GHQ/SCAP Records(RG 331)
Description of contents

THE NATIONAL ARCHIVES OF THE UNITED STATES

(1) Box no. 2047

(2) Folder title/number : (8)
Imperal Household--Official Documents, Imperial Household Property

(3) Date : July 1946 - Dec. 1946

(4) Subject :

Classification	Type of record
322	e

(5) Item description and comment :

Includes SWNCC 150/4/A, FEC-037/7

(6) Reproduction : (Yes) No

(7) Film no. Sheet no.

Bx 2047

Top SECRET

OFFICIAL DOCUMENTS

IMPERIAL HOUSEHOLD PROPERTY

581-590

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 091.11 (30 Dec 46) ESS/FI
(SCAPIN 2908-A)

APO 500
30 December 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT

THROUGH: Central Liaison Office, Tokyo

SUBJECT: Grant of Imperial Household Property

1. Reference is Memorandum from the Imperial Japanese Government, CLO No. 6011 (EF), dated 13 November 1946, subject: Application of Ministry of the Imperial Household for Permission to Grant Foundation Funds to Gakushuin and Joshi Gakushuin.

2. With the understanding that the Gakushuin and Joshi Gakushuin (Peers and Peeresses School) will function on a democratic and progressive basis and that no discrimination will be made on the basis of social position, as indicated in inclosures to the reference memorandum, permission is given to transfer title of the following properties, including buildings and equipment located thereon, to the Gakushuin Zaidan Preparatory Committee:

a. Main Gakushuin Campus at Mejiro-Machi - 65,428.06 tsubo;

b. Elementary Department Grounds at Nishiba-cho-10,153.21 tsubo;

c. Gakushuin Dormitory at Shimo-Ochai -3,406.76 tsubo;

d. Gakushuin swimming grounds at Togo - 7,427.00 tsubo.

The above properties shall not be sold, leased or given away for a period of five years. Should the Gakushuin cease operation, and for that reason no longer use these properties, or any of these properties cease to be utilized for educational purposes within that period, the title of all, or any, such property shall revert immediately to the state.

3. There is no objection to the other properties mentioned in the reference memorandum being leased or purchased by the Gakushuin Zaidan Preparatory Committee, as authorized by law. Any transactions of this nature shall be reported to General Headquarters, Supreme Commander for the Allied Powers, within 15 days.

4. A sum, not to exceed ¥5,500,000, may be granted by the Imperial

BASIC: Memo., GHQ, SCAP, file 091.11 (30 Dec 46) ESS/FI
subject: Grant of Imperial Household Property to
Imperial Japanese Government.

Household Ministry to cover operating and maintenance expenditures until sufficient funds become available from private sources. A quarterly report shall be made by the Gakushuin Zaidan Preparatory Committee to General Headquarters, Supreme Commander for the Allied Powers, showing all expenditures by object, and all receipts by source, for the preceding period. The first report to cover period from 1 January 1947 to 31 March 1947, shall be submitted not later than 15 April 1947.

5. Authorization is given to transfer endowment funds, totalling ¥402,500, and other special Gakushuin funds, amounting to ¥172,444.04 to Gakushuin Zaidan Preparatory Committee.

FOR THE SUPREME COMMANDER:

for R. W. Hersey
JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 423 (5 Dec 46)ESS/TD
(SCAPIN 2739-A)

APO 500
5 December 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT

THROUGH: Central Liaison Office, Tokyo

SUBJECT: Application for Release of Silk Fabrics for Imperial Household

1. Reference is made to the following letters from the Japanese Central Liaison Office:

a. C.L.O. No. 6035(ECI), dated 14 November 1946, subject: Application for Release of Silk Fabrics for Imperial Household, requesting the release of the following silk cloth:

(1) 403 square yards 19 momme 15.7" width white habutae

(2) 230 square yards 17 momme 15.7" width white habutae

(3) 156 square yards 18 momme 15" width white habutae

(4) 83 square yards 16 momme 15" width white habutae

(5) 582 square yards 36 momme 14" width white habutae

(6) 1,940 square yards 27 momme 14" width white habutae

b. C.L.O. No. 6034(ECI), dated 14 November 1946, subject: Application for Release of Silk Articles for Ritual Use in Imperial Court, requesting the release of 570 square yards 31 momme 22" width white silk damask, and 115 square yards 14 momme 14" width white habutae.

2. The above applications are approved.

FOR THE SUPREME COMMANDER:

for JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 260 (12 Oct 46) ESS/FI
(SCAPIN-2360-A)

APO 500
12 October 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Retirement Allowances

1. Reference is Memorandum from the Imperial Japanese Government, CLO No. 4619 (HF), dated 11 September 1946, subject: Application of Ministry of Imperial Household for Permission to Grant Retirement Allowances to its Former Officials.

2. Permission is hereby given to grant retirement allowances totalling ¥15,000 listed in inclosure to reference memorandum.

FOR THE SUPREME COMMANDER:

for JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
6 September 1946

AG 091.11 (6 Sep 46)ESS/FI
(SCAPIN - 2146-A)

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Money Grant to the Household of the Late Prince Fushimi.

1. Reference is memorandum from Imperial Japanese Government, CLO No. 4086 (EF) dated 17 August 1946, subject: "Application of Ministry of Imperial Household for Permission to Grant ¥ 70,000 to Household of the Late Prince Fushimi as a part of Funeral Expenses."

2. The Imperial Household is hereby authorized to advance an amount not to exceed ¥ 70,000 to defray funeral expenses incurred by the Household of the late Prince Fushimi.

3. The total amount advanced by the Imperial Household shall be repaid from the estate of the late Prince, not later than 1 March 1947.

FOR THE SUPREME COMMANDER:

JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 260 (29 Aug 46)ESS/FI
(SCAPIN - 2084-A)

APO 500
29 August 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Retirement Allowances.

1. Reference is memorandum from the Imperial Japanese Government, CLO No. 3960 (EF), dated 10 August 1946, subject: "Application of Ministry of Imperial Household for permission to Bestow Retirement Allowances on its Former Officials."

2. Request is approved for permission to grant the retirement allowances amounting to ¥21,400, listed in inclosure to subject memorandum.

FOR THE SUPREME COMMANDER:

for R W Hersey

JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 260 (14 Aug 46)ESS/FI
(SCAPIN-1982-A)

APO 500
14 August 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Retirement Allowances.

1. Reference is memorandum from the Imperial Japanese Government, CLO No. 3449 (EF), dated 16 July 1946, subject: "Application of Ministry of Imperial Household to Grant Retirement Allowances to O. Miyahara and Others."

2. Request is approved for permission to grant the retirement allowances amounting to ¥120,900, listed in inclosure to subject memorandum.

FOR THE SUPREME COMMANDER:

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for

JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 091.11(4 Aug 46)ESS/FI
(SCAPIN - 1901-A)

APO 500
4 August 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Property (Exercise of Voting Right by Letter of Attorney)

1. Reference is memorandum from the Imperial Japanese Government, CLO No. 3324 (EF), 8 July 1946, subject: "Application of Ministry of Imperial Household to Exercise its Voting Right by Letter of Attorney".

2. The Imperial Household Ministry is hereby authorized to exercise its voting right by a letter of attorney at the regular general meeting of stockholders of the Taguchi Railroad Company, Ltd.

FOR THE SUPREME COMMANDER:

for JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
2 July 1946

AG 091 (2 Jul 46)ESS/FI
(SCAPIN - 1627-A)

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Retirement Allowances.

1. Reference is Memorandum from the Imperial Japanese Government CLO No. 2787 (EF), 10 June 1946, subject: "Imperial Household Property (Grant of Retirement Allowances)".

2. Request for permission to grant the retirement allowances amounting to ¥104,750, listed in inclosure thereto, is approved.

FOR THE SUPREME COMMANDER:

For JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG
091.11 (21 Jun 46)ESS/FI
(SCAPIN - 1535-A)

APO 500
21 June 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Retirement Allowances.

1. Reference is made to CLO No. 2514 (EF) dated 24 May 1946, subject: "Imperial Household Property (Grant of Retiring Allowances)."

2. Retirement allowance grants of ¥1,000 to Mr. Morito Kikuchi and of ¥20,000 to Mr. Masao Ohya are approved.

FOR THE SUPREME COMMANDER:

For JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
23 May 1946

AG 091. (23 May 46)ESS/FI
(SCAPIN-1309-A)

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Retirement Allowances.

1. Reference is made to C.L.O. No. 2237 (EF) dated 10 May 1946, subject: "Application of Ministry of Imperial Household for Bestowal of Retirement Allowances".

2. Request of the Minister of the Imperial Household for bestowal of retirement allowances amounting to ¥ 36,600 is approved.

FOR THE SUPREME COMMANDER:

J. W. Mann
for B. M. FITCH,
Brigadier General, AGD,
Adjutant General.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 386.7 (21 May 46)ESS/FI
(SCAPIN-1298-A)

APO 500
21 May 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Princes and Princesses.

GS

1. Effective immediately the Imperial Japanese Government is directed to take the following action regarding the Imperial Princes and the Imperial Princesses.

a. The securities listed in Annex "A" attached hereto, which are now being held in trust by the Imperial Household Ministry for the Imperial Princes and the Imperial Princesses, will be transferred to the several beneficiaries forthwith.

b. No Imperial grants or loans of either money or property will be made to the Imperial Princes and the Imperial Princesses, or their households.

c. No employee of the Imperial Household will be assigned duties involving service to the Imperial Princes or the Imperial Princesses, or their households.

d. Upon the completion of the transfer directed under paragraph 1 a the Imperial Japanese Government will take all necessary action to divest the Imperial Princes and the Imperial Princesses of all right, title and interest in and to all property of every name and nature belonging to or held by the Imperial Household.

2. The Imperial Japanese Government is further directed to take all necessary action to divest the Imperial Princes and the Imperial Princesses of all special privileges and immunities, including all immunity from taxation.

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BASIC: Memo., GHQ, SCAP, file AG 386.7 (21 May 46)ESS/FI dtd 21 May 46, Subject: "Imperial Princes and Princesses", to Imperial Japanese Government.

3. As used in this directive the terms "Imperial Prince" and "Imperial Princess" do not include the Dowager Empress or the children of the Emperor.

FOR THE SUPREME COMMANDER:

J. W. Mann

for B. M. FITCH,
Brigadier General, AGD,
Adjutant General.

1 Incl: Annex "A"

ANNEX "A"

Securities Held in Trust by the Imperial Household for the Imperial Princes.

Type of Security	Amount
National Bonds	¥ 907,837
Prefectural Bonds	539,409
Debentures	4,222,882
Stocks	2,166,092
Total	¥7,836,220

Inclosure No. 1

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 091.3 (3 May 46)ESS/FI
(SCAPIN 1143-A)

APO 500
3 May 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Grants.

1. Reference is made to CLO No. 1896 (EF), 23 April 1946, subject: "Imperial Household Property (Grant of Retiring Allowances)."

2. Retiring Allowances totalling ¥638.050 are approved.

FOR THE SUPREME COMMANDER:

J. W. Mann
for B. M. FITCH,
Brigadier General, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
30 April 1946

AG 386.7 (30 Apr 46)ESS/FI
(SCAPIN - 1113-A)

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo

SUBJECT : Imperial Household.

1. It is directed that the following information be prepared and submitted to General Headquarters, Supreme Commander for the Allied Powers.

a. A statement showing the unexpended balance of each item in the budget of the Imperial Household as of 1 May 1946, to be submitted not later than 6 May 1946.

b. A statement giving a complete inventory of the assets of the Imperial Household as of 1 May 1946, to be submitted not later than 15 May 1946.

FOR THE SUPREME COMMANDER:

for B. M. FITCH,
Brigadier General, AGD,
Adjutant General.

COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
3 April 1946

AG 091 (3 Apr 46) ESS/FI
(SCAPIN 885-A)

MEMORANDUM FOR ; IMPERIAL JAPANESE GOVERNMENT

THROUGH : Central Lisison Office, Tokyo

SUBJECT : Imperial Household.

1. Reference is made to CLO No. 1197 (EF) dated 14 March 1946, Subject: "Imperial Household Property."

2. Retiring allowances totalling ¥272,400 are approved.

FOR THE SUPREME COMMANDER:

s/B. M. Fitch
t/B. M. FITCH
Brigadier General, AGD
Adjutant General

DISTRIBUTION:
CG 8th Army (3)
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ESS (35)
8th Army LO

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Exec Sec file

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 386.7 (16 Mar 46) ESS/FI
(SCAPIN-756-A)

APO 500
16 March 1946

091

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household.

1. Reference is made to CLO No. 573 (2.1) dated 7 February 1946, subject: "Imperial Household Property."

2. Money grants totalling ¥ 160,000 as outlined in reference letter are approved.

3. A loan of ¥ 420,000 to the Prince Ri household is approved with the understanding that the repayment of the loan will not be an obligation of the Korean Government.

FOR THE SUPREME COMMANDER:

B. M. FITCH,
Brigadier General, AGD,
Adjutant General.

Exec Sec

C O P Y

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
11 March 1946

AG 248 (11 Mar 46) ESS/FI
(SCAPIN 710-A)

MEMORANDUM FOR : IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT: ; Retiring Allowances.

1. Reference is made to C.L.O. No. 575 (2.1) 7 February, Subject; "Imperial Household Property."

2. Retiring allowances totalling ¥108,900 are approved.

FOR THE SUPREME COMMANDER:

s/B. M. Fitch
t/B. M. FITCH
Brigadier General, AGD
Adjutant General.

C O P Y

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 386.7(8 Feb 46)ESS/FI
(SCAPIN - 723)

APO 500
8 February 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Property.

091

1. Reference is made to CLO No. 318 (2.1) dated 22 January 1946, subject: "Imperial Household Property".

2. A special money grant to Mr. Sotaro Ishiwata amounting to ¥10,000 is approved.

3. Special money grants to officials retiring from the Imperial Household amounting to ¥112,300 are approved.

4. Money grants to model associations for Social Welfare Works amounting to ¥230,000 are approved. When these grants are made, you are directed to submit a list giving the name, address, and amount of grant to each association.

FOR THE SUPREME COMMANDER:

B. M. FITCH for
Brigadier General, AGD,
Adjutant General.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
18 January 1946

AG 386.7 (18 Jan 46)ESS/FI
619

091

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household.

1. Reference is made to C.L.O. No. 887 (2.1) 5 December and C.L.O. 1347 (2.1) 24 December 1945, both memoranda subject; "Imperial Household Property".

2. All requests are approved except the special money grant of ¥100,000 to Marquis Kido, which is disapproved.

FOR THE SUPREME COMMANDER:

/s/ T. Allen
H. W. ALLEN,
Colonel, A.G.D.,
Asst. Adjutant General.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 091 (11 Jan 46) ESS/FI
576

APO 500
11 January 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Property.

1. Reference is made to C.L.O. No. 1395 (2.1) 27 December 1945, subject: "Imperial Household Property".

2. The applications contained therein for permission to pay from available funds minor deficits in connection with normal operations of the Imperial Household are approved.

FOR THE SUPREME COMMANDER:

H. W. ALLEN,
Colonel, A.G.D.,
Asst Adjutant General.

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Imperial Household Property.

NR 12 January 1946

1. This Section does not concur.

2. The proposed action is not directed by JCS 1380/15 although possibly authorized. The Staff Study submitted does not demonstrate that administration of these lands by Ministry of Agriculture and Foresty would be more effective. Actual production by Imperial Household Ministry exceeds that of Ministry of Agricultrue and Forestry as we interpret your figures.

3. Divesting the Imperial Household of all its forests quite probably would necessitate a modification of the Pauley Reparations Mission's plans relative to other assets of the Imperial Household. Such assets should not be disposed of piecemeal.

4. The political situation is most unstable at present and this action could well upset our present method of administration.

5. This matter was previously submitted to Chief of Staff in a Memorandum to Imperial Japanese Government and was disapproved at the time the directive freezing the Imperial Household assets was under consideration.

C.W.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
GOVERNMENT SECTION - PUBLIC ADMINISTRATION BRANCH

10 January 1945

MEMORANDUM FOR CHIEF OF SECTION.

SUBJECT : Proposed memorandum to the Imperial Japanese Government, AG 091.3 (10 Jan 46)NR, received by this office for concurrence.

1. All pertinent sections of JCS 1380/15 which bear upon the problem have been extracted and are attached as Tab "A". These sections do not contain a provision directing that the proposed action be taken. They may possibly authorize the proposed action.

2. Natural Resources state that three Government agencies are now charged with forest administration which creates a situation where "there is bound to be a lack of efficiency" and that this "greatly complicates the execution of directives". Natural Resources reports show that forests administered by the Imperial Household Ministry constitute 5.5% of all forest areas and produce 8% of all timber and 2% of all fuel wood and charcoal. A chart is attached as Tab "B" showing the area and production from forests operated by State Imperial Household communities and private owners, and there is computed the factors of production based on the percentage of area. These indicate that, in the production of timber, the Imperial Household is the most efficient producer of any, and in the production of fuel wood and charcoal it is better than the State.

3. It has heretofore been the policy of nations to respect ownership of real property during military occupation. The nations of Anglo Saxon derivation have always been most conservative in matters affecting titles to real property. Excepting in cases where demonstrable and specific benefits will result, any transfer of title on real estate from one governmental agency to another by the Supreme Commander for the Allied Powers would probably result in very adverse criticism.

4. The Pauley Reparations Mission has indicated that it expects to use certain assets of the Imperial Household in settling reparations accounts. To date, no specific mention has been made by the Mission of the use of forest lands or their produce. Should the Imperial Household be divested of all of its forests, such act might necessitate a modification of the Reparations Mission's plans in relation to other assets of the Imperial Household.

5. Weighing all of the foregoing factors, it is recommended that no action be taken regarding the divesting of forest lands from the Imperial Household at the present time. Recommend Tab "C" be approved.

MILO E. ROWELL,
Lt. Col., A.U.S.

3 Incls:
Incl 1 - Tab "A" - Extracts from JCS 1380/15
" 2 - Tab "B" - Table of Production.
" 3 - Tab "C" - Check Sheet to NR.

Noted
EHK

Provisions of JCS 1380/15 which may be pertinent to study.

3. Basic Objectives of Military Occupation of Japan

The strengthening of democratic tendencies and processes in governmental, economic and social institutions **** The United States desires that the Japanese Government conform as closely as may be to principles of democratic self-government, but it is not the responsibility of the occupation forces to impose on Japan any form of government not supported by the freely expressed will of the people.

4. c. Changes in the direction of modifying feudal and authoritarian tendencies of the government are to be permitted and favored. ****** You will not remove the Emperor or take any steps toward his removal without prior consultation with and advice issued to you through the JCS.

5. i. Imperial Household property shall not be exempted from any action necessary to carry out the objectives set forth in this directive.

11. d. To encourage the development within Japan of economic ways and institutions of a type that will contribute to the growth of peaceful and democratic forces in Japan.

13. You will not assume any responsibility for the economic rehabilitation of Japan or the strengthening of the Japanese economy. You will make it clear to the Japanese people that:

a. You assume no obligations to maintain, or have maintained, any particular standard of living in Japan, and

b. That the standard of living will depend upon the thoroughness with which Japan rids itself of all militaristic ambitions, redirects the use of its human and natural resources wholly and solely for purposes of peaceful living*****

19. ***In order to achieve these aims, the Japanese authorities will have to make the utmost effort to maximize production of agricultural and fishery products*****In the event that they fail to do so, you will direct them to take such measures as in your judgment are necessary.

21. The Japanese authorities shall be permitted on their own responsibility to establish and administer any controls over economic activities that are appropriate****

25. It is the intent of the United States Government to encourage and show favor to:

a. Policies which permit a wide distribution of income and of ownership of the means of production and trade.

b. The development or organizations in labor, industry and agriculture organized on a democratic basis.

(Specific assignments as to business are suggested but not as to agriculture.)

29. a. You will assure that all practicable economic and police measures are taken to achieve the maximum utilization of essential Japanese resources.

45. You will impound or block *** and all other assets within the categories listed below:

a. Property owned or controlled directly or indirectly, in whole or in part, by any of the following:

(3) The Japanese Imperial Household.

You will take such action as will insure that any impounded or blocked assets will be dealt with only as permitted under licenses or other instructions which you may issue. In the case particularly of property blocked under a(1) above, you will proceed to adopt licensing measures.

Controlling or Operating agency.	% of total forest area.	% of total timber production	Timber Production factor per 1% of area	% of total firewood and charcoal production	Fuel and charcoal factor per 1% of area.
STATE	31.8%	28%	.88	11%	.35
PRIVATE	43.7%	56%	1.28	77%	1.76
COMMUNITY	18.4%	7%	.38	10%	.54
IMPERIAL HOUSEHOLD	5.5%	8%	1.44	2%	.38

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 091.3 (18 Nov 45) ESS/FI
SCAPIN 30

APO 500
18 November 1945

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT.

THROUGH : Central Liaison Office, Tokyo.

SUBJECT : Imperial Household Property.

1. You will immediately take such action as may be required to insure that no transactions involving the Imperial Household property will be effected without the prior approval of this Headquarters.

2. You will nullify any transfers of Imperial Household property which were effected on or since the 15th day of August, 1945 and which were not incidental to the normal operations of the Imperial Household.

3. Except as may be further directed, all bureaus and offices, etc. of the Department of the Imperial Household may continue to exercise their normal functions, and may receive any payments and make any expenditures normally incidental to their operations; provided however that the following transactions may not be effected without the prior approval of this Headquarters:

a. The disposition or acquisition of any capital assets, including but not limited to lands, estates, securities, buildings, and art objects;

b. The voting, or the exercise of any voting rights, with respect to any securities owned by the Imperial Household;

c. The exercising of any managerial or other control or authority in respect to any enterprise the securities of which are owned or controlled in whole or in part by the Imperial Household;

d. The bestowal of any Imperial gifts or special money grants;

e. The supplementing of any item of expenditure from Reserve Funds;

f. Any loans between accounts;

g. Any item of expenditure in excess of the sums allotted for such items in the budget;

h. Any item of expenditure not provided for in the budget;

i. Any expenditure from the First and Second Reserve Funds.

Govt Sec

BASIC: Memo, GHQ SCAP, file AG 091.3 (14 Nov 45) ESS/FI, dated 14 November 1945, subject: "Imperial Household Property", to Imperial Japanese Government.

4. The main budget for the fiscal year 1946 shall be submitted to this Headquarters for approval not later than 15 December 1945. Additional Budgets shall be submitted to this Headquarters for approval each time as they may arise. No expenditure may be effected subsequent to the fiscal year, 1945, unless the budget covering such expenditure has been approved by this Headquarters.

5. Prior to the issuance of this memorandum, the Department of the Imperial Household informally furnished to this Headquarters statements of the property holdings of the Imperial Household. You will promptly examine the statements furnished and with fifteen days you will certify to the accuracy of such statements. If such statements are certified to be incomplete or inaccurate in any respect, you will furnish within such period such corrections or additions as are required.

6. You will report promptly to this Headquarters the action taken to comply with these requirements.

7. An acknowledgment of the receipt of this memorandum is directed.

FOR THE SUPREME COMMANDER:

H. W. ALLEN,
Colonel, A.G.D.,
Asst Adjutant General.

MAILED 1535 NOV 20'45 ADV. ECH. AG. - GHQ.

~~TOP SECRET~~
SWNCC 150/4/A
21 September 1945.
C O P Y

STATE-WAR-NAVY COORDINATING COMMITTEE

POLITICO-MILITARY PROBLEMS IN THE FAR EAST:
UNITED STATES INITIAL POST-DEFEAT POLICY RELATING TO JAPAN

Reference: a. SWNCC 150/4

Note by the Secretaries

1. The enclosure supersedes SWNCC 150/4 and embodies amendments directed by the Committee at their 25th meeting, 21 September 1945.

2. The President has approved the statement of policy set forth in in this paper.

3. Holders of SWNCC 150/4 are requested to destroy all copies of SWNCC 150/4 by burning.

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

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E N C L O S U R E

U. S. INITIAL POST-SURRENDER POLICY FOR JAPAN

Purpose of this Document

This document is intended as a statement of general initial policies relating to Japan after surrender. Following Presidential approval, it will be distributed to appropriate United States departments and agencies for their guidance. It is recognized that this document does not deal with all matters relating to the occupation of Japan requiring policy determinations. Policies upon such matters as are not included or not fully covered herein will be dealt with in subsequent papers.

PART I - Ultimate Objectives

The ultimate objectives of the United States in regard to Japan, to which policies in the initial period must conform are:

(a) To insure that Japan will not again become a menace to the United States or to the peace and security of the world.

(b) To bring about the eventual establishment of a peaceful and responsible government which will respect the rights of other states and will support the objectives of the United States as reflected in the ideals and principles of the Charter of the United Nations. The United States desires that this government should conform as closely as may be to principles of democratic self-government but it is not the responsibility of the Allied Powers to impose upon Japan any form of government not supported by the freely expressed will of the people.

These objectives will be achieved by the following principal means:

(a) Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor outlying islands as may be determined, in accordance with the Cairo Declaration and other agreements to which the United States is or may be a party.

(b) Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated from her political, economic and social life. Institutions expressive of the spirit of militarism and aggression will be vigorously suppressed.

(c) The Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedoms of religion, assembly, speech, and the press. They shall also be encouraged to form democratic and representative organizations.

(d) The Japanese people shall be afforded opportunity to develop for themselves an economy which will permit the peacetime requirements of the population to be met.

PART II - ALLIED AUTHORITY

1. Military Occupation

There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the principal allied powers acting in the interests of the United Nations at war with Japan. For that reason, participation of the forces of other nations that have taken a leading part in the war against Japan will be welcomed and expected. The occupation forces will be under the command of a Supreme Commander designated by the United States.

Although every effort will be made, by consultation and by constitution of appropriate advisory bodies, to establish policies for the conduct of the occupation and the control of Japan which will satisfy the principal Allied powers, in the event of any differences of opinion among them, the policies of the United States will govern.

2. Relationship to Japanese Government

The authority of the Emperor and the Japanese Government will be subject to the Supreme Commander, who will possess all powers necessary to effectuate the surrender terms and to carry out the policies established for the conduct of the occupation and the control of Japan.

In view of the present character of Japanese society and the desire of the United States to attain its objectives with a minimum commitment of its forces and resources, the Supreme Commander will exercise his authority through Japanese governmental machinery and agencies, including the Emperor, to the extent that this satisfactorily furthers United States objectives. The Japanese Government will be permitted, under his instructions, to exercise the normal powers of government in matters of domestic administration. This policy, however, will be subject to the right and duty of the Supreme Commander to require changes in governmental machinery or personnel or to act directly if the Emperor or other Japanese authority does not satisfactorily meet the requirements of the Supreme Commander in effectuating the surrender terms. This policy, moreover, does not commit the Supreme Commander to support the Emperor or any other Japanese governmental authority in opposition to evolutionary changes looking toward the attainment of the United States objectives. The policy is to use the existing form of Government in Japan, not to support it. Changes in the form of Government initiated by the Japanese people or government in the direction of modifying its feudal and authoritarian tendencies are to be permitted and favored. In the event that the effectuation of such changes involves the use of force by the Japanese people or

government against persons opposed thereto, the Supreme Commander should intervene only where necessary to ensure the security of his forces and the attainment of all other objectives of the occupation.

3. Publicity as to Policies.

The Japanese people, and the world at large, shall be kept fully informed of the objectives and policies of the occupation, and of progress made in their fulfilment.

PART III - POLITICAL

1. Disarmament and Demilitarization.

Disarmament and demilitarization are the primary tasks of the military occupation and shall be carried out promptly and with determination. Every effort shall be made to bring home to the Japanese people the part played by the military and naval leaders, and those who collaborated with them, in bringing about the existing and future distress of the people.

Japan is not to have an army, navy, airforce, secret police organization, or any civil aviation. Japan's ground, air and naval forces shall be disarmed and disbanded and the Japanese Imperial General Headquarters, the General Staff and all secret police organizations shall be dissolved. Military and naval materiel, military and naval vessels and military and naval installations, and military, naval and civilian aircraft shall be surrendered and shall be disposed of as required by the Supreme Commander.

High officials of the Japanese Imperial General Headquarters, and General Staff, other high military and naval officials of the Japanese Government, leaders of ultra-nationalist and militarist organizations and other important exponents of militarism and aggression will be taken into custody and held for future disposition. Persons who have been active exponents of militarism and aggression will be taken into custody and held for future disposition. Persons who have been active exponents of militarism and militant nationalism will be removed and excluded from public office and from any other position of public or substantial private responsibility. Ultra-nationalistic or militaristic social, political, professional and commercial societies and institutions will be dissolved and prohibited.

Militarism and ultra-nationalism, in doctrine and practice, including para-military training, shall be eliminated from the educational system. Former career military and naval officers, both commissioned and non-commissioned, and all other exponents of militarism and ultra-nationalism shall be excluded from supervisory and teaching positions.

2. War Criminals.

Persons charged by the Supreme Commander or appropriate United Nations Agencies with being war criminals, including those charged with having visited cruelties upon United Nations prisoners or other nationals, shall be arrested, tried and, if convicted, punished. Those wanted by another of the United Nations for offenses against its nationals, shall, if not wanted for trial or as witnesses or otherwise by the Supreme Commander, be turned over to the custody of such other nation.

3. Encouragement of Desire for Individual Liberties and Democratic Processes.

Freedom of religious worship shall be proclaimed promptly on occupation. At the same time it should be made plain to the Japanese that ultra-nationalistic and militaristic organizations and movements will not be permitted to hide behind the cloak of religion.

The Japanese people shall be afforded opportunity and encouraged to become familiar with the history, institutions, culture, and the accomplishments of the United States and the other democracies. Association of personnel of the occupation forces with the Japanese population should be controlled, only to the extent necessary, to further the policies and objectives of the occupation.

Democratic political parties, with rights of assembly and public discussion, shall be encouraged, subject to the necessity for maintaining the security of the occupying forces.

Laws, decrees and regulations which establish descriminations on grounds of race, nationality, creed or political opinion shall be abrogated; those which conflict with the objectives and policies outlined in this document shall be repealed, suspended or amended as required; and agencies charged specifically with their enforcement shall be abolished or appropriately modified. Persons unjustly confined by Japanese authority on political grounds shall be released. The judicial, legal and police systems shall be reformed as soon as practicable to conform to the policies set forth in Articles 1 and 3 of this Part III and thereafter shall be progressively influenced, to protect individual liberties and civil rights.

PART IV - ECONOMIC

1. Economic Demilitarization.

The existing economic basis of Japanese military strength must be destroyed and not be permitted to revive.

Therefore, a program will be enforced containing the following elements, among others; the immediate cessation and future prohibition of production of all goods designed for the equipment, maintenance, or use of any military force or establishment; the imposition of a ban upon any specialized facilities for the production or repair of implements of war, including naval vessels and all forms of aircraft; the institution of a system of inspection and control over selected elements in Japanese economic activity to prevent concealed or disguised military preparation; the elimination in Japan of those selected industries or branches of production whose chief value to Japan is in preparing for war; the prohibition of specialized research and instruction directed to the development of war-making power; and the limitation of the size and character of Japan's heavy industries to its future peaceful requirements, and restriction of Japanese merchant shipping to the extent required to accomplish the objectives of demilitarization.

The eventual disposition of those existing production facilities within Japan which are to be eliminated in accord with this program, as between conversion to other uses, transfer abroad, and scrapping will be determined after inventory. Pending decision, facilities readily convertible for civilian production should not be destroyed, except in emergency situations.

2. Promotion of Democratic Forces.

Encouragement shall be given and favor shown to the development of organizations in labor, industry, and agriculture, organized on a democratic basis. Policies shall be favored which permit a wide distribution of income and of the ownership of the means of production and trade.

Those forms of economic activity, organization and leadership shall be favored that are deemed likely to strengthen the peaceful disposition of the Japanese people, and to make it difficult to command or direct economic activity in support of military ends.

To this end it shall be the policy of the Supreme Commander:

(a) To prohibit the retention in or selection for places of importance in the economic field of individuals who do not direct future Japanese economic effort solely towards peaceful ends; and

(b) To favor a program for the dissolution of the large industrial and banking combinations which have exercised control of a great part of Japan's trade and industry.

3. Resumption of Peaceful Economic Activity.

The policies of Japan have brought down upon the people great

economic destruction and confronted them with the prospect of economic difficulty and suffering. The plight of Japan is the direct outcome of its own behavior, and the Allies will not undertake the burden of repairing the damage. It can be repaired only if the Japanese people renounce all military aims and apply themselves diligently and with single purpose to the ways of peaceful living. It will be necessary for them to undertake physical reconstruction, deeply to reform the nature and direction of their economic activities and institutions, and to find useful employment for their people along lines adapted to and devoted to peace. The Allies have no intention of imposing conditions which would prevent the accomplishment of these tasks in due time.

Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can be effected without causing starvation, widespread disease and acute physical distress.

The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs that serve the following purposes:

(a) To avoid acute economic distress.

(b) To assure just and impartial distribution of available supplies.

(c) To meet the requirements for reparations deliveries agreed upon by the Allied Governments.

(d) To facilitate the restoration of Japanese economy so that the reasonable peaceful requirements of the population can be satisfied.

In this connection, the Japanese authorities on their own responsibility shall be permitted to establish and administer controls over economic activities, including essential national public services, finance, banking, and production and distribution of essential commodities, subject to the approval and review of the Supreme Commander in order to assure their conformity with the objectives of the occupation.

4. Reparations and Restitution.

Reparations.

Reparations for Japanese aggression shall be made:

(a) Through the transfer--as may be determined by the appropriate allied authorities--of Japanese property located outside of the territories to be retained by Japan.

(b) Through the transfer of such goods or existing capital equipment and facilities as are not necessary for a peaceful

Japanese econony or the supplying of the occupying forces. Exports other than those directed to be shipped on reparation account or as restitution may be made only to those recipients who agree to provide necessary imports in exchange or agree to pay for such exports in foreign exchange. No form of reparation shall be exacted which will interfere with or prejudice the progran for Japan's demilitarization.

Restitution.

Full and prompt restitution will be required of all identifiable looted property.

5. Fiscal, Monetary, and Banking Policies.

The Japanese authorities will remain responsibile for the management and direction of the domestic fiscal, nonetary, and credit policies subject to the approval and review of the Supreme Commander.

6. International Trade and Financial Relations.

Japan shall be permitted eventually to resume normal trade relations with the rest of the world. During occupation and under suitable controls, Japan will be permitted to purchase from foreign countries raw materials and other goods that it may need for peaceful purposes, and to export goods to pay for approved imports.

Control is to be maintained over all imports and exports of goods, and foreign exchange and financial transactions. Both the policies followed in the exercise of these controls and their actual administration shall be subject to the approval and supervision of the Supreme Commander in order to make sure that they are not contrary to the policies of the occupying authorities, and in particular that all foreign purchasing power that Japan may acquire is utilized only for essential needs.

7. Japanese Property Located Abroad.

Existing Japanese external assets and existing Japanese assets located in territories detached from Japan under the terms of surrender, including assets owned in whole or part by the Imperial Household and Government, shall be revealed to the occupying authorities and held for disposition according to the decision of the Allied authorities.

8. Equality of Opportunity for Foreign Enterprise within Japan.

The Japanese authorities shall not give, or permit any Japanese business organization to give, exclusive or preferential opportunity or terms to the enterprise of any foreign country, or cede to such enterprise control of any important branch of economic activity.

9. Imperial Household Property.

Imperial Household property shall not be exempted from any action necessary to carry out the objectives of the occupation.

TOP SECRET

SWNCC 150/5

19 September 1945

STATE-WAR-NAVY COORDINATING COMMITTEE

POLITICO-MILITARY PROBLEMS IN THE FAR EAST:
UNITED STATES INITIAL POST-DEFEAT POLICY RELATING TO JAPAN

References: a. SWNCC 150/4
b. Minutes of 24th SWNCC Mtg.

Note by the Secretaries

The enclosure, a memorandum by the State-War-Navy Coordinating Subcommittee for the Far East is circulated for consideration by the Committee.

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat

ENCLOSURE

Memorandum by the
State-War-Navy Coordinating Subcommittee for the Far East

1. At the 24th meeting of the State-War-Navy Coordinating Committee on 12 September 1945, the Subcommittee was directed (page 8, subparagraph e of the Minutes) to recommend to the SWNCC a revision of SWNCC 150/4 for communication to our Allies and for publication.

2. It is recommended that the preamble, "Purpose of this Document", be revised as follows:

"This document is ~~intended as~~ a statement of general initial policy relating to Japan after surrender. ~~Following Presidential approval, it will be~~ It has been approved by the President and distributed to the Supreme Commander for the Allied Powers and to appropriate U. S. departments and agencies for their guidance. It ~~is recognised that this document~~ does not deal with all matters relating to the occupation of Japan requiring policy determinations. ~~Policies upon~~ Such matters as are not included or are not fully covered herein will be dealt with ~~in subsequent papers.~~" separately."

3. It is further recommended that, subject to the approval of the President and after receipt of the comments of General of the Army MacArthur:

a. SWNCC 150/4, revised as indicated in paragraph 2 above be communicated at once by the Department of State to the Governments of the United Kingdon, the Soviet Union, China, France, the Commonwealth of the Philippine Islands, Australia, Canada, New Zealand and the Netherlands together with a statement that the U. S. Government intends to release the document to the press; and

b. After having communicated with our Allies according to subparagraph a above, the Department of State release SWNCC 150/4 as revised to the press.

FEC-087/7

21 September 1946

FAR EASTERN COMMISSION

DISPOSITION OF HEREDITARY ESTATES

Note by the Secretary General

The following information from the Supreme Commander for the Allied Powers has been received relative to the disposition of hereditary estates of the Imperial Household, and is circulated herewith by the United States member for the information of the Far Eastern Commission:

The original draft of Article 84 of the proposed Constitution reads:

"All property of the Imperial Household, other than the hereditary estates, shall belong to the State. The income from all Imperial properties shall be paid into the national treasury, and allowances and expenses of the Imperial Household, as defined by law, shall be appropriated by the Diet in the annual budget."

In order to conform to the requirements of Sub-paragraph d. of Paragraph 4. of the statement of policy adopted by the Far Eastern Commission on 2 July 1946, the provision now reads, as Article 88:

"All property of the Imperial Household shall belong to the State. All expenses of the Imperial Household shall be appropriated by the Diet in the budget."

Thus the provision excepting the hereditary estates of the Emperor from transfer to the State has been removed. The actual transfer of the property of the Imperial Household to the State is to be effected when the new Constitution becomes effective.

NELSON T. JOHNSON
Secretary General

downgraded to Unclassified
by Authority of
WCL 37698 6 May 49

~~RESTRICTED~~

COPY NO. 18

Serial No. 82

26 June 1947

DIRECTIVE TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

BASIC POST-SURRENDER POLICY FOR JAPAN

The following directive, serial number 82, prepared by the Department of State to implement the policy adopted by the Far Eastern Commission on June 19, 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:

This document is a statement of general policy relating to Japan after surrender. It does not deal with all matters relating to the occupation of Japan requiring policy determinations. Such matters as are not included or not fully covered will be dealt with separately.

PREAMBLE

WHEREAS on September 2, 1945, Japan surrendered unconditionally to the Allied Powers and is now under military occupation by forces of these powers under the command of General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers, and

WHEREAS representatives of the following nations, namely, Australia, Canada, China, France, India, The Netherlands, New Zealand, the Philippines, the U.S.S.R., the United Kingdom, and

the United States of America, which were engaged in the war against Japan, have on the decision of the Moscow Conference of Foreign Ministers met together at Washington as a Far Eastern Commission, 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;

THE NATIONS COMPOSING THIS COMMISSION, with the object of fulfilling the intentions of the Potsdam Declaration, of carrying out the instrument of surrender and of establishing international security and stability.

CONSCIOUS that such security and stability depend first, upon the complete destruction of the military machine which has been the chief means whereby Japan has carried out the aggressions of past decades; second, upon the establishment of such political and economic conditions as would make impossible any revival of militarism in Japan; and third, upon bringing the Japanese to a realization that their will to war, their plan of conquest, and the methods used to accomplish such plans, have brought them to the verge of ruin,

RESOLVED that Japan cannot be allowed to control her own destinies again until there is on her part a determination to abandon militarism in all its aspects and a desire to live with the rest of the world in peace, and until democratic principles are established in all spheres of the political, economic, and cultural life of Japan;

ARE THEREFORE AGREED:

To ensure the fulfillment of Japan's obligation to the Allied Powers;

To complete the task of physical and spiritual demilitarization of Japan by measures including total disarmament, economic reform designed to deprive Japan of power to make war, elimination of militaristic influences, and stern justice to war criminals, and requiring a period of strict control; and

To help the people of Japan in their own interest as well as that of the world at large to find means whereby they may develop within the framework of a democratic society an intercourse among themselves and with other countries along economic and cultural lines that will enable them to satisfy their reasonable individual and national needs and bring them into permanently peaceful relationship with all nations;

AND HAVE ADOPTED the following basic objectives and policies in dealing with Japan:

PART I - ULTIMATE OBJECTIVES

1. The ultimate objectives in relation to Japan, to which policies for the post-surrender period for Japan should conform, are:

a. To insure that Japan will not again become a menace to the peace and security of the world.

b. To bring about the earliest possible establishment of a democratic and peaceful government which will carry out its international responsibilities, respect the rights of other states, and support the objectives of the United Nations. Such Government in Japan should be established in accordance with the freely expressed will of the Japanese people.

2. These objectives will be achieved by the following principal means:

a. Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor outlying islands as may be determined.

b. Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated. All institutions expressive of the spirit of militarism and aggression will be vigorously suppressed.

c. The Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedoms of religion, assembly and association, speech and the press. They shall be encouraged to form democratic and representative organizations.

d. Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to rearm for war. To this end access to, as distinguished from control of, raw materials should be permitted. Eventual Japanese participation in world trade relations will be permitted.

PART II - ALLIED AUTHORITY

1. Military Occupation

There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the powers that have participated in the war against Japan. The principle of participation in the occupation of Japan by forces of these nations is affirmed. The occupation forces will be under the command of a supreme commander designated by the United States.

2. Relationship to Japanese Government

The authority of the Emperor and the Japanese Government will be subject to the Supreme Commander, who will possess all powers necessary to effectuate the surrender terms and to carry out the policies established for the conduct of the occupation and the control of Japan.

The Supreme Commander will exercise his authority through Japanese governmental machinery and agencies, including the Emperor, but only to the extent that this satisfactorily furthers the objectives and policies stated herein. According to the judgment and discretion of the Supreme Commander, the Japanese Government may be permitted to exercise the normal powers of government in matters of domestic administration, or the Supreme Commander may in any case direct action to be taken without making use of the agencies of the Japanese Government.

After appropriate preliminary consultation with the representatives of the Allied Powers in the Allied Council for Japan, the Supreme Commander may, in case of necessity, take decisions concerning the removal of individual ministers of the Japanese Government, or concerning the filling of vacancies created by the resignation of individual cabinet members. Changes in the governmental machinery, or a change in the Japanese Government as a whole, will be made in accordance with the principles laid down in the terms of reference of the Far Eastern Commission.

The Supreme Commander is not committed to support the Emperor or any other Japanese governmental authority. The policy is to use the existing form of government in Japan and not to support it. Changes in the pre-surrender form of the Emperor institution and in the form of government in the direction of modifying or removing its feudal and authoritarian character and of establishing a democratic Japan are to be encouraged.

3. Protection of United Nations Interests

It shall be the duty of the Supreme Commander to protect the interests, assets,,and rights of all members of the United Nations and their nationals. Where such protection conflicts with the fulfillment of the objectives and policies of the occupation, the government of the nation concerned shall be informed through diplomatic channels and shall be consulted on the question of proper adjustment.

4. Publicity as to Policies.

The peoples of the nations which have participated in the war against Japan, the Japanese people, and the world at large shall be kept fully informed of the objectives and policies of the occupation, and of the progress made in their fulfillment.

PART III - POLITICAL

1. Disarmament and Demilitarization

Disarmament and demilitarization are the initial tasks of the military occupation and shall be carried out promptly and with determination. Every effort shall be made to bring home to the Japanese people that part played by those who have deceived and misled them into embarking on world conquest, and those who collaborated in so doing.

Japan is not to have any Army, Navy, Airforce, Secret Police organization, or any Civil Aviation, or Gendarmerie, but may have adequate Civilian Police Forces. Japan's Ground, Air and Naval Forces shall be disarmed and disbanded, and the Japanese Imperial General Headquarters, the General Staff and all

Secret Police organizations shall be dissolved. Military and naval material, military and naval vessels and military and naval installations, and the military, naval and civilian aircraft, wherever situated, shall be surrendered to the appropriate Allied commanders in their zones of capitulation of the Japanese troops and shall be disposed of in accordance with decisions of the Allied Powers already adopted or which may be adopted. Inventories shall be made and inspections authorized to insure complete execution of these provisions.

High officials of the Japanese Imperial General Headquarters and General Staff, other high military and naval officials of the Japanese Government, leaders of ultra-nationalist and militarist organizations and other important exponents of militarism and aggression will be taken into custody and held for future disposition. Persons who have been active exponents of militarism and militant nationalism will be removed and excluded from public office and from any other position of public or substantial private responsibility. Ultra-nationalistic or militaristic social, political, professional and commercial societies and institutions will be dissolved and prohibited.

The restoration, even in a disguised form, of any anti-democratic and militaristic activity shall be prevented, particularly on the part of former Japanese career military and naval officers, Gendarmerie, and former members of dissolved militaristic, ultra-nationalistic and other anti-democratic organizations.

Militaristic, ultra-nationalistic and anti-democratic doctrines and practices, including para-military training, shall be eliminated from the educational system. Former career military and naval officers, both commissioned and non-commissioned, and all other exponents of militaristic, ultra-nationalistic and anti-democratic doctrines and practices shall be excluded from supervisory and teaching positions.

2. War Criminals

Stern justice shall be meted out to all war criminals, including those who visited cruelties upon prisoners of war or other nationals of members of the United Nations. Persons charged by the Supreme Commander, or appropriate United Nations agencies with being war criminals shall be arrested, tried and, if convicted, punished. Those wanted by another of the United Nations for offenses against its nationals, shall, if not wanted for trial or as witnesses or otherwise by the Supreme Commander, be turned over to the custody of such other nation.

3. Encouragement of Desire for Individual Liberties and Democratic Processes

Freedom of worship and observance of all religions shall be proclaimed and guaranteed for the future. It should also be made plain to the Japanese that ultra-nationalistic, militaristic and anti-democratic organizations and movements will not be permitted to hide behind the cloak of religion.

The Japanese people shall be afforded opportunity and encouraged to become familiar with the history, institutions, culture and the accomplishments of the democracies.

Obstacles to the revival and strengthening of democratic tendencies among the Japanese people shall be removed.

Democratic political parties, with rights of assembly and public discussion, and the formation of trade unions shall be encouraged, subject to the necessity for maintaining the security of the occupying forces.

Laws, decrees, and regulations which establish discrimination on grounds of race, nationality, creed or political opinion shall be abrogated; those which conflict with the objectives and policies outlined in this document shall be repealed, suspended or amended as required, and agencies charged specifically with their enforcement shall be abolished or appropriately modified. Persons unjustly confined by Japanese authority on political grounds shall be released. The judicial, legal and

police systems shall be reformed as soon as practicable to conform to the policies set forth herein and it shall be the duty of all judicial, legal and police officers to protect individual liberties and civil rights.

PART IV - ECONOMIC

1. Economic Demilitarization

The existing economic basis of Japanese military strength must be destroyed and not be permitted to revive.

Therefore, a program will be enforced containing the following elements, among others: The immediate cessation and future prohibition of production of all goods designed for the equipment, maintenance, or use of any military force or establishment; the imposition of a ban upon facilities for the production or repair of implements of war, including naval vessels and all forms of aircraft; the institution of a system of inspection and control designed to prevent concealed or disguised military preparation; the elimination in Japan of those industries or branches of production which would provide Japan with the capacity to rearm for war; and the prohibition of specialized research and instruction contributing directly to the development of war-making power. Research for peaceful ends will be permitted, but shall be strictly supervised by the Supreme Commander to prevent its use for war purposes. Japan shall be restricted to the maintenance of those industries which will sustain the level of economy and standard of living fixed in accordance with principles determined by the Far Eastern Commission, and consistent with the Potsdam Declaration.

The eventual disposition of those existing production facilities within Japan which are to be eliminated in accord with the program, as between transfer abroad and the purpose of reparations, scrapping, and conversion to other uses, will be determined, after inventory, in accordance with the principles laid down by the Far Eastern Commission or pursuant to the terms of reference of the Far Eastern Commission. Pending decision, no such facilities either suitable for transfer abroad or readily

convertible for civilian use, shall be destroyed except in emergency situations.

2. Promotion of Democratic Forces

Organizations of labor in industry and agriculture, organized on a democratic basis, shall be encouraged. Other organizations in industry and agriculture, organized on a democratic basis, shall be encouraged if they will contribute to furthering the democratization of Japan or other objectives of the occupation.

Policies shall be laid down with the object of insuring a wide and just distribution of income and of the ownership of the means of production and trade.

Encouragement shall be given to those forms of economic activity, organization and leadership deemed likely to strengthen the democratic forces in Japan and to prevent economic activity from being used in support of military ends.

To this end it shall be the policy of the Supreme Commander:

a. To prohibit the retention in important positions in the economic field of individuals who because of their past associations or for other reasons cannot be trusted to direct Japanese economic effort solely towards peaceful and democratic ends; and

b. To require a program for the dissolution of the large industrial and banking combinations accompanied by their progressive replacement by organizations which would widen the basis of control and ownership.

3. Resumption of Peaceful Economic Activity

The policies of Japan have brought down upon the people great economic destruction and confronted them with economic difficulty and suffering. The plight of Japan is the direct outcome of its own behavior, and the Allies will not undertake the burden of repairing the damage. It can be repaired only if the

Japanese people renounce all military aims and apply themselves diligently and with single purpose to the ways of peaceful living. It will be necessary for them to undertake physical reconstruction and basically to reform the nature and direction of their economic activities and institutions. In accordance with assurances contained in the Potsdam Declaration, the Allies have no intention of imposing conditions which would prevent the accomplishment of these tasks in due time.

Japan will be expected to provide goods and services to meet the needs of the occupying forces to the extent that this can, in the judgment of the Supreme Commander, be effected without causing starvation, widespread disease and acute physical distress.

The Japanese authorities will be expected, and if necessary directed, to maintain, develop and enforce programs, subject to the approval of the Supreme Commander, which are designed to serve the following purposes:

a. To avoid acute economic distress.

b. To assure just and impartial distribution of available supplies.

c. To meet the requirements for reparations deliveries.

d. To make such provision for the needs of the Japanese population as may be deemed reasonable in accordance with principles formulated by the Far Eastern Commission in the light both of supplies available and of obligations to other peoples of the United Nations and territories formerly occupied by Japan.

4. Reparations and Restitution.

Reparations

For acts of aggression committed by Japan and for the purpose of equitable reparation of the damage caused by her to the Allied Powers and in the interests of destruction of the Japanese war potential in those industries which could lead to Japan's rearmament for waging war, reparations shall be exacted from Japan through the transfer of such existing Japanese capital

equipment and facilities or such Japanese goods as exist or may in future be produced and which under policies set forth by the Far Eastern Commission or pursuant to the terms of reference of the Far Eastern Commission should be made available for this purpose. The reparations shall be in such a form as would not endanger the fulfillment of the program of demilitarization of Japan and which would not prejudice the defraying of the cost of the occupation and the maintenance of a minimum civilian standard of living. The shares of particular countries in the total sum of the reparations from Japan shall be determined on a broad political basis, taking into due account the scope of material and human destruction and damage suffered by each claimant country as a result of the preparation and execution of Japanese aggression, and taking also into due account each country's contribution to the cause of the defeat of Japan, including the extent and duration of its resistance to Japanese aggression.

Restitution

Full and prompt restitution will be required of all identifiable property, looted, delivered under duress, or paid for in worthless currency.

5. Fiscal, Monetary, and Banking Policies

While the Japanese authorities will remain responsible for the management and direction of the domestic fiscal, monetary, and credit policies, this responsibility is subject to the approval and review of the Supreme Commander, and wherever necessary to his direction.

6. International Trade and Financial Relations

Eventual Japanese participation in world trade relations shall be permitted. During occupation and under suitable controls and subject to the prior requirements of the peoples of countries which have participated in the war against Japan, Japan will be permitted to purchase from foreign countries raw materials and other goods that it may need for peaceful purposes. Japan will also be permitted under suitable controls to export goods to pay for approved imports. Exports other than those directed to be shipped on reparations account or as restitution

may be made only to those recipients who agree to provide necessary imports in exchange or agree to pay for such exports in foreign exchange usable in purchasing imports. The proceeds of Japanese exports may be used after the minimum civilian standard of living has been secured to pay for the costs of non-military imports necessary for the occupation which have already been made since the surrender.

Control is to be maintained over all imports and exports of goods and foreign exchange and financial transactions. The Far Eastern Commission shall formulate the policies and principles governing exports from and imports to Japan. The Far Eastern Commission will formulate the policies to be followed in the exercise of these controls.

7. Japanese Property Located Abroad

The clauses herein on reparations and references to this subject are without prejudice to the views of governments of the overseas assets issue.

8. Equality of Opportunity for Foreign Enterprise within Japan

All business organizations of any of the United Nations shall have equal opportunity in the overseas trade and commerce of Japan. Within Japan equal treatment shall be accorded to all nationals of the United Nations.

9. Imperial Household Property

Imperial household property shall not be exempt from any action necessary to carry out the objectives of the occupation.

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DIRECTIVE TO THE SUPREME COMMANDER FOR THE ALLIED POWERS

BASIC PRINCIPLES FOR A NEW JAPANESE CONSTITUTION

The following statement of policy, adopted by the Far Eastern Commission on 2 July 1946 under the provisions of paragraph II, A, one, of its terms of reference has been received from the State, War and Navy Departments for transmission to you as a directive for your guidance in accordance with paragraph III, one, of those terms of reference. You should take appropriate steps consistent with the directives on Draft Constitution for Japan* and Principles Governing the Machinery for the Adoption of a New Japanese Constitution,** to insure that any constitution adopted by the Japanese conforms to the principles set forth in this statement:

"1. The Japanese Constitution should recognize that sovereign power resides in the people. It should be so framed as to provide for:

a. A representative government based upon universal adult suffrage consisting of:

(1) An executive deriving its authority from and responsible to either the electorate or a fully

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representative legislative body;

(2) A legislature, fully representative of the electorate, which should have full legislative powers, including full control over raising of public revenue and expenditure of public funds;

b. The establishment of an independent judiciary;

c. The guarantee of fundamental civil rights to all Japanese and to all persons within Japanese jurisdiction. All Japanese shall enjoy equal rights before the law and no special privileges of particular social groups such as the nobility shall be allowed;

d. The popular election of heads of institutions of local government such as prefectures, cities, towns and villages;

e. The popular election of local assemblies such as prefectural, city, town, and village;

f. The adoption of constitutional amendments in a manner which will give effect to the freely expressed will of the Japanese people.

2. Though the ultimate form of government in Japan is to be established by the freely expressed will of the Japanese people, the retention of the Emperor Institution in its present constitutional form is not considered consistent with the foregoing general objectives. Consequently, the Japanese should be encouraged to abolish the Emperor Institution or to reform it along more democratic lines.

3. If the Japanese people decide that the Emperor Institution is not to be retained, constitutional safeguards against the institution will obviously not be required, but the Constitution will have to conform to the requirements of paragraph 1 and shall also provide:

a. That the legislature shall have sole authority over financial measures and any other organ shall possess only a temporary veto power over other legislative measures;

b. That the Prime Minister and the Ministers of State, all of whom shall be civilians and of whom a majority, including the Prime Minister, shall be selected from the Diet, shall form a Cabinet collectively responsible to the legislature. If a system of government is adopted whereby the Chief Executive is elected to that office by the people, the provision that a majority of the Cabinet members shall be chosen from the legislature should not necessarily apply;

c. That the legislative organ shall have the power to meet at will.

4. If the Japanese decide to retain the Institution of the Emperor, the following safeguards in addition to those enumerated in 1 and 3 above will be necessary;

a. When a Cabinet loses the confidence of the legislature it shall either resign or appeal to the electorate;

b. The Emperor shall have no powers other than those to be conferr3d on him by the new Constitution. He shall act in all cases in accordance with the advice of the Cabinet;

c. The Emperor shall be deprived of all military authority such as that provided in Articles XI, XII, XIII, and XIV of Chapter 1 of the Constitution of 1889;

d. All property of the Imperial household shall be declared property of the State. The expenses of the Imperial household shall be appropriated by the legislature.

5. The retention of the Privy Council and the House of Peers in their present form and with their present powers is not considered consistent with the foregoing general objectives."