

SC-226

Destruction or Removal of
United Nations
Property in Japan

FEC - 226 SERIES

Destruction of Property
of UN Nations Nationals

SC-226

RESTRICTEDSC-22621 April 1947FAR EASTERN COMMISSIONDESTRUCTION OR REMOVAL OF UNITED NATIONS PROPERTY IN JAPAN

(Reference: C6-013 series)

Note by the Secretary General

1. The enclosure, a proposed policy decision on Destruction or Removal of United Nations property in Japan, approved by Committee No. 6: Aliens in Japan, at its thirty-ninth meeting, 18 April 1947, is forwarded for the consideration of the STEERING COMMITTEE.

2. The United States position on the paper is reserved generally, the Philippine position is reserved as to paragraph 2 d, the United Kingdom position is reserved as to paragraph 6, and the Chinese position is reserved as to a proposal to amend the last phrase in paragraphs 4 and 7 to read "at the time of the outbreak of hostilities", and as to the provision in paragraph 8 for payments by the Japanese Government in yen.

3. In accordance with paragraph 3 of FEC-067/3 Committee No.6: Aliens in Japan recommends that the enclosure be released to the press in the normal procedure.

NELSON T. JOHNSON
Secretary General

SC-226

RESTRICTEDE N C L O S U R EDESTRUCTION OR REMOVAL OF UNITED NATIONS PROPERTY IN JAPAN

1. This paper deals with the treatment of the property in Japan of nationals of members of the United Nations when such property forms part of an industry, the capacity of which is subject to reduction either by the destruction or by the removal of plants under the terms of relevant policies of the Far Eastern Commission.

2. Such property shall be regarded as United Nations property for the purpose of this paper and shall hereafter be so termed:

- a. if owned by nationals of members of the United Nations, or
- b. if it has been treated as enemy property by the Japanese Government, or
- c. if owned by a corporation, the stock of which is substantially owned directly or indirectly by nationals of members of the United Nations, or
- d. if owned by a corporation in which a minority of the stock is owned by nationals of members of the United Nations but nationals of members of the United Nations nevertheless have controlling rights.

3. United Nations property which is subject to destruction, in accordance with policies of the Far Eastern Commission on the disarmament of Japan and the reduction of Japanese industrial war potential, should be destroyed irrespective of the nationality of the owner.

4. When such United Nations property is destroyed, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of destruction.

5. United Nations property within the categories of industrial plants and facilities which are subject to removal in accordance with policies of the Far Eastern Commission should not be selected for removal so long as Japanese-owned industrial facilities within the same categories are available for removal.

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6. When such United Nations property is selected for removal, the owner's government should be given a reasonable opportunity to remove the property or any part of it from Japan, expenses being borne by the Japanese Government to the same extent as in the removal and delivery of other reparations goods. If such industrial facilities are removed by the owner's government the value of such property which is removed should be applied against the reparations account of that government. Any such property which the owner's government fails to remove within a reasonable time should be made available to other governments from the reparations pool.

7. When such United Nations property is made available for reparations, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of removal.

8. When a United Nations owner is entitled to compensation under paragraphs 4 or 7 above, such compensation should be paid to the owner by the Japanese Government in yen, and should not be charged to the reparations share of the government of which the United Nations owner is a national. Such compensation should be distinct from and additional to any other claims for compensation which the owner may have with respect to this property.

9. The Japanese Government should remain responsible for safeguarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs.

FEC-226/1RESTRICTEDFEC-226/122 April 1947FAR EASTERN COMMISSIONDESTRUCTION OR REMOVAL OF UNITED NATIONS PROPERTY IN JAPAN
(References: SC-226; C6-013 series)Note by the Secretary General

1. The enclosure, a proposed policy decision on Destruction or Removal of United Nations property in Japan, was unanimously approved by the Steering Committee at its sixtieth meeting, 22 April 1947, and is forwarded herewith for the consideration of the Far Eastern Commission.

2. In accordance with paragraph 3 of FEC-067/3 the Steering Committee recommends that the enclosure be released to the press in the normal procedure.

NELSON T. JOHNSON
Secretary General

FEC-226/1

RESTRICTEDE N C L O S U R EDESTRUCTION OR REMOVAL OF UNITED NATIONS PROPERTY IN JAPAN

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9. The Japanese Government should remain responsible for safeguarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs.

FEC-RESTRICTEDAGENDA - 172nd FEC Meeting10 November 1949FAR EASTERN COMMISSIONAGENDA

For the Meeting to be Held in the Main Conference Room,
2516 Massachusetts Avenue, N.W., Washington, D. C.
10 November 1949, 10:30 A.M.

- ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 171ST MEETING
- ITEM 2 - a LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS JAPANESE INDUSTRY
(FEC-242/32; FEC-242/35, /37, /38, /39, /40, /41, /42)
- b LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARDS SHIPBUILDING AND SHIPPING (FEC-297/10)
- ITEM 3 - JAPANESE REPARATIONS AND LEVEL OF INDUSTRY (FEC-340, /1, /2, /3, /4, /5, /6, /7, /8)
- ITEM 4 - JAPANESE PARTICIPATION IN INTERNATIONAL RELATIONS
(FEC-339, /2, /3, /5, /6, /7, /8, /9, /11, /12, /13)
- ITEM 5 - JAPANESE MEMBERSHIP IN INTERNATIONAL CONVENTION OF TELECOMMUNICATIONS
(FEC-334, FEC-334/1, /2, /3, /4, /5, /6)
- ITEM 6 - LABOR POLICY IN JAPAN (FEC-318/20, /22, /24, /25, /26, /27, /28, /29)
- ITEM 7 - REPORT OF COMMITTEE NO. 1 TO THE FAR EASTERN COMMISSION REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)
- ITEM 8 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA
FEC-299/5; FEC-299/6, /7, /8, /9, /10)
- ITEM 9 - ECONOMIC STABILIZATION IN JAPAN
- ITEM 10 - OTHER BUSINESS
- ITEM 11 - PRESS RELEASE

Agenda - 172nd FEC Meeting
10 November 1949

FEC-226/2RESTRICTEDFEC-226/229 April 1947FAR EASTERN COMMISSIONDESTRUCTION OR REMOVAL OF UNITED NATIONS'
PROPERTY IN JAPAN
(Reference: FEC-226/1)Note by the Secretary General

1. Enclosure 'A', a policy decision relative to the destruction or retention of United Nations' property in Japan, was unanimously approved by the Far Eastern Commission at its fifty-fifth meeting, 24 April 1947.

2. The letter of transmittal of the Secretary General, forwarding this decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as Enclosure "B".

NELSON T. JOHNSON
Secretary General

FEC-226/2

N F T Canal Inc
26 Beaver St
N.Y. 4, N.Y.

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ENCLOSURE "A"

DESTRUCTION OR REMOVAL OF UNITED NATIONS'
PROPERTY IN JAPAN

1. This policy decision deals with the treatment of the property in Japan of nationals of Members of the United Nations when such property forms part of an industry, the capacity of which is subject to reduction either by the destruction or by the removal of plants under the terms of relevant policies of the Far Eastern Commission.

2. Such property shall be regarded as United Nations property for the purpose of this policy decision and shall hereafter be so termed

a. if owned by nationals of Members of the United Nations, or

b. if it has been treated as enemy property by the Japanese Government, or

c. if owned by a corporation, the stock of which is substantially owned directly or indirectly by nationals of Members of the United Nations, or

d. if owned by a corporation in which a minority of the stock is owned by nationals of Members of the United Nations but nationals of Members of the United Nations nevertheless have controlling rights.

3. United Nations property which is subject to destruction, in accordance with policies of the Far Eastern Commission on the disarmament of Japan and the reduction of Japanese industrial war potential, should be destroyed irrespective of the nationality of the owner.

4. When such United Nations property is destroyed, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of destruction.

5. United Nations property within the categories of industrial plants and facilities which are subject to removal in accordance with policies of the Far Eastern Commission should not be selected for removal so long as Japanese-owned industrial facilities within the same categories are available for removal.

6. When such United Nations property is selected for removal, the owner's government should be given a reasonable opportunity to remove the property or any part of it from Japan, expenses being borne by the Japanese Government to the same extent as in the removal and delivery of other reparations goods. If such industrial facilities are removed by the owner's government the value of such property which is removed should be applied against the reparations account of that government. Any such property which the owner's government fails to remove within a reasonable time should be made available to other governments from the reparations pool.

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7. When such United Nations property is made available for reparations, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of removal.

8. When a United Nations owner is entitled to compensation under paragraphs 4 or 7 above, such compensation should be paid to the owner by the Japanese Government in yen, and should not be charged to the reparations share of the government of which the United Nations owner is a national. Such compensation should be distinct from and additional to any other claims for compensation which the owner may have with respect to this property.

9. The Japanese Government should remain responsible for safe-guarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs.

RESTRICTEDENCLOSURE "B"LETTER OF TRANSMITTAL

24 April 1947

The Honorable Dean Acheson
Acting Secretary of State
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the fifty-fifth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 24 April 1947, the enclosed policy decision relative to Destruction or Removal of United Nations Property in Japan was unanimously approved.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

In adopting the enclosed policy decision the Commission agreed that it should be released to the press after being received by the Supreme Commander. In accordance with our normal procedure I would appreciate it if you could make arrangements to notify me when the enclosed policy decision has been received in Tokyo.

Sincerely yours,

Nelson T. Johnson
Secretary General

Enclosure "B"

FEC-226/2

File with FEC-226

7 May 1947

PRESS RELEASE

FAR EASTERN COMMISSIONOFFICIAL PRESS RELEASEFifty-fifth Meeting of the Far Eastern CommissionNot to be released prior to 12:00 noon, 8 May 1947

I. The Far Eastern Commission on 24 April 1947 approved a policy decision relating to destruction or removal of United Nations' property in Japan. (Text below)

II. A directive based upon this policy decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

DESTRUCTION OR REMOVAL OF UNITED NATIONS'
PROPERTY IN JAPAN

1. This policy decision deals with the treatment of the property in Japan of nationals of Members of the United Nations when such property forms part of an industry, the capacity of which is subject to reduction either by the destruction or by the removal of plants under the terms of relevant policies of the Far Eastern Commission.

2. Such property shall be regarded as United Nations property for the purpose of this policy decision and shall hereafter be so termed.

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b. if it has been treated as enemy property by the Japanese Government, or

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d. if owned by a corporation in which a minority of the stock is owned by nationals of Members of the United Nations but nationals of Members of the United Nations nevertheless have controlling rights.

3. United Nations property which is subject to destruction, in accordance with policies of the Far Eastern Commission on the disarmament of Japan and the reduction of Japanese industrial war potential, should be destroyed irrespective of the nationality of the owner.

4. When such United Nations property is destroyed, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of destruction.

Press Release

5. United Nations property within the categories of industrial plants and facilities which are subject to removal in accordance with policies of the Far Eastern Commission should not be selected for removal so long as Japanese-owned industrial facilities within the same categories are available for removal.

6. When such United Nations property is selected for removal, the owner's government should be given a reasonable opportunity to remove the property or any part of it from Japan, expenses being borne by the Japanese Government to the same extent as in the removal and delivery of other reparations goods. If such industrial facilities are removed by the owner's government the value of such property which is removed should be applied against the reparations account of that government. Any such property which the owner's government fails to remove within a reasonable time should be made available to other governments from the reparations pool.

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9. The Japanese Government should remain responsible for safe-guarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs.

FEC-226/3RESTRICTEDFEC-226/314 May 1947FAR EASTERN COMMISSIONDESTRUCTION OR REMOVAL OF UNITED NATIONS'
PROPERTY IN JAPAN
(Reference: FEC-226/2)Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on the destruction or removal of United Nation's property in Japan, is circulated herewith for the information of the Far Eastern Commission.

2. This directive was forwarded to the Supreme Commander on 2 May 1947.

3. A certified copy of this United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON
Secretary General

FEC-226/3

RESTRICTEDE N C L O S U R ESerial No. 76DESTRUCTION OR REMOVAL OF UNITED NATIONS'
PROPERTY IN JAPAN

The following directive, serial number 76, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on April 24, 1947, under the provisions of paragraph II, A, 1, of its terms of reference has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with paragraph III, 1, of those terms of reference:

"1. This policy decision deals with the treatment of the property in Japan of nationals of members of the United Nations when such property forms part of an industry, the capacity of which is subject to reduction either by the destruction or by the removal of plants under the terms of relevant policies of the Far Eastern Commission.

"2. Such property shall be regarded as United Nations' property for the purpose of this policy decision and shall be so termed.

"a. If owned by nationals of members of the United Nations, or

"b. If it has been treated as enemy property by the Japanese Government, or

"c. If owned by a corporation, the stock of which is substantially owned directly or indirectly by nationals of members of the United Nations, or

"d. If owned by a corporation in which a minority of the stock is owned by nationals of members of the United Nations but nationals of members of the United Nations nevertheless have controlling rights.

"3. United Nations' property which is subject to destruction, in accordance with policies of the Far Eastern Commission, on the disarmament of Japan and the reduction of Japanese industrial war potential, should be destroyed irrespective of the nationality of the owner.

"4. When such United Nations property is destroyed, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of destruction.

"5. United Nations' property **within** the categories of industrial plants and facilities which are subject to removal in accordance with policies of the Far Eastern Commission should not be selected for removal so long as the Japanese-owned industrial facilities within the same categories are available for removal.

"6. When such United Nations' property is selected for removal, the owner's government should be given a reasonable opportunity to remove the property or any part of it from Japan, expenses being borne by the Japanese

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Government to the same extent as in the removal and delivery of other reparations goods. If such industrial facilities are removed the owner's government the value of such property which is removed should be applied against the reparations account of that government. Any such property which the owner's government fails to remove within a reasonable time should be made available to other governments from the reparations pool.

"7. When such United Nations' property is made available for reparations, the United Nations owners should be entitled to full compensation for the value of their interest in the plant at the time of removal.

"8. When a United Nations owner is entitled to compensation under paragraphs 4 or 7 above, such compensation should be paid to the owner by the Japanese Government in yen, and should not be charged to the reparations share of the Government of which the United Nations owner is a national. Such compensation should be distinct from and additional to any other claims for compensation which the owner may have with respect to this property.

"9. The Japanese Government should remain responsible for safeguarding and maintaining United Nations property until it is disposed of in accordance with the foregoing paragraphs."

FEC-226/4FEC-226/424 April 1951FAR EASTERN COMMISSIONDESTRUCTION OR REMOVAL OF UNITED NATIONS' PROPERTY IN JAPANDirective Serial No. 76
(Reference: FEC-226/3)Note by the Secretary General

1. In order to facilitate handling of records FEC-226/3 (14 May 1947), a U. S. directive to SCAP regarding destruction or removal of United Nations' property in Japan, is from this date graded to UNCLASSIFIED.
2. FEC-226/2, the Far Eastern Commission policy decision upon which this directive was based, was declassified and released to the press 8 May 1947.
3. All holders of FEC-226/4 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON
Secretary General

FEC-226/4