1998): 78-87; Hidetaka Suzuki, "Nippon tokubetsu sōkai butai no Chōsen kaiiki eno shutsugeki" [Japanese special minesweeping divisions in Korean waters], *Senshi kenkyū nenpō* 8 (2005): 26-46.

6. For the background on this see Matthew M. Aid, "US Humint and Comint in the Korean War: From the Approach of War to the Chinese Intervention," *Intelligence and National Security* 14 (1999): 17-63; idem, "American Comint in the Korean War (Part II): From Chinese Intervention to the Armistice," *Intelligence and National Security* 15 (2000): 14-49.

7. Masayuki Takayama, "Abakareta kōkūkai kanbu no 'supai kūyu'" [Exposing the spy airlifts of divisions in the aviation world], *Bungei shunju* (January 1989): 360-79.

8. Reinhard Drifte, "Japan's Involvement in the Korean War," in *The Korean War in History*, ed. James Cotton and Ian Neary (Atlantic Highland, NJ: Humanity Press International, 1989), 129;

With the exception of the mine-sweeping divisions, Japan's contribution to the Korean War effort was basically limited to an individual, contractual basis. Therefore, the Japanese government holds little documentary evidence about it, making it difficult to establish the facts from the Japanese side. However, clearly a great number of Japanese people were involved in laboring at the ports or as crewmen, and even in providing rear support to the landing operation at Inchon. Meanwhile, Japanese people also participated in the Chinese Army that later joined the war on the other side.⁹

The Altered Strategic Landscape

Prime Minister Shigeru Yoshida looked back on the outbreak of the Korean War in his memoirs as follows.

That the Korean peninsula holds an important place in relation to the national security of Japan now need hardly be said. It would be no exaggeration to say that since the beginning of our history, every threat to Japan that has come from the outside world has come via the Korean peninsula. The seeds of both the Sino-Japanese War, and the Russo-Japanese War sprung from the Korean peninsula. And what about today?

The Communist forces have the northern half of the Korean peninsula in their grasp and they have reached the 38th parallel. If their control were to extend down to Pusan in the south, the security of Japan would be placed under severe threat. If things today were as they used to be, the situation now might well have forced us to declare a war in self-defense.

Despite this, our people today are able to indulge themselves in the mood of peace, and enjoy their leisure without anxiety, for no reason other than that the United Nations Army and the Korean Army have firmed up the frontline against the threat of communism. Sensible people point out that the security of our nation is being maintained by the fact that we are receiving the patronage of America via

Yasuzo Ishimaru, "Chōsen sensō to Nihon no kakawari" [Japanese involvement in the Korean War: The forgotten sea transport], *Senshi kenkyū nenpō* 11 (2008): 21-40. For a comprehensive discussion on this matter, see Tsuneo Tanaka, "Chōsen sensō ni okeru Nihon no kokurengun eno kyōryoku" [Japan's Support to United Nations Forces in Korean War], *Bōei Daigakko Kiyo (Shakai kagaku bunsatsu)* [National Defense Academy, Studies in humanities and social sciences. Social sciences series] 88 (March 2004), 7-30.

9. According to hearsay information from Mr. Mitsufumi Yamaguchi (he engaged in actual battle in Korea as a soldier of the Chinese Army), nearly 8,000 Japanese people belonged to the Chinese People's Liberation Army. But the correct number of participants and actual conditions of the services in the Korean War are unknown. See Yamaguchi Mitsufumi, *Boku wa Hachirogun no shōnen bei datta* [I was a young soldier in People's Liberation Army] (Tokyo: Sōshisha, 1994), 144, 188-196.

the Security Treaty, and by the fact that we have left the defense of the front line on the Korean peninsula to the United Nations force. This has made our military burden still lighter, and has therefore made possible such miraculous economic development.¹⁰

As is evident from Yoshida's memoirs, ultimately Japan's leaders at the time still maintained the traditional geopolitical sensitivity about the strategic value of the Korean peninsula, which had been around since the 19th Century. The big change in Japan's strategic landscape after the Second World War was that the traditional geopolitical causes of conflict for Japan in the region had somehow been passed on to, and accepted by, the Americans, who were occupying Japan.¹¹ It is quite another question as to whether or not the Americans were aware of this. This was one of the consequences of the Second World War. But in terms of Japan's security and the Japanese people's attitude to their own security issues, as the latter part of the quote from Yoshida's memoirs describes, Japan had delegated its security to the Americans, and had become dependent for it on them. From a longer term perspective, this had resulted in the long-awaited alleviation or decline of their geopolitical sensitivity, and the authoritarian political approach that Japanese leaders in general had maintained from the Meiji period, right up until Yoshida's generation. The "sensible people" had become a minority. As long as the Cold War continued, for Japan this meant a Cold War policy of maintaining its relationship with US, and there were to be few occasions when Japan made any policy initiatives that went beyond this directive.

Moreover, although the influence of those in Japan who advocated an idealistic form of pacifism had declined for a while due to the Korean War, with the popular concern about being dragged into World War Three, anti-American feeling became more powerful and popular opinion was again divided sharply in two. This effectively meant the institutionalization of the

10. Shigeru Yoshida, *Sekai to Nippon* [The world and Japan] (Tokyo: Bancho shobo, 1963, reprinted by Chuo Kōronsha, 1991), 147.

11. See George F. Kennan, *American Diplomacy* (Chicago, IL: University of Chicago Press, 1951), 52: "It is an ironic fact that today our past objectives in Asia are ostensibly in large measure achieved. The Western powers have lost the last of their special position in China. The Japanese finally out of China proper and out of Manchuria and Korea as well. The effects of their expulsion from those areas have been precisely what wise and realistic people warned us all along they would be. Today we have fallen heir to the problems and responsibilities the Japanese had faced and borne in the Korean-Manchurian area for nearly half a century, and there is a certain perverse justice in the pain we are suffering from a burden which, when it was borne by others, we held in such low esteem."

Cold War situation in Japanese domestic politics. This situation has subsequently continued to present a major obstacle to the expansion of Japanese defense forces or to Japan's playing a more active political role in Asia, and can be seen as one of the long-term effects of the Korean War on Japan.