

## **JAPAN BECOMES ECONOMIC SUPERPOWER**

- I. On the Road to Recovery
  - a. Occupation Goals
    - i. General Douglas MacArthur governed Japan
    - ii. Destroy militarism
      - 1. trials held to punish and discredit military
      - 2. army disbanded
    - iii. Create democratic government
      - 1. all power given to Diet
  - b. Social and Economic Reform
    - i. Open education to all, even women
    - ii. Legalize unions and land reform
  - c. Cold War
    - i. Occupation end in 1952, US need help against USSR
- II. Japanese Success
  - a. GDP increased dramatically
  - b. Manufacturing
    - i. Japanese build up industry from textiles to cars to computers
  - c. Trade and investment
    - i. Need trade for raw materials
      - 1. finish raw materials and export final products
  - d. Took profits and invested in other areas around the world
  - e. Reasons for Success
    - i. Were able to rebuild with latest technology
    - ii. Education reform led to highly educated workforce
    - iii. Workers saved money allowing banks to invest
    - iv. Positive labor-management relations result in loyalty
    - v. Didn't have to spend money on military
  - f. Trade Issue
    - i. Japan kept high tariffs, upset US and west
      - 1. create possibility of trade war
- III. New World Role
  - a. Dependence on Oil
    - i. OPEC oil crisis force Japan to get better relation with Mid East
    - ii. Increase efficiency of power plants, public transportation
  - b. Japan and its neighbors

- i. Japan had to make better relations with nations it conquered in WWII
  - c. International Politics
    - i. Japan becomes largest donor nation to emerging markets
    - ii. US is encouraging Japan to rearm to relieve burden of US
- IV. Changing Patterns
  - a. 1990's was a depression in Japan's economy
  - b. corruption amongst Japanese politicians stress society
  - c. overpopulation is major problem in Japan