

SWNCC -

Post-Defeat Policy - Japan

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DECLASSIFIED
 E.O. 11652, Sec. 3(E) and 5(D) or (E)
 NND# 740132
 BY SP-4 NARS, Date 2-26-75

TOP
Secret

Enclosure

Politics - Military Problems in the Far East;
United States Initial Post-Defeat Policy Relating

all caps

to Japan
Reference: SWNCC 16/4
SWNCC 94

Report by the

State - War - Navy Coordinating Subcommittee for the Far East

THE PROBLEM

1. To determine the initial post-defeat policy of the United States relating to Japan.

FACTS BEARING ON THE
PROBLEM

2. The Civil Affairs Division of the War Department requested on 6 April 1945 "that the Department of State furnish the Civil Affairs Division with a short policy ~~statement~~ statement with respect to the treatment of Japan, which statement should have the Presidential

(2)

approval to the end that civil affairs planning for Japan may proceed.

"We have in mind a statement for Japan similar to the statement as approved by the President with respect to the treatment of Germany."

2. SWNCC 37 requests the Department of State to prepare a paper on the ~~above~~ subject "Basic Policies and Objectives of the United States in the Pacific and the Far East," which appears as item I ~~is~~ ~~in~~ SWNCC 16/4.

3. In accordance with these requests, the Department of State ~~expressed its views on~~ ~~for~~ expressed its views on the above subject. The State Department paper has been considered and used by the Subcommittee for the Far East in the preparation of this report.

Consultation with
FEA/11/4

CONCLUSIONS

4. It is concluded that: ~~off~~ ~~the~~ ~~appendix~~ ~~of~~ ~~the~~ ~~SWNCC~~ ~~appendix~~ should be ^{United States} accepted as a statement of the ~~United States~~ initial post-defeat policy ~~of the United States~~ relating to Japan.

3. CONCLUSIONS

4. It is concluded that:

~~The State War-Navy Coordinating Committee~~

The appendix should be ~~included~~ ^{accepted}
as a statement of the United States initial post-
defeat policy relating to Japan.

RECOMMENDATIONS

5. It is recommended that:

a. This report be forwarded to the Joint Chiefs of Staff, with a request for an expression of their views, from the military point of view;

b. The conclusions contained in paragraph 4 be approved by the State-War-Navy Coordinating Committee and the report be transmitted to the Joint Chiefs of Staff, and to the State, War and Navy Departments for their guidance,

To NST?

DEPARTMENT OF STATE**ASSISTANT SECRETARY**

B III - 1. All measures taken in this connection shall be designed to accomplish to the extent ~~necessary~~ ^{possible} the permanent disarmament and demilitarization of Japan.

-5-

or illegally held in custody shall be released.

(7) War Criminals

authorized or
Those who have participated in planning or carrying out enterprises involving or resulting in atrocities or war crimes shall be arrested, brought to trial and punished.

*May draft -
2d sentence inserted.*

(8) Restitution of Property

A suitable program for the restitution of property looted by Japanese shall be carried out promptly.

C. ECONOMIC

I. IMMEDIATE OBJECTIVES OF MILITARY GOVERNMENT

Military government shall adopt measures with respect to the Japanese economy to the extent necessary to achieve the following objectives:

1. To destroy Japan's economic war potential.
2. To meet the needs of the occupation forces.
3. To prevent starvation, or such disease or such civil disorder as would interfere with the operation of military government.
4. To arrange for relief to the United Nations and to liberated areas, for restitution of identifiable stolen property, and for reparations.

II. DESTRUCTION OF ECONOMIC WAR POTENTIAL

All facilities for the production or repair of implements of war shall be seized or destroyed. Japan shall be permitted to retain no facilities for the production or maintenance of aircraft of any type.

Military government shall not for reparations or other purposes assist in the restoration or development of Japanese industries which might contribute

to the

-6-

to the Japanese economic war potential or promote undue dependence by other countries on Japan for strategic products.

III. Standard of Living

No steps shall be taken by military government which would provide a standard of living to the Japanese out of line with that of neighboring peoples. ✓

IV. PAYMENT FOR IMPORTS

Payments for such imports as are authorized by military government shall be a first charge on the proceeds of Japanese exports.

V. LIMITS ON EXTENSION OF CREDIT

✓ No credit shall be extended Japan or any Japanese person by foreign persons or governments, except with the specific approval of the military government.

VI. PROMOTION OF DEMOCRATIC FORCES

✓ Military government shall encourage the development of democratic organizations in labor, industry, and agriculture.

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1 May 1945.

Memorandum for Chairman, State-War-Navy Coordinating Sub-Committee
for the Far East.

Subject: Summary of United States Initial Post-Defeat
Policy Relating to Japan, April 19, 1945.

The following comments and suggestions are made by the Military Government Section of the Central Division, Office of the Chief of Naval Operations. These comments and suggestions concern the April 19th draft of the subject paper, except for part C. Economic, which is understood to have been revised by the Civil Affairs Division of the War Department and the State Department. With respect to C. Economic, the one suggestion that is made is applicable to Draft No. 12-A, dated 24 April.

1. A.I.2. Change to read as follows:

"2. The stripping from the Japanese Empire of all territory except the four main islands, Hokkaido, Honshu, Shikoku and Kyushu, and such minor off-lying islands north of 30 degrees North Latitude as may be agreed upon by the United Nations."

It is believed that this is a more concise and definite statement of U. S. policy. The disposition of territory taken from Japan is not and need not be covered here.

2. A.II. Change to read as follows:

"II. UNCONDITIONAL SURRENDER OR TOTAL DEFEAT

As a consequence of unconditional surrender or total defeat the commander or commanders-in-chief of the occupying forces, acting in the interests of the United Nations at war with Japan, will acquire supreme authority over the domestic and foreign affairs of the Japanese Empire. Simultaneously, the constitutional powers of the Emperor shall be suspended. All instrumentalities which participate in the formulation or consideration of national policies shall be suspended, and their functions shall be assumed by military government."

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There will probably be no "United Nations Armed Forces". Supreme power will vest, initially at least, in the Commander-in-Chief of the occupying forces, - presumably an American. He will wield these powers in the interest of the United Nations. This is what is done in the case of Germany, - except that there is more than one Commander-in-Chief. "Commander or Commanders-in-Chief" is suggested to take care of a similar situation. For example, the Russians may occupy a part of the Empire and not be under the U. S. Commander-in-Chief. Supreme authority will not vest in the United Nations nor in any special number of them. It will vest in the responsible commander or commanders who actually take over. The commander or commanders will act on behalf of their own governments, and in the interest of the United Nations.

With respect to the suspension of "instrumentalities", it is suggested that we cannot tell at this time how long they are to be suspended.

3. B. I. Suggest that the last paragraph be omitted. It is largely repetitious of the preceding paragraphs. It is ambiguous because it seems to deal with the Japanese during the "three periods" and during the "occupation". In addition, it is questioned whether Japanese behavior is the only standard which ought to be used in determining what the treatment is to be.

4. B. II. Delete words "and inflexible" in the first paragraph. The use of the word "strict" seems sufficient. The time may well come when we will want "strict" but not "inflexible" enforcement of the terms imposed upon Japan.

5. B. III. 1. Suggest that the first clause be changed to read:

"Japan's military and naval forces are to be disarmed and disbanded in such a manner as permanently to prevent their revival or reorganization;"

The idea that something more than current or temporary disarmament and demobilization is emphasized.

6. B. III. 2. Change to read:

"2. Character of Military Government
The measures of military government should be stern, but just."

It is not necessary to say that they should be effective. Emphasis should be on "stern".

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7. B. III. 3. Change the last sentence to read as follows:

amplified

"Military government should in no circumstances allow persons to hold public office, or any other position of responsibility or influence in public or private enterprise, who have been flagrant exponents of militant nationalism and aggression. The administration of affairs in Japan should be directed toward the development of local responsibility."

It is believed that the "flagrant exponents" should be barred from any position of significance in Japanese life, not only from public office. It is also believed that we should encourage the development of local responsibility. A somewhat de-centralized Japan will be less likely to cause trouble in the future.

8. B. III. 4. (5). Change to read as follows:"The Educational System

Revised

Control shall be established over the educational system for the purpose of eliminating Japanese militarism and ultra-nationalism, including para-military training, and making possible the development of democratic ideas."

The matter of whether schools are to be kept open for the purpose of maintaining peace and order is not a policy question. It should be left to those who prepare the military government directives and to the commander in the field.

9. B. III. 4. (7). Change to read as follows:"(7) Japanese Leaders, War Criminals, and Other Dangerous Persons.

manifestation of hostile

authenticity

War criminals, ~~and all persons who have participated in planning or carrying out enterprises involving or resulting in atrocities or war crimes~~ shall be arrested, brought to trial and punished. Japanese leaders and other persons who have been flagrant exponents of militant nationalism and aggression and any other persons hostile to the objectives of military government shall be arrested and interned."

The sentence about war criminals is the same as the language in the short German paper and in IPCOG 1, the post-defeat directive on Germany. The second sentence is added because there is no provision in the present draft as to what should be done with the Japanese who are "flagrant exponents" but not necessarily war criminals. Certainly it should be U. S. policy not to permit these persons to remain at large, even if they go unpunished.

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10. B. III. 4. (B). It is not clear whether this paragraph refers to identifiable or unidentifiable property. The latter is mentioned in part Q. Economic. If unidentifiable property is meant, is there not an overlapping with the provision in part Q. Economic which deals with reparations.

11. C. II. It is suggested that the following paragraph be added at the end of this section:

"In the institution and maintenance of economic controls, Japanese authorities will to the fullest extent practicable be ordered to proclaim and assume administration of such controls. Thus it should be brought home to the Japanese people that the responsibility for the administration of such controls and for any breakdowns in those controls will rest with themselves and their own authorities."

This provision from the German short paper expresses a principle which is just as applicable to Japan as it is to Germany. The principle is believed to be a good one.

Three additional copies of this memorandum are attached for possible use by members of the working group. Copies are also being furnished to Maj. Gen. Strong, Maj. Gen. Brooks and Lt. Col. Fahey.

L. S. Sabin.

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A. II. UNCONDITIONAL SURRENDER OR TOTAL DEFEAT

Immediately upon the unconditional surrender or total defeat of Japan, the supreme allied commander will exercise supreme authority over the domestic and foreign affairs of the Japanese Empire.



JOINT POST-WAR COMMITTEE

THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D. C.STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE FAR EASTSECRET

28 April 1945

MEMORANDUM FOR MR. HUGH BORTON, Department of State.

Subject: Official Army Air Force Comments on "Summary of
U. S. Initial Post-Defeat Policy relating to Japan".

1. Attached as enclosure is a copy of the official Army Air Force comments to be substituted for the informal notes given you in the SWNC Subcommittee meeting of 27 April 1945.
2. This copy is being furnished for your use in connection with the final review of the paper.

KENYON C. BOLTON,
Major, Cavalry.

Enclosure
1 Cy of Army Air Force Comments
dated 27 April 1945.

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SECRETHEADQUARTERS, ARMY AIR FORCES
WASHINGTON**COPY**

27 April 1945

MEMORANDUM FOR COLONEL R. C. MOFFAT, POST-WAR DIVISION:

SUBJECT: Comments on "Summary of U.S. Initial Post-Defeat Policy
Relating to Japan."

1. Combined and Joint Staff Division submit the following suggestions with regard to the subject paper on which you have requested our comments. It is appreciated that the paper endeavors to formulate broad policy and is not intended as a detailed summary of all action necessary to implement such policy. In light of the fact that certain sections have been broken down these comments are forwarded for your consideration and use as you may determine. These comments may have been previously considered by you.

2. Page 1, Section A. GENERAL PROVISIONS, paragraph I. OBJECTIVES:

Subparagraph 4, line one:

Before the word "government" insert "democratic."

Subparagraph 5, line two:

Before the word "reasonable" insert "just and."

3. Page 3, Section B. POLITICAL, paragraph II. THE POLITICAL OBJECTIVES OF MILITARY GOVERNMENT:

Subparagraph 2, add:

"including acceptance of a "bill of rights" for the Japanese people."

Paragraph III, MILITARY GOVERNMENT AND MILITARY OCCUPATION:

Subparagraph 1. Security, revise as follows:

✓ "Japan's military ground, air and naval forces are to be disarmed and disbanded; military-and-naval-material, vessels, all war materiel, naval vessels of all classes, aircraft of all kinds and military installations and establishments are to be surrendered or destroyed; industries primarily military in character are to be eliminated."

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COPY

Page 4, subparagraph (5), The Educational System, under subparagraph 4. Some of the Initial Tasks of Military Government, revise as follows:

~~"To facilitate the maintenance of peace and order as far as practicable, Schools in operation shall be kept open, and schools closed by Japanese authorities reopened. In order to initiate a reform in the system of education, Courses which indoctrinate the student in the way of Japanese militarism and ultra-nationalism shall be dropped, and para-military training shall be discontinued. Instruction in democratic and humanitarian principles and values emphasizing necessity for peace and international cooperation will be incorporated."~~

4. It is felt that under subparagraph 4. Some of the Initial Tasks of Military Government, two topics could be added concerning:

1. Control of Japanese Foreign Relations and the Disposition of Enemy Diplomatic and Consular Property and Records.
2. Treatment of Refugees.

5. Page 5, Section C. ECONOMIC, paragraph I. IMMEDIATE OBJECTIVES OF MILITARY GOVERNMENT, subparagraph 3, line one and two, delete:

"or such civil disorder" and insert "and unrest."

Paragraph II. DESTRUCTION OF ECONOMIC WAR POTENTIAL, line 4, between "aircraft" and "of" insert:

"and naval vessels"

6. Under Section C. ECONOMIC, it is felt that six topics could be added concerning:

1. Property Control.
2. Control of Food and Agriculture.
3. Control of Labor.
4. Control of Industry.
5. Reconstruction and Rehabilitation.
6. Control of Foreign and Internal Trade.

/s/ For C. R. Low.

A. L. JOHNSON,
Colonel, G. S. C.
Actg. Chief, Combined
and Joint Staff Division

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JOINT POST-WAR COMMITTEE

THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D. C.TOP SECRET22nd MeetingAGENDAFOR STATE-NAVY COORDINATING SUBCOMMITTEE FOR THE FAR EAST
OF SMCSCRoom 6170 New War Dept. Bldg., 0970, 3 May 1945

- I. POST-SURRENDER POLICY TOWARD JAPAN.
- II. INFORMAL BUSINESS.

TOP SECRET

Economic changes to be cleared informally
by members of the Sub-Committee.

Part. followed other paragraphs -

In order to initiate a reform in the
(and to eliminate Japanese militarism and ultra-nationalism)
system of education, control shall be
established over the educational system

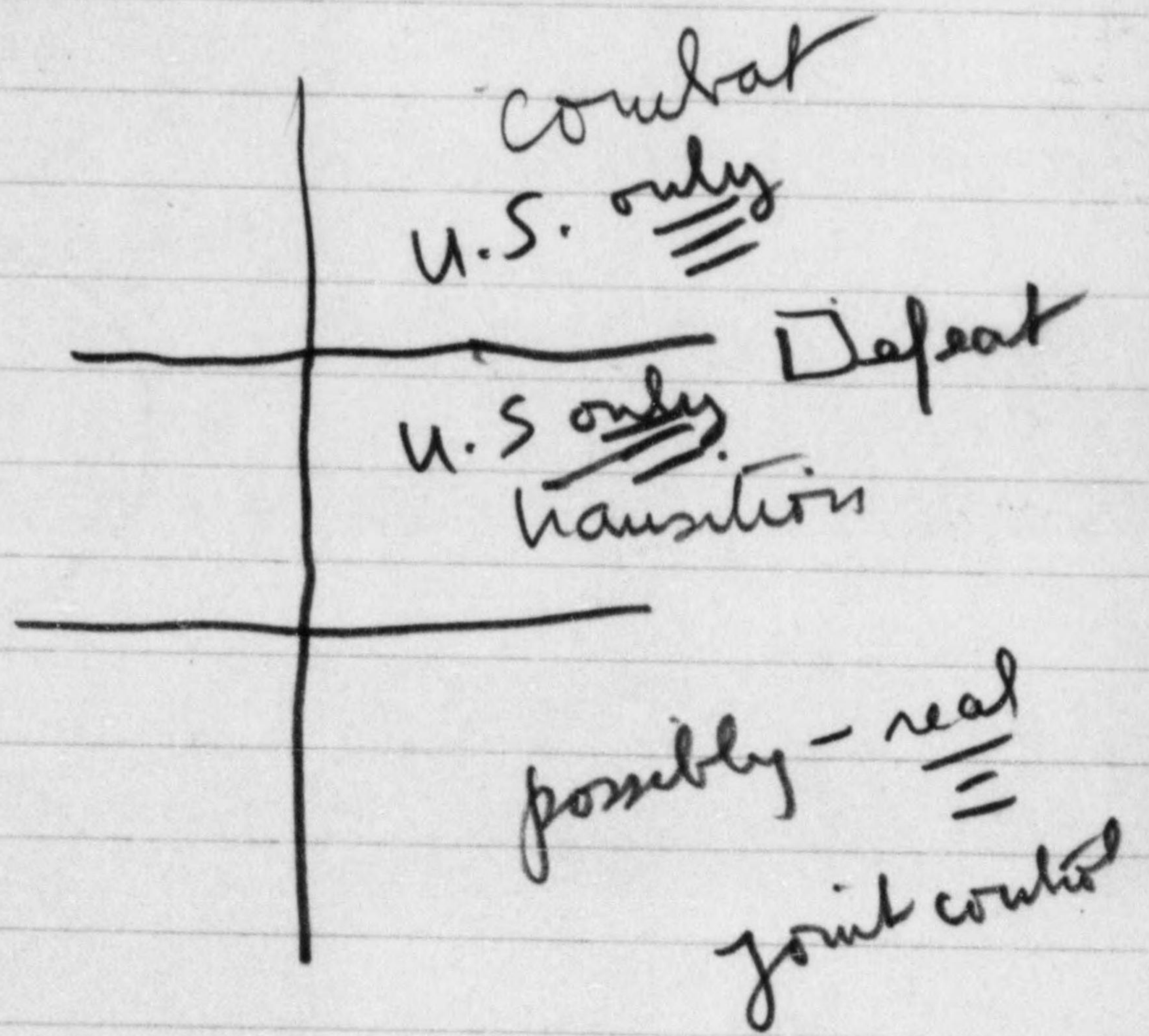
In order to eliminate Japanese
militarism and ultra-nationalism,

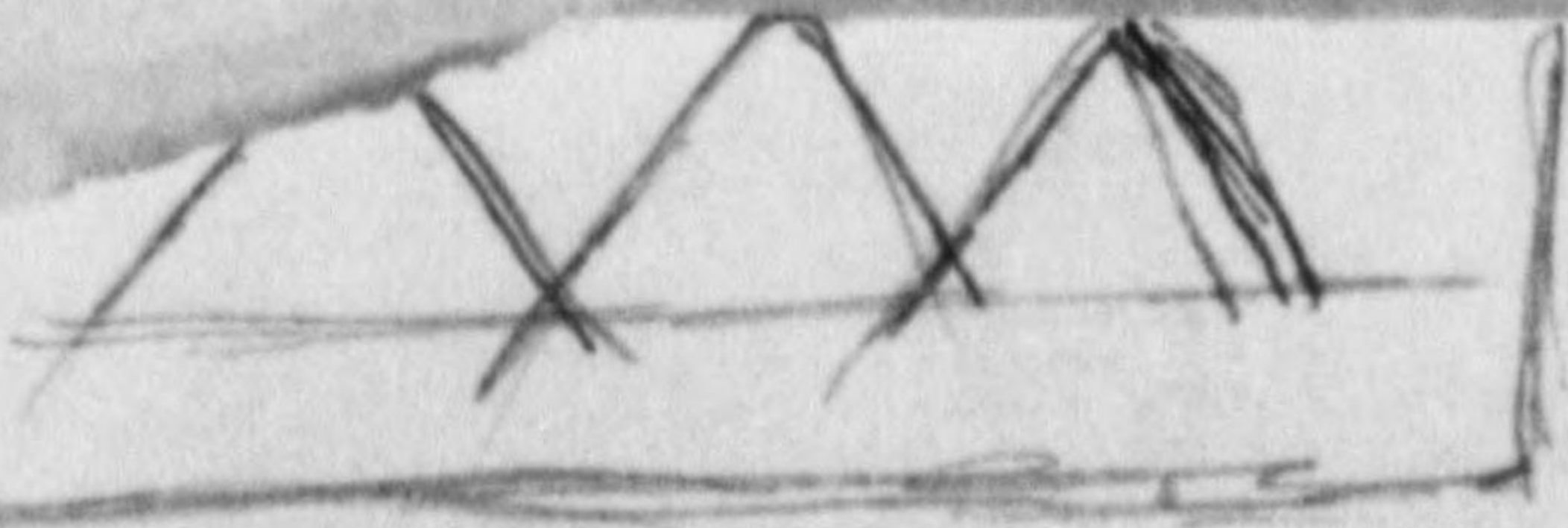
in

Prior to the unconditioned surrender or total defeat of Japan, the commander or commanders in chief of the occupying forces will exercise supreme authority in the areas of the Japanese empire occupied by them.

- the interests of the U - N - s at war with Japan,

What about after





Sub-Committee 5/3/45.
 Post-Defeat Policy -

Consideration of U.S. Initial

30° North Latitude runs between

{Amami Ōshima} and {Tane-gashima}
 and {Yaku-shima}

島
 加
 島
 島

Supreme Allied Commander substituted for
 ofc UN and Com - SWNCC 20.

島

Who has supreme authority
 " exercise " " "

Send



JOINT POST-WAR COMMITTEE

THE JOINT CHIEFS OF STAFF

WASHINGTON 25, D. C.

STATE-WAR-NAVY COORDINATING SUBCOMMITTEE
FOR THE FAR EASTSECRET

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KENYON C. BOLTON,
Major, Cavalry.

Enclosure

1 Cy of Army Air Force Comments
dated 27 April 1945.

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May I have a couple of extra
copies

Copies of Post-Defeat Policy
 4/19/45

4/19/45

Gen. - Strong

Gen. Brooks

" Clark

Ad. - Train

Capt. Thomas

" Ruelle

Col. Hamilton

" Harboe (2)

W. C. - Spitzer

St. Rowle (5)

St. Harbitt

St. Col. Fahy 1

Miss Henderson

Sgt. Kremer

Maj. Botto

Mr. Doan

JHB

KTB

Mr. Martin

SECRET

SECRET

April 18, 1945

SUMMARY OF UNITED STATES INITIAL POST-DEFEAT
POLICY RELATING TO JAPAN
(INFORMAL AND WITHOUT COMMITMENT BY THE
DEPARTMENT OF STATE)

I. GENERAL OBJECTIVES

The general objectives of the United States in regard to Japan are:

1. The unconditional surrender or total defeat of Japan,
2. The separation from Japan of the territories specified in the Cairo Declaration and in other declarations which may hereafter be promulgated by the United Nations,
3. The creation of conditions which will insure that Japan will not again become a menace to the peace and security of the world,
4. The eventual emergence of a government in Japan which will respect the rights of other states and Japan's international obligations, and,
5. The eventual participation of Japan in a world economic system on a reasonable basis.

II. UNCONDITIONAL SURRENDER OR TOTAL DEFEAT

As a consequence of unconditional surrender or total defeat the United Nations will acquire supreme authority over the domestic and foreign affairs of the Japanese Empire. The constitutional powers of the Emperor shall be suspended simultaneously with the acquiring of supreme authority over Japan by the United Nations. All political instrumentalities which participate in the formulation or consideration of national policies, shall be suspended pending the achievement of the political objectives of military government, and their functions shall be assumed by military government.

Proposed revision for IV:

The immediate objective of military government in Japan should be the strict and inflexible enforcement of the terms to be imposed upon Japan. Within such framework, the general political objectives of military government should be:

1. The abolition of militarism,
2. The strengthening of democratic tendencies and processes,
3. The encouragement of liberal political elements and the creation of conditions in Japan which will facilitate the emergence of a government with which the United Nations can deal.

-2-

A. POLITICALIII. SUCCESSIVE PERIODS IN
THE TREATMENT OF JAPAN

In order to achieve these general objectives the policies of the United States should be considered separately for three successive periods of Japan's post-war development.

The first of these periods will be that during which the terms to be imposed on Japan as a result of its surrender or its total defeat will be enforced by military occupation. In this period Japan will undergo stern discipline as the inevitable retribution for military aggression.

The second period will be one of close surveillance; restrictions will be progressively relaxed as Japan demonstrates its willingness and ability to live at peace with other nations. Military government might be replaced by some other supervisory agency.

The third period will be one which will look toward the ultimate aim of the United States, namely, a Japan properly discharging its responsibilities in the family of peaceful nations.

IV. THE POLITICAL OBJECTIVES OF MILITARY GOVERNMENT

The general political objectives of military government in Japan should be the abolition of militarism, the strengthening of democratic tendencies and processes, the encouragement of liberal political elements and the creation of conditions in Japan which will facilitate the emergence of a liberal government with which the United Nations can deal.

V. MILITARY GOVERNMENT AND
MILITARY OCCUPATION1. Security

Japan's military and naval forces are to be disarmed and disbanded; military and naval materiel, vessels, and installations are to be surrendered or destroyed; industries primarily military in character are to be eliminated.

-3-

2. Character of Military Government

The measures of military government should be effective, just, but stern.

3. Administrative Functions and Machinery

Military government should utilize the Japanese administrative machinery and, so far as practicable, Japanese public officials, making these officials responsible for the carrying out of the policies and directives of the military government. Military government should in no circumstances allow persons to hold public office who have been notorious and flagrant exponents of militant nationalism and aggression.

4. Special Tasks of Military Government

(1) Nullification of Obnoxious Laws

Laws, ordinances and regulations which conflict with the purposes and policies of the military government shall be suspended or repealed. Agencies charged specifically with the execution of such laws, ordinances and regulations shall be abolished or appropriately modified.

(2) Political Parties or Agencies

Existing political parties, including totalitarian, political and quasi-political organizations and ultra-nationalistic societies, shall be dissolved.

(3) Freedom of Worship

Freedom of religious worship shall be proclaimed promptly on occupation.

(4) Media of Public Information

The military government will aim to terminate the dissemination of ideas subversive of the purposes of the United Nations, and to substitute therefor information and knowledge of the ideals and concepts in which the United Nations believe.

-4-

(5) The Educational System

To facilitate the maintenance of peace and order, schools shall be kept open, and schools closed by Japanese authorities reopened. In order to initiate a reform in the system of education, courses which indoctrinate the student in the way of Japanese militarism and ultra-nationalism shall be dropped, and para-military training shall be discontinued.

(6) The Administration of Justice

The military government shall supervise the administration of justice, and the civil courts will continue to function as an instrumentality of military government. All persons unjustly or illegally held in custody or restrained under any obnoxious Japanese law or regulations shall be released.

(7) Guilty Japanese Leaders and War Criminals

It is intended to impose punishment and retribution upon the guilty leaders of the Japanese people. The Japanese military command shall be required to apprehend and surrender persons listed as war criminals.

5. Duration of Military Government and Occupation

Military government should continue until a Japanese Government is established capable of discharging civil governmental functions and politically acceptable to the United Nations. The treatment of the Japanese and the duration of the occupation will depend in large measure on the behaviour of the Japanese.

B. ECONOMIC POLICIES

I IMMEDIATE OBJECTIVES OF MILITARY GOVERNMENT

Military government may adopt measures to restore the Japanese economy only to the extent necessary to achieve the following objectives:

1. To destroy Japan's economic war potential.
2. To meet the needs of the occupation forces.
3. To

-5-

3. To prevent starvation or such disease or such civil disorder as would interfere with the occupation forces.
4. To arrange for relief to the United Nations and to liberated areas, for restitution of identifiable stolen property, and for reparations.

II. TO AID TO ECONOMIC WAR POTENTIAL

Military Government shall not for reparations or other purposes assist in the restoration or development of Japanese industries which might contribute to the Japanese economic war potential or promote undue dependence by other countries on Japan for strategic products.

III. PAYMENT FOR IMPORTS

Payments for such imports as are authorized by military government shall be a first charge on the proceeds of Japanese exports.

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V. PROMOTION OF DEMOCRATIC FORCES

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VI. DESTRUCTION OF ECONOMIC WAR POTENTIAL

All facilities for the production or repair of implements of war shall be seized or destroyed. Japan shall be permitted to retain no facilities for the production or maintenance of aircraft of any type.

4/18/45.

Distribution of "Japan - Post-Defeat Policy"

E.H. Doonan	Sr. Hackett
General Strong	Mr. Martin
Ad. Train	Mr. [unclear]
Gen. Brooks	" Henderson
Gen. Clark	Col. Hamilton
Gen. Blakeslee	Sgt. Kumer
Col. Harloe	HB
Sr. " Touson	Col. Fahy
Major Grey	[unclear]
" Bolton	Davis
Sr. Comander Spinks	
Sr. Towle	

SECRET

April 18, 1945

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SUCCESSIVE PERIODS IN
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In order to achieve these general objectives the policies of the United States should be considered separately for three successive periods of Japan's post-war development.

The first of these periods will be that during which the terms to be imposed on Japan as a result of its surrender or its total defeat will be enforced by military occupation. In this period Japan will undergo stern discipline as the inevitable retribution for military aggression.

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The third period will be one which will look toward the ultimate aim of the United States, namely, a Japan properly discharging its responsibilities in the family of peaceful nations.

III
UNCONDITIONAL SURRENDER OR TOTAL DEFEAT

Insert on page 1.
As a consequence of unconditional surrender or total defeat the United Nations will acquire supreme authority over the domestic and foreign affairs of the Japanese Empire. The constitutional powers of the Emperor shall be suspended simultaneously with the acquiring of supreme authority over Japan by the United Nations. All political instrumentalities which participate in the formulation or consideration of national policies, shall be suspended pending the achievement of the political objectives of military government, *and then functions shall be assumed by military govt.*

IV
THE POLITICAL OBJECTIVES OF MILITARY GOVERNMENT

The general political objectives of military government in Japan should be the abolition of militarism, the strengthening of democratic tendencies and processes, the encouragement of liberal political elements and the creation of conditions in Japan which will facilitate the emergence of a liberal government with which the United Nations can deal.

IV.
MILITARY GOVERNMENT AND MILITARY OCCUPATION

1. Security

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2. Character of Military Government

The measures of military government should be effective, just, but stern.

3. Administrative

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3. Administrative Functions and Machinery

Military government should utilize the Japanese administrative machinery and, so far as practicable, Japanese public officials, making these officials responsible for the carrying out of the policies and directives of the military government. Military government should in no circumstances allow persons to hold public office who have been notorious and flagrant exponents of militant nationalism and aggression.

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Objectionable

-4-

In order to initiate a reform in the system of education, courses which indoctrinate the student in the way of Japanese militarism and ultra-nationalism shall be dropped, and para-military training shall be discontinued.

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SECRET

Draft No. 8

B. Economic Policies

- Military government*
1. ~~Controls may be imposed upon and measures may be adopted~~ *measures* to restore the Japanese economy only to the extent necessary to achieve the following objectives:
- a. To destroy Japan's economic war potential.
 - b. To meet the needs of the occupation forces.
 - c. To prevent starvation or such disease or such civil disorder as would interfere with the occupation forces.
 - d. To arrange for relief to the United Nations and to liberated areas, for restitution of identifiable stolen property, and for reparations.
2. Military Government shall not for reparations or other purposes assist in the restoration or development of Japanese industries which might contribute to the Japanese economic war potential or promote undue dependence by other countries on Japan, *for strategic products*
3. ~~Exports and imports shall be subject to military government control.~~ Payments for such imports as are authorized by military government shall be a first charge on the proceeds of Japanese exports.
4. No credit shall be extended Japan or any Japanese person by foreign persons or governments, except with the specific approval of the military government.
5. Military government shall encourage the development of democratic organizations in labor, industry and agriculture.
6. All facilities for the production or repair of implements of war shall be seized or destroyed. Japan shall be permitted to retain ~~xx~~

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no facilities for the production or maintenance of aircraft of any type.

7. Military government will rely to the fullest extent practicable on Japanese public authorities and acceptable civil servants in carrying out its economic program.

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April 17, 1945

SUMMARY OF UNITED STATES INITIAL POST-DEFEAT
POLICY RELATING TO JAPAN
(INFORMAL AND WITHOUT COMMITMENT BY THE
DEPARTMENT OF STATE)

A. POLITICAL

I. GENERAL OBJECTIVES

The general objectives of the United States in regard to Japan are:

1. The unconditional surrender or total defeat of Japan,
2. The separation from Japan of the territories specified in the Cairo Declaration and in other declarations which may hereafter be promulgated by the United Nations.
3. The creation of conditions which will insure that Japan will not again become a menace to the peace and security of the world,
4. The eventual emergence of a government in Japan which will respect the rights of other states and Japan's international obligations, and
5. The eventual participation of Japan in a world economic system on a reasonable basis.

II. SUCCESSIVE PERIODS IN THE TREATMENT OF JAPAN

In order to achieve these general objectives the policies of the United States should be considered separately for three successive periods of Japan's post-war development.

The first of these periods will be that during which the terms to be imposed on Japan as a result of its surrender or its total defeat will be enforced by military occupation. In this period Japan will undergo stern discipline as the inevitable retribution for military aggression.

The second period will be one of close surveillance; restrictions will be progressively relaxed as Japan

demonstrates

-2-

demonstrates its willingness and ability to live at peace with other nations. ~~Steps should be taken to permit gradual participation by Japan in world economy.~~ Military government might be replaced by some other supervisory agency.

The third period will be one which will look toward the ultimate aim of the United States, namely, a Japan properly discharging its responsibilities in the family of peaceful nations.

III. UNCONDITIONAL SURRENDER OR TOTAL DEFEAT

As a consequence of unconditional surrender or total defeat the United Nations will acquire supreme authority over the domestic and foreign affairs of the Japanese Empire. The constitutional powers of the Emperor shall be suspended simultaneously with the acquiring of supreme authority over Japan by the United Nations. All political instrumentalities which participate in the formulation, ^{or} consideration ~~or execution~~ of national policies, shall be suspended pending the achievements of the political objectives of military government.

IV. MILITARY GOVERNMENT AND MILITARY OCCUPATION

1. Security

Japan's military and naval forces are to be disarmed and disbanded; military and naval materiel, vessels, and installations are to be surrendered or destroyed; industries primarily military in character are to be eliminated.

2. Character of Military Government

The measures of military government should be effective, just, but stern.

3. Administrative Functions and Machinery

Military government should utilize the Japanese administrative machinery and, so far as practicable, Japanese public officials, making these officials responsible for the carrying out of the policies and directives of the military government. Military government should in no circumstances allow persons to hold public office who have been notorious and flagrant exponents of militant nationalism and aggression.

4. The

-3-

4. The Political Objectives of Military Government

The general political objectives of military government in Japan should be the abolition of militarism, the strengthening of democratic tendencies and processes, the encouragement of liberal political elements and the creation of conditions in Japan which will facilitate the emergence of a liberal government with which the United Nations can deal.

5. Special Tasks of Military Government

(1) Nullification of Obnoxious Laws

Laws, ordinances and regulations which conflict with the purposes and policies of the military government shall be suspended or repealed.

(2) Political Parties or Agencies

Existing political parties, including totalitarian, political and quasi-political organizations and ultra-nationalistic societies, shall be dissolved.

(3) Freedom of Worship

Freedom of religious worship shall be proclaimed promptly on occupation.

(4) Media of Public Information

The military government will aim to terminate the dissemination of ideas subversive of the purposes of the United Nations, ~~such as Japanese ultra-nationalism and the glorification of militarism. It shall utilize the press, radio and motion picture to convey essential~~ information and knowledge of the ideals and concepts in which the United Nations believe.

(5) The Educational System

To facilitate the maintenance of peace and order, schools shall be kept open, and schools closed by Japanese authorities reopened.

Objectionable

-4-

In order to initiate a reform
of the system of education,

~~Objectionable textbooks shall be revised or discontinued, courses which indoctrinate the student in the way of Japanese militarism and ultra-nationalism shall be dropped, and para-military training shall be discontinued.~~

(6) The Administration of Justice.

The military government shall supervise the administration of justice, and the civil courts will continue to function as an instrumentality of military government. All persons unjustly or illegally held in custody or restrained or ~~re-~~
~~stricted~~ under any obnoxious Japanese law or regulation shall be released. ~~Accused persons shall have the right to a prompt and fair trial.~~

(7) Guilty Japanese Leaders and War Criminals

It is intended to impose punishment and retribution upon the guilty leaders of the Japanese people. The Japanese military command shall be required to apprehend and surrender persons listed as war criminals.

6. Duration of Military Government and Occupation

Military government should continue until a Japanese Government is established capable of discharging civil governmental functions and politically acceptable to the United Nations. ~~Occupation and control may continue for a longer period and until the Japanese people demonstrate their willingness and ability to live at peace with other nations.~~ The treatment of the Japanese and the duration of the occupation will depend in large measure on the behaviour of the Japanese.

SECRETSUMMARY OF UNITED STATES INITIAL POST-DEFEAT
POLICY RELATING TO JAPAN
(INFORMAL AND WITHOUT COMMITMENT BY THE
DEPARTMENT OF STATE)

A. POLITICAL

I. GENERAL OBJECTIVES

The general objectives of the United States in regard to Japan are:

1. The unconditional surrender or total defeat of Japan,
2. The stripping from Japan of the territories specified in the Cairo Declaration,
3. The creation of conditions which will insure that Japan will not again become a menace to the peace and security of the world, ~~and~~
4. The eventual emergence of a government in Japan which will respect the rights of other states and Japan's international obligations, *and*
5. The eventual participation of Japan in a world economic system on a reasonable basis.

II. DISTINCT PERIODS IN
THE TREATMENT OF JAPAN

In order to achieve these general objectives the policies of the United States should be considered separately for three distinct periods of Japan's post-war development.

The first of these periods will be that during which the ~~immediate~~ terms of surrender for Japan will be enforced, ~~and~~ Japan will undergo the stern discipline of occupation, ~~as~~ the inevitable retribution for military aggression.

The second period will be one of close surveillance; restrictions will be progressively relaxed as Japan demonstrates its willingness and ability to live at peace

with

Too limiting

90% - imposed upon Japan will be enforced

-2-

with other nations. Steps should be taken to permit gradual participation by Japan in world economy. Military government might be replaced by some other supervisory agency.

The third period will be one which will look toward the ultimate aim of the United States, namely, a Japan properly discharging its responsibilities in the family of peaceful nations.

III. UNCONDITIONAL SURRENDER OR TOTAL DEFEAT

As a consequence of unconditional surrender or total defeat the United Nations will acquire supreme authority over the domestic and foreign affairs of the Japanese Empire.

IV. MILITARY GOVERNMENT AND MILITARY OCCUPATION

1. Composition of Forces and of Military Government

Military government and the forces of occupation should be predominantly American in character, but there should be representation by the Allied countries which have actively participated in the war against Japan.

2. Security

Japan's military and naval forces are to be disarmed and disbanded; military and naval materiel, vessels, and installations are to be surrendered or destroyed; industries primarily military in character are to be eliminated.

3. Character of Military Government

The measures of military government should be effective, just, but stern. It is intended to impose punishment and retribution upon the guilty leaders of the Japanese people.

4. Administrative Functions and Machinery

(1) The Emperor

The constitutional powers of the Emperor shall be suspended simultaneously with the acquiring

of

Planned as introductory to (b) (5)

*If physical possible, the
emperor should be placed in protective
custody*

-3-

of supreme authority over Japan by the United Nations through the unconditional surrender or total defeat of Japan.

(2) Japanese Official Personnel

should The policy-making agencies of the Japanese Government should be utterly discarded by the military government, but the military government ~~may wish to utilize a maximum of~~ other Japanese officials, placing upon the Japanese officials themselves maximum responsibility for the carrying out of the policies and directives of the military Government.

5. The Political Objectives of Military Government

The general political objectives of military government in Japan should be the abolition of militarism, the strengthening of democratic tendencies and processes, the encouragement of liberal political elements and the creation of conditions in Japan which will facilitate the emergence of a liberal government with which the United Nations can deal.

6. Special

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6. Special Tasks of Military Government

(1) Nullification of Obnoxious Laws

Laws, ordinances and regulations which conflict with the purposes and policies of the military government shall be suspended or repealed, including those relating to: (a) the creation of the armed forces, conscription and military training; (b) the mobilization of industry and labor for war purposes; (c) the undue limitation of the freedom of speech; and (d) extraordinary powers granted to the police.

(2) Political Parties or Agencies

Existing political parties, including totalitarian, political and quasi-political organizations and ultra-nationalistic societies, shall be dissolved.

(3) Freedom of Worship

Freedom of religious worship shall be proclaimed promptly on occupation.

(4) Media of Public Information

The military government will aim to terminate the dissemination of ideas subversive of the purposes of the United Nations, such as Japanese ultra-nationalism and the glorification of militarism. It shall utilize the press, radio and motion picture to convey essential information and knowledge of the ideals and concepts in which the United Nations believe.

(5) The Educational System

To facilitate the maintenance of peace and order, schools shall be kept open, and schools closed by Japanese authorities reopened. A proclamation shall be issued instructing the officials of the Ministry of Education, except the top policy-making officials to continue their functions and the teachers and students to continue their attendance at school.

Objectionable

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Objectionable textbooks shall be revised or discontinued, and courses which indoctrinate the student in the way of Japanese militarism and ultra-nationalism shall be dropped, *and military training shall be discontinued.*

(6) The Courts

Administered The military government is to *the courts* supervise the courts of justice, which will continue to function with their existing officials except as such functioning is inconsistent with the jurisdiction of military tribunals or is modified by subsequent proclamation. Accused persons shall have the right to a prompt, fair and public trial.

(7) Political Prisoners

All cases of persons held in custody, or restrained or restricted under any Japanese law, administrative order, or otherwise, shall be subject to review in accordance with principles and procedures laid down by military government, in order that those unjustly or illegally held may be released and relieved of any legal disability arising from the detention.

Punishment of
(8) War Criminals

The Japanese military command shall be required to apprehend and surrender persons listed as war criminals.

(9) Status of Certain Categories of Japanese Property

The following property in Japanese territory occupied by United States forces shall be assigned the status of public property as the term is used in the Hague Convention, and treated variously according to character and utility, as set forth in that convention: property belonging to the Imperial Family, the Imperial Rule Assistance Association or its successor, the Japan Political Society (Dai Nippon Seijikai), and similar organizations.

(10)

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During the Period of Occupation(10) Foreign Relations of Japan

All Japanese diplomatic and consular agents abroad shall be recalled.

7. Duration of Military Government and of Occupation

Military government should continue until a Japanese Government is established capable of discharging civil governmental functions and politically acceptable to the United Nations. Occupation and control may continue for a longer period and until the Japanese people demonstrate their willingness and ability to live at peace with other nations. The treatment of the Japanese and the duration of the occupation will depend in large measure on the behaviour of the Japanese.

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Draft No. 5

B. Economic Policies1. Assumptions

a. These recommendations apply to the immediate post-surrender period during which primary emphasis will be on measures required to complete the defeat and disarmament of Japan. However, the policies of military government during this period must take into account the longer-range objectives of U. S. policy toward Japan, as listed above in A.I. [3, 4, and 5.]

2. Primary Objectives of United States Economic Policy

- a. To meet the needs of the occupation forces;
- b. To prevent starvation, epidemics and public disorder, which would interfere with the main tasks of the occupation forces;
- c. To complete the disarmament of Japan; *gvs - Further disarmament - more proper disarmament - potential*
- d. To arrange for relief to the United Nations and to liberated areas, for restitution of identifiable stolen and expropriated property, and for reparations.

3. Control of Domestic Economy

a. To the extent necessary to accomplish these objectives, military government must supervise the execution of established policies with respect to economic disarmament; control of inflationary factors including currency issue, credit, prices and public finance; international payments and commodity movements; transportation and communication systems; most public utility operations; and production of goods required for occupation forces, for reparations and relief, and for provision of the minimum domestic needs. The functions of military government in these fields will

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be supervisory rather than administrative, relying to the fullest extent practicable on Japanese civil servants and other acceptable personnel. These functions shall be exercised in such a way as to facilitate the withdrawal of the occupation forces from Japan at the earliest possible date.

b. Distribution controls such as material allocation and rationing will have to be coordinated at the national level. Subject to central coordination by military government, initiative in the resumption of production should be left to the greatest possible extent in the hands of local groups. Wherever possible, public authorities should deal with individual production units, although agricultural associations, regional and local associations of small enterprises of various kinds, and newly formed voluntary associations and trade unions should be utilized. Such national quasi-governmental organizations as the industrial and trade "control associations" shall be abolished.

c. Military government shall follow policies designed to assist in the restoration of the domestic economy to the extent required to meet the needs of the occupation forces, of relief of liberated areas, and to provide a minimum level of domestic consumption. Emphasis shall be placed on production in Japan of the products required for these problems, but military government shall not assist in the restoration or development of basic industries which might contribute to the Japanese war potential, nor shall it take steps which would promote an undue dependence by other countries on Japan. Production and distribution shall be so controlled as to keep at a minimum the burden on overseas shipping and on short world supplies of raw materials, capital equipment, and consumer goods. Claims

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by military government for imports in connection with this program shall in general be assigned a lower priority than claims of other Allied nations or of liberated areas. No steps shall be taken by military government which would provide a standard of living to the Japanese out of line with that of neighboring peoples.

d. The promotion of our longer-range objectives requires that military government should in this early period encourage voluntary associations such as agricultural and industrial cooperatives and trade unions by removing restrictive laws, and should provide generally favorable conditions for the development of economic initiative by local groups in rebuilding the Japanese economy. / Employees should be permitted to form, join or assist labor organizations; and should enjoy the rights and privileges usually accorded to employees in western countries. If local groups seek to alter by lawful means existing economic conditions, particularly in such a way as to improve the position of the agricultural and working groups as consumers of the products of Japanese industry, their activities should not be interfered with except under extreme circumstances.

*Ad. Train
questions this
section.*

4. Economic Disarmament

a. Production and repair of armaments, airplanes, combat ships and naval auxiliaries shall be stopped, stocks of finished products shall be destroyed or taken into custody of the military government for future disposition, and the Japanese shall be permitted to retain no specialized facilities for their production or repair. Production of items with important military uses such as synthetic gasoline, synthetic rubber, aluminum and magnesium shall be stopped, stocks shall be taken

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into the custody of the military government for future disposition, and the Japanese shall be permitted to retain no facilities for their production.

b. A special commission will be established to determine the final disposition of all facilities which have been or are capable of producing the products specified in "a" above. The commission shall determine which facilities must be destroyed, which dismantled, and which converted to civilian production, in order to destroy the Japanese war potential. Action on its decisions shall be subject to agreement by the military government authorities that the disposition proposed for particular facilities will not interfere with its production program for the occupation forces and for minimum domestic needs, and to requisitions for transfer to other countries for reparations, relief of liberated areas, and restitution. No facilities may be destroyed without approval of the commission except as required for the immediate safety of the occupation forces.

c. The commission shall handle in a similar fashion stockpiles of raw materials and semi-fabricated products used in the specified industries. The Japanese shall not be permitted to retain any stockpiles of raw materials or semi-fabricated products used only in these types of production, or of other fuels, metals, metal products, or chemical raw materials in excess of reasonable working stocks.

d. The problem of Japanese research, engineering, and management groups with specialized knowledge and facilities for solving problems of development, design and production of the specified products shall be dealt with by the commission, with the objective of depriving the Japanese of their economic war potential both at home and abroad.

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e. Records shall be kept of all transfers of facilities or stocks to allied or liberated nations in order to permit proper crediting of such transfers to reparations or relief accounts.

5. Reparations and Relief of Liberated Areas

a. Whenever requested by the appropriate authorities for the purpose of discharging the responsibilities of military relief in the liberated areas, military government may requisition and export to such areas surplus stocks of existing goods and equipment, and commodities from current production to the extent that such goods are available in excess of minimum civilian needs.

b. A special reparations commission will be established to handle transfers of property for reparations account and for restitution purposes.

c. Transfers for reparations account or for relief of liberated areas shall not be of such character or of such magnitude as to impair the ability of the Japanese economy to meet the needs of the occupation forces and minimum domestic needs.

d. Reparation transfers shall not be of such a character as to make the recipients thereafter unduly dependent on the Japanese economy or as to require the restoration or development of basic industries which might contribute to the Japanese war potential.

6. Exports and Imports

a. Exports and imports shall be strictly controlled by the military government authorities. Control over imports and exports shall be designed to minimize the assistance required from military government

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and from allied nations to establish a Japanese economy capable of meeting the combined needs of the occupation forces, relief of liberated areas, and minimum domestic needs.

b. Payment for such imports as are authorized by military government shall be a first charge on the proceeds of Japanese exports.

c. No credit shall be extended Japan or any Japanese citizen by foreign sources, except with the specific approval of the military government.

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Draft No. 4

Draft Statement of Economic Policy toward Japan
in the Military Government Period

1. Assumptions

a. These recommendations apply to the immediate post-surrender period during which primary emphasis will be on measures required to complete the defeat and disarmament of Japan. However, the policies of military government during this period must recognize the longer-range objectives of U. S. ~~policy toward Japan.~~ ^{such as those defined above} ~~and in general be calculated to~~ ^{take into account, and where necessary} ~~adjustments to be made in accordance with~~ ^{the}

2. Primary Objectives of United States Economic Policy

- a. To meet the needs of the occupation forces;
- b. To prevent starvation, ~~and such~~ epidemics and public disorder, ~~as~~ ^{which} would interfere with the main tasks of the occupation forces;
- c. To complete the disarmament of Japan;
- d. To arrange for relief to the United Nations and to liberated areas, for restitution of identifiable stolen and expropriated property, and for reparations.

3. Control of Domestic Economy

a. To the extent necessary to accomplish these objectives, military government must ~~assume responsibility for supervising~~ ^{supervise} the execution of established policies with respect to economic disarmament; control of inflationary factors including currency issue, credit, prices and public finance; international payments and commodity movements; transportation and communication systems; most public utility operations; and production of goods required for occupation forces, for reparations and relief, and for

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provision of the minimum domestic needs, ~~necessary to prevent starvation, epidemics and public disorders.~~ The functions of military government in these fields will be supervisory rather than administrative, relying to the fullest extent possible on Japanese civil servants and other acceptable personnel.

These functions will be emphasized - such as way as to facilitate the withdrawal of occupational forces from Japan.

b. Without more precise knowledge of political and economic conditions in post-surrender Japan than is now available, it is impossible to prescribe the extent to which Japanese government agencies can be used to administer the economic policies of military government or the relative position which should be assigned to agencies of the central government and those of the prefectures and local communities. Although distribution controls such as material allocation and rationing will have to be coordinated at the national level, initiative in resumption of production should be left to the greatest possible extent in the hands of local groups.

~~Despite their convenience for many purposes such national quasi-governmental organizations as the industrial and trade "control associations" should be left without control functions.~~ *shall be abolished*

Wherever possible, ~~government~~ *local* should deal with individual production units, although agricultural associations, regional and local associations of small enterprises of various kinds, newly formed voluntary associations and trade unions should be utilized.

c. Military government shall follow policies designed to assist in the restoration of the domestic economy to the extent required to meet the needs of the occupation forces, of relief of liberated areas, and to provide a level of domestic consumption which will prevent starvation, epidemics and public disorder. Emphasis shall be placed on production in Japan of

military?

subordinate authorities SECRET

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the products required for these programs, but military government shall not assist in the restoration or development of basic industries which might contribute to the Japanese war potential, nor shall it take steps which would promote an undue dependence by other countries on Japan.

Production and distribution shall be so controlled as to keep at a minimum the burden on overseas shipping and on short world supplies of raw materials, capital equipment, and consumer goods. Claims by military government for imports in connection with this program shall in general be assigned a lower priority than claims of other Allied nations or of liberated areas. No steps shall be taken by military government which would provide a standard of living to the Japanese out of line with that of ~~other~~ ^{neighboring} peoples.

d. The promotion of our longer-range objectives requires that military government should in this early period encourage voluntary associations such as agricultural and industrial cooperatives and trade unions by removing restrictive laws, and provide generally favorable conditions for the development of economic initiative by local groups in rebuilding the Japanese economy. If local groups seek to ~~alter~~ ^{by lawful means} existing economic ~~relationships~~ ^{conditions}, particularly in such a way as to improve the position of the agricultural and working groups as consumers of the products of Japanese industry, their activities should not be interfered with except under extreme circumstances.

4. Economic Disarmament

a. Production and repair of armaments, airplanes, combat ships and naval auxiliaries shall be stopped and the Japanese shall be permitted to retain no specialized facilities for their production or repair. Production of synthetic gasoline, synthetic rubber, aluminum and ~~magnesium~~ ^{mercury} shall be

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stopped, and the Japanese shall be permitted to retain no facilities for their production. Stocks of finished products of these types shall be destroyed or taken into the custody of the military government for future disposition.

b. A special commission will be established to determine the final disposition of all facilities which have been or are capable of producing the products specified in "a" above. The commission shall determine which facilities must be destroyed, which dismantled, and which converted to civilian production, in order to destroy the Japanese war potential. Action on its decisions shall be subject to release of the facilities by the military government authorities and requisitions for transfer to other countries for reparations, relief of liberated areas, and restitution. No facilities may be destroyed without approval of the commission except as required for the immediate safety of the occupation forces.

c. The commission shall handle in a similar fashion stockpiles of raw materials and semi-fabricated products used in the specified industries. The Japanese shall not be permitted to retain any stockpiles of raw materials or semi-fabricated products used only in these types of production, or of fuels, metals, metal products, or chemical raw materials in excess of normal peacetime working stocks.

d. The problem of Japanese research, engineering, and management groups with specialized knowledge and facilities for solving problems of development, design and production of the specified products shall be dealt with by the commission, with the objective of depriving the Japanese of their economic war potential both at home and abroad.

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SECRET**5. Reparations and Relief of Liberated Areas**

a. Whenever requested by the appropriate authorities for the purpose of discharging the responsibilities of military relief in the liberated areas, military government may requisition and export to such areas surplus stocks of existing goods and equipment, and commodities from current production to the extent that such goods are available in excess of minimum civilian needs.

b. A special commission will be established to handle transfers of property for reparations account and for restitution purposes.

c. Transfers for reparations account or for relief of liberated areas shall not be of such character or of such magnitude as to impair the ability of the Japanese economy to meet the needs of the occupation forces and minimum civilian needs.

d. Reparation transfers shall not be of such a character as to make the recipients thereafter unduly dependent on the Japanese economy or as to require the restoration or development of basic industries which might contribute to the Japanese war potential.

6. Exports and Imports

a. Exports and imports shall be strictly controlled by the military government authorities. Control over imports and exports shall be designed to minimize the assistance required from military government and from allied nations to establish a Japanese economy capable of meeting the combined needs of the occupation forces, relief of liberated areas, and prevention of starvation, epidemics and public disorder.

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b. Payment for such imports as are authorized by military government shall be a first charge on the proceeds of Japanese exports.

c. No credit shall be extended Japan or any Japanese citizen by foreign sources, except with the specific approval of the military government.

What if any revenue?

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Summary of X-5 - Initial Post-Defeat Policy & Relations to Japan
 April 10, 1945

THE OBJECTIVES OF THE UNITED STATES
IN REGARD TO JAPAN

I. GENERAL OBJECTIVES

The general objectives of the United States in regard to Japan are:

- (1) The unconditional ^{or total defeat} surrender of Japan,
- (2) The stripping from Japan of the territories specified in the Cairo Declaration,
- (3) The creation of conditions which will insure that Japan will not again become a menace to the peace and security of the world, and
- (4) The eventual ^{emergence} establishment of a government in Japan which will respect the rights of other states and Japan's international obligations, ^{and participation} ~~in~~ ^{in a} ~~world~~ ^{world economic} system on a reasonable basis.

II. DISTINCT PERIODS IN
THE TREATMENT OF JAPAN

In order to achieve these general objectives the policies of the United States should be considered separately for three distinct periods of Japan's post-war development.

The first of these periods will be that during which the immediate terms of surrender for Japan will be enforced, and Japan will undergo the stern discipline of occupation as the inevitable retribution for military aggression.

The second period will be one of close surveillance; restrictions will be progressively relaxed as

Japan

-2-

Japan demonstrates its willingness and ability to live at peace with other nations. [As now visualized, occupation forces can probably be reduced and policing accomplished principally from base areas, some of them situated outside of Japan.] Steps should be taken to permit gradual participation by Japan in world economy. Military government might be replaced by some other supervisory agency.

The third period will be one which will look toward the ultimate aim of the United States, namely, a Japan properly discharging its responsibilities in the family of peaceful nations.

III. UNCONDITIONAL SURRENDER OR T-D-

1. Procedure

A document acknowledging Japan's unconditional surrender should receive the Emperor's official signature and privy seal, should be countersigned by the highest available representative of the Japanese High Command, and should be delivered to the Supreme Allied Commander.

If the Emperor's signature cannot be obtained the Supreme Allied Commander may accept the unconditional surrender of Japan by the highest military authorities of Japan. In the case of total defeat and in the absence of an instrument of unconditional surrender, the Supreme Allied Commander may by proclamation take over the supreme authority of Japan.]

2. Legal

-3-

2. Legal Consequences*or total defeat*

As a consequence of unconditional surrender, the United Nations will acquire supreme authority over the domestic and foreign affairs of the Japanese Empire.

IV. MILITARY GOVERNMENT AND MILITARY OCCUPATION1. Composition of Forces and of Military Government

Military government and the forces of occupation should be predominantly American in character, but there should be representation by the Allied countries which have actively participated in the war against Japan.

2. Security*primarily mil. - character*

Japan's military and naval forces are to be disarmed and disbanded; military and naval material, vessels, and installations are to be surrendered or destroyed; ~~arms industries are to be razed or converted to peaceful purposes.~~ *eliminated.*

3. Character of Military Government

The measures of military government should be effective *just but stern* ~~but the punishment of the Japanese people as a whole is not one of the purposes of the occupation.~~ It is intended to impose punishment and retribution upon their *of the people* guilty leaders.

4. Administrative Functions and Machinerya) The Emperor

The military authorities should adopt as flexible a course as possible toward the Emperor, which may be altered to meet any situation

The constitutional authority of the Emperor shall be suspended simultaneously with the assumption of supreme authority

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situation which may arise. If it is politically practicable and physically possible the Emperor should be placed under protective custody.

b) Japanese Official Personnel

The policy-making agencies of the Japanese Government should be utterly discarded by the military government, but the military government may wish to utilize a maximum of other Japanese officials, [including Japanese teachers, civil service appointees, police, and workers in the post-office and the public utilities,] and to leave the actual operations of administration in considerable measure to Japanese themselves.

*be compiled,
for practical reasons,*

5. The Political Objectives of Military Government

The general political objectives of military government in Japan should be the abolition of militarism, the strengthening of democratic tendencies and processes, the encouragement of liberal political elements and the creation of conditions in Japan which will facilitate the emergence of a liberal government with which the United Nations can deal. [In connection with the establishment of a Japanese Government acceptable to the United Nations, it may be possible to insist on certain basic governmental and constitutional reforms which will assist the development in Japan of a civil government actually responsible to the people, such as: a national legislature with full powers over the national budget, increased civil rights, and emphasis on the status of the individual.]

6. Special

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6. Special Tasks of Military Government

(1) Nullification of Obnoxious Laws

Laws, ordinances and regulations which conflict with the purposes and policies of the military government should be suspended or repealed, including those relating to:

(1) the creation of the armed forces, conscription and military training; (2) the mobilization of industry and labor for war purposes; (3) the undue limitation of the freedom of speech; and (4) extraordinary powers granted to the police.

(2) Political Parties or Agencies

Existing political parties, including totalitarian, political and quasi-political organizations and ultra-nationalistic societies, should be dissolved.

(3) Freedom of Worship

Freedom of religious worship should be proclaimed promptly on occupation.

(4) Media of Public Information

The military government will aim to terminate the dissemination of ideas subversive of the purposes of the United Nations, such as Japanese ultra-nationalism and the glorification of militarism. It should rescind laws, ordinances and regulations which restrict unduly freedom of expression, and ^{shall} should utilize the press, radio and motion picture to convey essential information and knowledge of the

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of the ideals and concepts in which the United Nations believe.

(5) The Educational System

To facilitate the maintenance of peace and order, schools should be kept open, and schools closed by Japanese authorities re-opened. A proclamation ^{shall} should be issued instructing the officials of the Ministry of Education, except the top policy-making officials, to continue their functions and the teachers and students to continue their attendance at school.

Objectionable text books ^{shall} should be revised or discontinued and courses which indoctrinate the student in the way of Japanese militarism and ultra-nationalism ^{shall} should be dropped.

(6) The Courts

The military government is to supervise the ^{shall} ~~functioning of~~ ^{of justice} the courts. It should announce with the proclamation of occupation that the existing courts, other than the court of administrative litigation, ^{which} will continue to function with their existing officials except as such functioning is inconsistent with the jurisdiction of military tribunals or is modified by subsequent proclamation. Accused persons should have the right to a prompt, fair and public trial.

(7) Workers'

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(7) Workers' Organizations

To aid in the maintenance of law and order and to stimulate any production desired by the military government, the policy of military government towards workers' organizations should aim to reduce to a minimum resistance by labor and to foster, wherever possible, a cooperative attitude on the part of the workers.

Employees should be permitted to form, join or assist labor organizations; and should enjoy the rights and privileges usually accorded to employees in western countries.

(8) Political Prisoners

All cases of persons held in custody, or restrained or restricted under any Japanese law, administrative order, or otherwise, shall be subject to review in accordance with principles and procedures laid down by military government, in order that those unjustly or illegally held may be released and relieved of any legal disability arising from the detention.

(9) War Criminals

Incorporate into sec. section

The ~~Japanese Government and Japanese military~~ ^{officers} ~~command~~ ^{shall} ~~should be obligated to~~ ^{RA} apprehend and surrender to ~~the United Nations~~ such persons ~~alleged to have committed war crimes as are~~ ^{listed as war criminals} designated by the United Nations.

(10) Status

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(10) Status of Certain Categories of Japanese Property

The following property in Japanese territory occupied by United States forces should be assigned the status of public property as the term is used in the Hague Convention, and treated variously according to character and utility, as set forth in that convention: property belonging to the Imperial Family, the Imperial Rule Assistance Association or its successor, the Japan Political Society (Dai Nippon Seijikai), and similar organizations.

(11) Non-Japanese Private Residents in Japan

In the absence of emergency conditions and of other compelling security considerations, the military government should not generally intern or impose other special restrictions on any national or racial class of non-Japanese residents of Japan.

(12) Foreign Relations of Japan

All Japanese diplomatic and consular agents abroad should be recalled.

The principal United Nations at war with Japan should notify all states in which Japanese consulates or missions are located, and the powers protecting Japanese consulates or missions, that such principal United Nations will temporarily control the foreign relations of Japan.]

7. Duration

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7. Duration of Military Government and of Occupation

Military government should continue until a Japanese Government is established capable of discharging civil governmental functions and politically acceptable to the United Nations. Occupation and control may continue for a larger period and until the Japanese people demonstrate their willingness and ability to live at peace with other nations. The treatment of the Japanese and the duration of the occupation will depend in large measure on the behaviour of the Japanese.

FE:GHBlakeslee:hmh

*Mr. Borton*TOP SECRETCOPY NO. 51S/WNCC 2

8 January 1945

STATE-WAR-NAVY COORDINATING COMMITTEE

Redraft of JCS 1067
as a Tripartite Directive
(Initial Post-Defeat Directive Germany)

NOTE BY THE SECRETARIES

1. At its meeting on 6 January 1945 the State-War-Navy Coordinating Committee agreed to recommend to the Secretary of State that the enclosed redraft of JCS 1067 be transmitted to the United States representative in the European Advisory Commission for use as a basis of tripartite negotiations in the European Advisory Commission and as representing the United States view on the matters covered by the paper. The redraft is designed to rephrase that paper (originally in the form of a directive from the Combined Chiefs of Staff to a combined theater commander) as a directive from each of the three governments (U.S., U.K., U.S.S.R.) to its commander-in-chief. Such a redraft was necessary in order to put JCS 1067 in an appropriate form for discussion (as requested by the British Ambassador) in the European Advisory Commission rather than in the form of a Combined Chiefs of Staff directive. Certain changes were also appropriate in view of the recently approved Control Machinery Protocol (JCS 1130, 1130/1 and 1130/2).

WALLACE E. WHITSON

KELVIN NUTTING

HAROLD W. MOSELEY

Secretariat

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6 January 1945

DIRECTIVE TO COMMANDER-IN-CHIEF OF U.S. (U.K.)
(U.S.S.R.) FORCES OF OCCUPATION REGARDING THE
MILITARY GOVERNMENT OF GERMANY IN THE PERIOD
IMMEDIATELY FOLLOWING THE CESSATION OF ORGANIZED
RESISTANCE
(POST DEFEAT)

1. This directive is issued to you as Commander-in-Chief of the U. S. forces of occupation and is intended to cover the establishment of military government over Germany on a tripartite basis and to lay down certain policies with respect to the administration of civil affairs in Germany for the initial period after the end of organized resistance in Germany. Identical directives are being issued simultaneously to the Commanders-in-Chief of the U.K. and U.S.S.R. forces of occupation. From time to time supplemental directives will be issued to you.

2. In carrying out this directive, you will, in matters affecting Germany as a whole, act jointly with the Commanders-in-Chief of the armed forces of the U.K. and the U.S.S.R. The three Commanders-in-Chief acting jointly, will constitute a Control Council which will be the supreme organ of control over Germany in accordance with the Agreement on Control Machinery in Germany, herewith attached as Annex A. The agreed policies of the Control Council shall be determinative throughout the Zones. Subject to such policies the administration of military government in each of the three zones of occupation shall be the sole responsibility of the Commanders-in-Chief of the forces occupying each zone. You should, however, coordinate your administration with that of the other Commanders-in-Chief through the Control

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Council. The administration of each zone and of the regional and local branches of any centrally directed German agencies shall be such as to insure that all policies formulated by the Control Council will be uniformly put into effect throughout Germany.

3. Prior to the defeat or surrender of Germany the primary objective of the administration of civil affairs has been to aid and support the military objective: the prompt defeat of the enemy. The primary objectives now are the occupation and administration of a conquered country with only such military operations as are necessary for the complete elimination of all resistance.

4. Pending receipt of directives containing long-range policies your objectives must be of short-term and military character in order not to prejudice whatever ultimate policies may be later determined. Germany will not be occupied for the purpose of liberation but as a defeated enemy nation. The clear fact of German military defeat and the inevitable consequences of aggression must be appreciated by all levels of the German population. The German people must be made to understand that all necessary steps will be taken to guarantee against a renewed attempt by them to conquer the world. Your aim is not oppression, but to prevent Germany from ever again becoming a threat to the peace of the world. In the accomplishment of this objective the elimination of Nazism and militarism in any of their forms and the immediate apprehension of war criminals for punishment are essential steps. It is envisaged that control or surveillance of Germany will be maintained in some form for a prolonged period, and that military government will, when practicable, be replaced by other methods of

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control involving smaller commitment of forces. Military government should be so conducted as to facilitate the orderly development of forces and the tendencies within German life which will be conducive to the future introduction of less direct forms of control.

5. Your occupation and administration will be just but firm and aloof. You will strongly discourage fraternization between your troops and the German officials and population.

6. The rights, powers and status of the military government in Germany are based upon the unconditional surrender or defeat of Germany. The text of the instrument of Unconditional Surrender of Germany is attached hereto as Annex B. The provisions set forth in this instrument will be imposed on Germany and fully implemented as a matter of Allied policy even though the defeat of Germany is not followed by a formal signing of this instrument.

7. a. Subject to the provisions of the foregoing Article 2, you are by virtue of your position clothed with supreme legislative, executive and judicial authority in the areas occupied by forces under your command. This authority will be broadly construed and includes authority to take all measures deemed by you necessary, desirable or appropriate in relation to military exigencies and the objectives of a firm military government.

b. You are authorized at your discretion to delegate the authority herein granted to you in whole or in part to members of your command and further to authorize them at their discretion to make appropriate sub-delegations.

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c. You should take the necessary measures to enforce the terms of surrender and complete the disarmament of Germany.

d. The Military Government shall be a military administration which will show the characteristics of an Allied undertaking acting in the interests of the United Nations.

8. The military government personnel in each zone, including those in regional and local branches of the departments of the central German administrative machinery, shall be selected by the commander-in-chief of that zone except that liaison officers of other nationality may be furnished by the commanders of the other two zones. The respective commanders-in-chief shall have exclusive jurisdiction over the members of the armed forces under their command and over the civilians who accompany them throughout the whole of Germany.

9. Representatives of civilian agencies of the U.S., U.K., U.S.S.R. governments and of other Allied governments shall, if permitted to function in Germany, be subject to the authority of the military government. United Nations' organizations which may be admitted by the Control Council to operate in Germany will, in respect of their activities in Germany, be subordinate to the Allied control machinery and answerable to it.

10. Military administration shall be directed toward the promotion of the decentralization of the political structure of Germany. You may utilize in the beginning whatever German administrative agencies may serve the purposes of military government. You will wherever possible, however, endeavor to make use of and strengthen local municipal and regional administrative organs.

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11. Appendix "A", Political Directive; Appendix "B", Financial Directive; Appendix "C", Economic Directive; and Appendix "D", Relief Directive, are attached hereto.

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APPENDIX "A"POLITICAL DIRECTIVE

1. You will search out, arrest, and hold, pending receipt by you of further instructions as to their disposition, all persons included in the following list of categories:

- a. Adolf Hitler and his chief Nazi associates;
- b. All persons suspected of having committed war crimes and other offenses;
- c. Officials of the Nazi Party and its formations (Gliederungen), affiliated associations (angeschlossene Verbände), and supervised organizations (betreute Organisationen), down to and including Local Group Leaders (Ortsgruppenleiter) and officials of equivalent rank;
- d. All members of the political police, including the Gestapo and Sicherheitsdienst der S.S.;
- e. The officers and non-commissioned officers of the Waffen S.S. and all members of the other branches of the S.S.;
- f. All General Staff Corps officers;
- g. Officials of the police holding a rank, or equivalent positions of authority, above that of Lieutenant;
- h. Officers of the SA holding commissioned rank;
- i. The leading officials of all ministries and other high political officials down to and including urban and rural burgermeister and officials of equivalent rank, and those persons who have held similar positions, either civil or

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military, in the administration of countries occupied by Germany;

j. Nazis and Nazi sympathizers holding important and key positions in (1) National and Gau civic and economic organizations; (2) corporations and other organizations in which the government has a major financial interest; (3) industry, commerce, agriculture, and finance; (4) education; (5) the judiciary; and (6) the press, publishing houses and other agencies disseminating news and propaganda.

It may generally be assumed in the absence of evidence to the contrary that any persons holding such positions are Nazis or Nazi sympathizers;

k. All judges, prosecutors and officials of the People's Court (Volksgericht), Special Courts (Sondergerichte) and other extraordinary courts created by the Nazi regime;

l. Any national of any of the United Nations or associated states who is believed to have committed offenses against his national law in support of the German war effort;

m. Any other person whose name or designation appears on lists to be submitted to you or whose name may be notified to you separately.

n. All persons who, if permitted to remain at large, would in your opinion endanger the accomplishment of the objectives of your military government.

If in the light of conditions which you encounter in Germany you do not believe all of these persons should be

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subjected immediately to this treatment, you should report to the Control Council giving your recommendations and the reasons therefor.

2. Regulations dealing with the registration and identification of persons within Germany will be issued as deemed advisable.

3. A proclamation dissolving the Nazi Party and its affiliates will be issued. Every possible effort should be made to prevent any attempts to reconstitute them in underground or disguised form. The laws establishing the political structure of National Socialism will be abrogated and all necessary measures taken to uproot and discredit Nazi doctrines. No secret organizations or societies of any kind shall be permitted. Property, real and personal, of the Nazi party and its affiliates wherever found, shall be taken into custody and may be used for such purposes as you may direct. You may require health or welfare organizations which were set up, operated or controlled by the Party but which are of direct benefit to the people to transfer their functions and personnel, purged of Nazi elements and practices, to new organizations formed to carry out such functions.

4. Special efforts will be made to preserve from destruction all records, books, documents, papers, files, scientific, industrial and other information and data belonging to or controlled by the following:

a. The German Reich or any agency of government in Germany, whether central, regional, or local;

b. German military and para-military organizations; agencies and societies engaged in military research or propaganda;

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c. All police organizations, including security and political police;

d. The Nazi Party and its affiliates;

e. Nazi economic organizations and industrial establishments;

f. Institutes and special bureaus devoting themselves to race, political, or similar research;

All records included in the above categories and such other records as you may deem advisable should be seized and secured, and held at the disposal of the Control Council.

5. All laws, decrees, regulations or provisions thereof, which discriminate on the basis of race, color, creed, or political opinions will be immediately abrogated. All persons who are detained or placed in custody by the Nazis on these grounds will be released, subject to the interests of the individuals concerned. You will take steps to insure that such people, if not released, are provided with adequate clothing, food and quarters.

6. The criminal and civil courts of Germany will be closed. After the elimination of all Nazi elements, at such time and under such regulations, supervision and control as may be determined, the courts will be permitted to resume functioning. Full power of review and veto will be retained by the occupation authorities over all courts which are allowed to function. All politically objectionable courts; e.g., People's Courts and Special Courts, will be abolished. Criminal and ordinary police, and such others as it may be proper to retain, under appropriate supervision, must be purged of Nazi or otherwise undesirable elements, who will also be arrested and held for disposition.

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7. No person in Germany, other than authorized United Nations nationals, shall be permitted to possess arms of any character except that such local police as may be utilized to maintain order may be armed with appropriate law enforcement weapons.

8. a. All members of the Nazi party and ardent supporters of Nazism will be removed immediately from all government positions (other than clerks and non-policymaking functionaries) and from all leading positions in industry, banking, education, judiciary, and other public services. Under no circumstances shall such persons be retained in such offices for the purpose of administrative convenience or expediency.

b. You will decide whether the objectives of military government are better served by the appointment of officers of the occupation forces or by the use of the services of Germans who have been cleared by the security branches of the Allied armies. Failure by such Germans as are permitted to fill Government posts to conform with Allied directives and instructions will be cause for removal and such punishment as you may deem advisable.

9. Subject to the provisions of paragraph 11 and to the extent that military interests are not prejudiced, freedom of speech and press, and of religious worship, will be permitted. Consistent with military necessity, all religious institutions will be respected. All efforts will be made to preserve historical archives, classical monuments and works of art, except that all archives, monuments and museums of Nazi inception, or

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which are devoted to the perpetuation of German militarism shall be appropriately dealt with, seized or closed and their properties held pending further instructions.

10. a. Prisoners of war belonging to the forces of the United Nations and associated nations will be freed from confinement and placed under military control or restriction as may be appropriate pending other disposition.

b. All nationals of allied nations who have been removed to Germany under duress to serve in labor battalions, or any other units organized by the Nazis, after identification will be repatriated in accordance with the regulations to be established after consultation with the governments of the countries concerned. Pending repatriation, such persons should be adequately taken care of and, if deemed advisable, their freedom of movement restricted. Former prisoners of war released by the Axis may be found among the forced laborers. They should be identified and requests addressed to their respective military commands for instructions as to their disposition.

c. All allied civilians resident or interned in Germany as a result of their presence in that country upon the outbreak of war shall be identified, examined closely and may, if deemed advisable, be placed under restricted residence. These people will be dealt with in accordance with agreements reached after consultation with the governments of the countries concerned. In general, all practical measures will be taken to

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insure the health and welfare of United Nations nationals, including provision for employment as authorized and practicable, and repatriation should be undertaken as rapidly as military conditions permit.

d. All diplomatic and consular officials of powers with whom the United States (U.K.) (U.S.S.R.) remains actively at war will be taken into protective custody and held for further disposition. All other nationals of such powers will be interned. All nationals of other countries with which any of the United Nations are or have been at war (except Germany) will be identified and registered and may be interned or their activities curtailed as may be necessary under the circumstances. Diplomatic and consular officials of such countries will be taken into protective custody and held for further disposition.

e. All German diplomatic and consular officials and other agents will be recalled. If their recall cannot be effected or if their recall is not practicable by reasons of nationality, their authority as agents for Germany will be terminated. All records and files of these agents and officers will be ordered returned to Germany or otherwise made available for appropriate inspection.

f. Nationals of neutral countries must register with the appropriate military authorities. Every facility and encouragement will be given these people to return to their home countries, except those neutrals who have actively participated in any

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way in the war against any one of the United Nations in which event they will be detained, pending receipt of further instructions as to their disposition. Neutral nationals will be accorded no special privileges of communication or business relationships with their home countries or people resident outside Germany. Restrictions on neutrals entering Germany shall be imposed as may be deemed advisable. Persons and property of diplomatic and consular officials of neutrals will be accorded full protection.

11. a. Dissemination of Nazi doctrines and Nazi propaganda in any form shall be prohibited. All schools and universities will be closed. Elementary schools should be reopened as soon as Nazi personnel have been eliminated and text-books and curricula provided which are free of Nazi or militaristic doctrines. Steps should be initiated to prepare satisfactory text-books and curricula and obtain teaching personnel free of any taint of Nazism or militarism for secondary schools. You should report to the Control Council prior to reopening secondary schools.

b. No political activities of any kind shall be countenanced unless authorized by the occupation authorities. No political personalities or organized political groups shall have any part in determining the policies of the military administration. It is essential to avoid any commitments to any political elements.

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c. The publication of all newspapers, magazines, journals and other publications and the operation of all German radio stations and the dissemination of news or public information by mail, motion pictures, telephone, cable or other means will be suspended. Thereafter, the dissemination of news or information may be permitted subject to such censorship and control as are considered necessary in the interests of military security and intelligence and in order to carry out the principles laid down in this directive.

12. Except in accordance with regulations established by the Control Council, no person shall be permitted to leave or enter the area under your command without your authority.

13. No German parades, military or political, civilian or sports, shall be permitted anywhere in Germany. No German military music, or German national or Nazi anthems shall be played or sung in public or before any group or gatherings. Public display of German national or Nazi flags and other paraphernalia of Nazi or affiliated organizations shall be prohibited. All flags, publications, and other paraphernalia of the Nazi party or affiliated organizations shall be seized and amounts shall be set aside to distribute to approved foreign museums and the remainder will be held for disposition under your direction.

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TOP SECRETAPPENDIX "B"FINANCIAL DIRECTIVE

1. Currency circulation within your zone will be governed by the following provisions, subject to any policies of the Control Council.

a. United States forces and other Allied forces within your zone will use Allied Military Marks and Reichsmark currency or coins in their possession. Allied Military Marks and Reichsmark currency and coin now in circulation in Germany will be legal tender without distinction and will be interchangeable at the rate of 1 Allied Military Mark for 1 Reichsmark.

The following three sub-paragraphs will have to be omitted in U.K. and U.S.S.R. directives or varied to meet their specific needs

Records will be kept of the amounts of German marks used by the forces of each nation within your zone. Reichskreditkassenscheine and other German military currency will not be legal tender in Germany.

b. In the event, however, that for any reason adequate supplies of Allied Military Marks and Reichsmarks are not available, the United States forces will use yellow seal dollars, and regular United States coins within your zone.

c. If it is found necessary to use U.S. yellow seal dollars, the following provisions will apply to such use:

(1) You will issue a proclamation if necessary requiring all persons to accept U.S. yellow seal dollars at the decreed rate. Transactions at any other rates will be prohibited.

(2) The issuance of yellow seal dollars will

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cease and Allied Military Mark or Reichsmark currency, or both, will be used in their place as soon as available.

(3) U.S. yellow seal dollars will be withdrawn from circulation as soon as such withdrawal can be satisfactorily accomplished.

(4) Prior to general withdrawal of yellow seal dollars from circulation, or in connection therewith, you may require banks or others to turn over to you such amounts of yellow seal dollars as come into their possession, in exchange for Mark currency at the decreed general rate of exchange.

(5) Records will be kept of the amount of yellow seal dollars used by the United States and other allied forces within your zone.

d. Non-yellow seal U.S. dollar notes and other regular legal currency of foreign nations will not be legal tender within your zone and no persons, agency or bank engaged in the exchange of money will acquire or otherwise deal in those notes except as you may so authorize. U.S. Army and Navy Finance officers may, however, be authorized to accept non-yellow seal U.S. dollar notes and other authorized regular foreign currency from U.S. or other authorized personnel for conversion into Allied Military Mark and Reichsmark currency at the decreed general rate of exchange, or if necessary into yellow seal dollars, after satisfying themselves as to the source of the notes.

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*substitute here appropriate U.K. or U.S.S.R. currency in their directives

e. You will establish a currency control section for your zone to include in its functions the control of all funds to be used by the military forces within your zone, except yellow seal dollars* which will be under the control of U.S. (U.K.) (U.S.S.R.) disbursing officers. Such currency control section will maintain all the accounts and records necessary to indicate the supply, control, and movement of these currencies including yellow seal dollars* and other funds, as well as financial data required for the determination of expenditures arising out of operations or activities involving participation of all military forces within your zone.

(1) Insofar as operations relate to the provision of mark currencies for the pay and other cash requirements of military forces within your area, your currency control section will supply marks from currency on hand and will record the advance as a charge against the military force concerned.

(2) Insofar as operations relate to the provision of mark currencies for civil administration, your currency control section will supply marks from currency on hand and will record the advance as a charge against the appropriate German authority, administration or agency.

(3) The records of the currency control section will indicate in all cases the currency

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in which receipts are obtained or disbursements made by the currency control section.

2. The rate of exchange to be used exclusively for pay of troops and military accounting purposes will be ten marks to the dollar, _____ marks to the pound sterling and _____ marks to the rouble. A general rate of exchange may be furnished to you later.

3. If found practicable and desirable you may designate, under direct military control and supervision, the Reichsbank, or any branch thereof, or any other designated bank satisfactory to you, as agent for your currency control section.

4. You will take the following steps and will put into effect only such further financial measures as you may deem to be necessary to accomplish the purposes of your occupation:

a. Banks should be placed under such control as deemed necessary by you in order that adequate facilities for military needs may be provided and to insure that instructions and regulations issued by military authorities will be fully complied with. Banks should be closed only long enough to introduce satisfactory control, to remove Nazi elements and other objectionable personnel, and to issue instructions for the determination of accounts to be blocked under paragraph c below. It is not anticipated that you will make credits available to the Reichsbank or any other bank. If in your opinion

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such action becomes essential, you may take such emergency action as you may deem proper and in any event you shall report the facts to the Control Council for further instructions. You may provide for any moratoria which you may deem desirable.

b. You may at your discretion close all stock exchanges and similar financial institutions for such period as you may deem desirable.

c. Pending determination of future disposition, all gold, foreign currencies, foreign securities, accounts in financial institutions, credits, valuable papers and all similar assets held by or on behalf of the following, will be impounded or blocked and will be used or otherwise dealt with only as permitted under licenses or other instructions which you may issue in a manner consistent with any agreed policies of the Control Council:

- (1) German national, state, provincial, and local governments, and agencies and instrumentalities thereof.
- (2) Other enemy governments, the agencies and instrumentalities thereof and their nationals.
- (3) Owners and holders, including neutral and United Nations Governments or national authorities, absent from the areas of Germany under your control.
- (4) Nazi party organizations, including the party formations, affiliates, and supervised

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associations, and the officials thereof and key figures in public or party life who actively support Nazism.

(5) Persons under detention or other types of custody by Allied Military authorities and other persons whose activities are hostile to the interests of the military government.

d. No governmental or private bank or agency will be authorized to issue banknotes or currency except that, subject to the agreed policies of the Control Council and if found practicable and desirable, you may so authorize the Reichsbank and the Rentenbank when they are under adequate military control and supervision.

e. You may, at your discretion, issue a proclamation prohibiting or prescribing regulations regarding transfers of or other dealings in private or public securities or real estate or other property.

5. Subject to the agreed policies of the Control Council, appropriate controls over foreign exchange will be established, particularly to prevent the removal of property and assets from Germany. All dealings in gold, foreign currencies and foreign exchange credits, and all foreign financial and foreign trade transactions of any kind including all exports and imports of currency,

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will be prohibited except as permitted under such regulations as you may issue relative thereto. Except as you may otherwise authorize, local banks will be permitted to open and operate only mark accounts.

6. No military pensions (except for physical disability limiting the pensioner's ability to work) shall be paid, nor shall any pensions or other emoluments be paid for membership in or services to the Nazi party or affiliated organizations.

7. The railways, postal, telegraph and telephone service, radio and all government monopolies within your zone will be placed under your control and their revenues recorded and disposed of in a manner approved by you subject to any agreed policies of the Control Council.

8. Taxes discriminating on the basis of color, race, creed, or political opinions shall be abolished. Subject to the agreed policies of the Control Council and without assuming responsibility for German fiscal affairs, other taxes may be collected through such agencies as you may determine and the taxes so collected will be held or disposed of for such purposes as may be determined by you.

9. It is anticipated that a central currency control agency for Germany will be established as soon as practicable, in accordance with policies to be agreed upon by the Control Council. After the establishment of this central agency, your currency control section will obtain from it future requirements of mark currency. Prior to establishment of the above central agency, you may use such Allied military mark currency or other mark currency as you may have in your possession.

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APPENDIX "C"
ECONOMIC DIRECTIVE

1. You shall assume such control of existing German industrial, agricultural, utility, communication and transportation facilities, supplies, and services, as are necessary for the following purposes:

a. Assuring the safety of your forces, the satisfaction of their needs, and the accomplishment of your mission.

b. Assuring the immediate cessation of the production, acquisition or development of implements of war.

c. Assuring, to the extent that it is feasible, the production and maintenance of goods and services essential (1) for the prevention or alleviation of epidemic or serious disease and serious civil unrest and disorder which would endanger the occupying forces and the accomplishment of the objectives of the occupation; and (2) for further military operations to be conducted in other theaters (but only to the extent that specific directives of higher authority call for such goods or services).

d. Preventing the dissipation or sabotage of German resources and equipment which may be required for relief, restitution, or reparation to any of the Allied countries, pending a decision by the appropriate Allied governments whether and to what extent German resources or equipment will be used for such purposes.

e. Exercising appropriate supervision over transactions of all types between your zone and areas outside Germany.

f. Facilitating the prompt restitution to liberated countries of identifiable property looted by Germans.

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g. Prohibiting exports from Germany except for restitution, making surpluses available to liberated areas and for other purposes as may be specified in agreed policies of the Control Council.

Except for the purposes specified above, you will take no steps (1) looking toward the economic rehabilitation of Germany, nor (2) designed to maintain or strengthen the German economy. Except to the extent necessary (1) to accomplish the purposes set out above, and (2) to assure thorough elimination of discriminatory Nazi practices in actual operation of economic controls, the responsibility for and the task of dealing with such economic problems as price controls, rationing, unemployment, production, reconstruction, distribution, consumption, housing or transportation^{will}/be left in German hands. You should, however, take such steps as may be necessary to assure that economic controls are operated in conformity with the above purposes and the general objectives of military government.

2. You will make a survey to determine:

(a) the extent to which productive capacity and supplies within your zone are or can be made available for shipment to other zones of occupation or to other countries or for relief and rehabilitation in the devastated areas of Europe, and

(b) the extent to which the fulfillment of the purposes stated in paragraph 1 above will necessitate shipment of supplies to your zone from other zones of occupation or from zones outside of Germany.

3. You will take such steps as are necessary to protect from destruction by the Germans, and maintain for such ultimate disposition as may be determined by the Control

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Council all plants, property, patents and equipment and all books and records of large German industrial companies and trade and research associations that have been essential to the German war effort and the German economy. In this connection you will pay particular attention to research and experimental establishments of such concerns.

4. You should take measures to prevent transfers of title of real and personal property intended to defeat, evade or avoid the orders, proclamations or decrees of the military government or the decision of the courts established by it.

5. Substantial amounts of private and public property of various categories have been seized, looted or otherwise improperly acquired by various Nazi officials and others. While it is contemplated that a suitable commission will ultimately deal with this problem you should take such steps as may be practicable to collect any available information as to property of this kind and to preserve any such property found in the area under your control.

6. a. All property in the German territory belonging to any country with which any of the United Nations are, or have been at war may be controlled, subject to such use thereof as you may direct.

b. Your responsibility for the property of the United Nations, other than U.K., U.S. and U.S.S.R., and their nationals, in areas occupied by Allied forces shall be the same as for the

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property of U.K., U.S., and U.S.S.R., and their nationals, except where a distinction is expressly provided by treaty or agreement. Within such limits as are imposed by the military situation you should take all reasonable steps necessary to preserve and protect such property.

7. You will take all practicable steps to uncover and compile evidence concerning property held abroad for German public or private account or benefit.

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APPENDIX "D"RELIEF DIRECTIVE

1. You will be responsible for the provision and distribution of supplies for civilian relief to the German population only to the extent necessary to prevent disease and such disorder as might endanger or impede military occupation. For this purpose you will make maximum use of supplies, stockpiles and resources available within Germany in order to limit the extent to which imports, if any, will be required. German import requirements shall be strictly limited to minimum quotas of critical items and shall be subordinated to the fulfillment of the supply requirements of any liberated territory.

2. German food and other agricultural supplies will be utilized for the German population. It will be necessary to hold German consumption in your zone to a minimum so as to augment the supply of agricultural products to zones having a deficit of such products and to the devastated areas of Europe. You will report on any surpluses that may be available. If supplies available in your zone are insufficient for fulfillment of the purposes set forth in Appendix C, paragraph 1, you will report such deficits to the Control Council, which will establish policies with respect to the inter-zonal problem resulting from regional surpluses and deficits.

3. You will permit the German authorities to maintain or reestablish such health services and facilities as may be available to them under the

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circumstances. In the event that disease and epidemics should threaten the safety of Allied troops or endanger or impede military occupation, you shall take such steps as you deem necessary to protect the health of Allied troops and to eradicate sources of contamination.

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E.O. 11652, Sec. 3(E) and 5(D) of (C)
2-26-75
NND# 740132
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April 18, 1945

SUMMARY OF UNITED STATES INITIAL POST-DEFEAT
POLICY RELATING TO JAPAN
(INFORMAL AND WITHOUT COMMITMENT BY THE
DEPARTMENT OF STATE)

A. General Provisions

I. GENERAL OBJECTIVES

The general objectives of the United States in regard to Japan are:

1. The unconditional surrender or total defeat of Japan,
2. The ^{stripping} ~~separation~~ from Japan of ^{the} ~~the~~ territories ^{- having with} specified in the Cairo Declaration and in other declarations which may hereafter be promulgated by the United Nations,
3. The creation of conditions which will insure that Japan will not again become a menace to the peace and security of the world,
4. The eventual emergence of a government in Japan which will respect the rights of other states and Japan's international obligations, and,
5. The eventual participation of Japan in a world economic system on a reasonable basis.

Instr #1

II. UNCONDITIONAL SURRENDER OR TOTAL DEFEAT

As a consequence of unconditional surrender or total defeat the United Nations will acquire supreme authority over the domestic and foreign affairs of the Japanese Empire. The constitutional powers of the Emperor shall be suspended simultaneously with the acquiring of supreme authority over Japan by the United Nations. All political instrumentalities which participate in the formulation or consideration of national policies, shall be suspended pending the achievement of the political objectives of military government, and their functions shall be assumed by military government.

8
8 government

Commander-in-Chief of the

c/c of the
Armed Forces

Armed Forces

The treatment of the Japanese throughout the three periods and the duration of the occupation will depend in large measure on the behavior of the Japanese.

B POLITICAL

III. SUCCESSIVE PERIODS IN THE TREATMENT OF JAPAN

In order to achieve these general objectives the policies of the United States should be considered separately for three successive periods of Japan's post-war development.

The first of these periods will be that during which the terms to be imposed on Japan as a result of its surrender or its total defeat will be enforced by military occupation. In this period Japan will undergo stern discipline ~~as the inevitable retribution for military aggression.~~ *they cannot escape responsibility for what they have brought upon themselves.*

Possible delete ?

The second period will be one of close surveillance; restrictions will be progressively relaxed as Japan demonstrates its willingness and ability to live at peace with other nations. Military government might be replaced by some other supervisory agency.

The third period will be one which will look toward the ultimate aim of the United States, namely, a Japan properly discharging its responsibilities in the family of peaceful nations.

IV. THE POLITICAL OBJECTIVES OF MILITARY GOVERNMENT

revis insert #2

The general political objectives of military government in Japan should be the abolition of militarism, the strengthening of democratic tendencies and processes, the encouragement of liberal political elements and the creation of conditions in Japan which will facilitate ~~the emergence of a~~ liberal government with which the United Nations can deal.

V. MILITARY GOVERNMENT AND MILITARY OCCUPATION

1. Security

Japan's military and naval forces are to be disarmed and disbanded; military and naval materiel, vessels, and installations are to be surrendered or destroyed; industries primarily military in character are to be eliminated.

-3-

2. Character of Military Government

The measures of military government should be effective, just, but stern.

3. Administrative Functions and Machinery

Military government should utilize the Japanese administrative machinery and, so far as practicable, Japanese public officials, making these officials responsible for the carrying out of the policies and directives of the military government. Military government should in no circumstances allow persons to hold public office who have been ~~notorious and~~ flagrant exponents of militant nationalism and aggression.

4. Special Tasks of Military Government

(1) Nullification of Obnoxious Laws

Laws, ordinances and regulations which conflict with the purposes and policies of the military government shall be suspended or repealed. Agencies charged specifically with the execution of such laws, ordinances and regulations shall be abolished or appropriately modified.

(2) Political Parties or Agencies

Existing political parties, including totalitarian, political and quasi-political organizations and ultra-nationalistic societies, shall be dissolved.

(3) Freedom of Worship

Freedom of religious worship shall be proclaimed promptly on occupation.

(4) Media of Public Information

The military government will aim to terminate the dissemination of ideas subversive of the purposes of the United Nations, and to substitute therefor information and knowledge of the ideals and concepts in which the United Nations believe.

Among the important tasks to be carried out by military government are: