

*Gen. Hildring*

In reply refer to  
JK

Dear General McCoy:

I have been pleased to hear reports that the Basic Policy sub-committee, comprising U.S.S.R., U.S. and Australian representatives, has made marked progress towards achieving agreement in its re-negotiations of the Basic Post-Surrender Policy for Japan.

The foreign policies of the United States would be substantially served if prompt and effective steps could be taken to capitalise upon recent evidences of Soviet cooperativeness. Adoption by the Far Eastern Commission of the Basic Policy should be pressed for strongly. Whenever the Soviets desire to have it known that they agree with the aims and policies of the United States every effort should be made by representatives of this Government to remove the obstacles, procedural or technical, which stand in the way of letting them do so.

Sincerely yours,

J. H. Hildring  
Assistant Secretary of State  
for Occupied Areas

Major General Frank R. McCoy,  
Far Eastern Commission,  
2516 Massachusetts Avenue, N.W.,  
Washington, D. C.



JIS

October 18, 1946

A-H - General Hilldring

JK - Mr. Martin

Attached Letter from You to General McCoy

I urge that you dispatch the attached letter to McCoy in order to clear up the confusion in his mind as to the real desires of the U.S. with respect to the adoption of the Inter-Allied statement of basic policy at this time.

In view of the attached memo from Barnett with respect to the substantial measure of agreement between ourselves and the Soviets with respect to basic policy, and in view of the fact that the predominant atmosphere in the next few weeks is apt to emphasize the disagreement between the U.S. and the Soviets on the reparations problem, I think it imperative that we make every effort possible to secure approval by FEC at the earliest date of the statement of basic policy approved by all eleven countries.

FEC action on this basic policy may also contribute to allaying some of the misunderstanding that has arisen out of the discussions in the Inter-Allied Council in Japan, which appeared to have emphasized unduly the differences between the Allies.

JK:EMMartin:jph -



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I have been pleased to hear reports that the Basic Policy sub-committee, comprising U.S.S.R., U.S. and Australian representatives, has made marked progress towards achieving agreement in its re-negotiations of the Basic Post-Surrender Policy for Japan.

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J. H. Hildring  
Assistant Secretary of State  
for Occupied Areas

Major General Frank R. McCoy,  
Far Eastern Commission,  
2516 Massachusetts Avenue, N.W.,  
Washington, D. C.

JK:EBBarnett:jph

10-18-46



STANDARD FORM NO. 64

*Office Memorandum* · UNITED STATES GOVERNMENT

DATE: October 30, 1946

TO : JA - Mr. Borton

FROM : A-H - Mr. Gross

SUBJECT :

I think the draft letter to General McCoy has a somewhat ironic ring. While the letter refers in general to "recent evidences of Soviet cooperativeness" I take it that what is meant is the statement of Barnett's memo to Martin that Ramishvili has shown a conciliatory and cooperative attitude in negotiating the bulk of the basic policy statement. Moreover, it does not appear from Barnett's memo to Martin that General McCoy is "confused" as to the real desires of the U.S. with respect to the adoption of the policy statement. There is no indication in Barnett's memo that General McCoy's advisers have impressed him with the importance of international agreement on the statement. Accordingly, it seems to me the draft letter is gratifying. I should think that General McCoy would be the first to agree to press strongly for adoption of the basic policy by the FEC. Is there evidence to the contrary?

Barnett - what was?  
E.

File  
E.

cap  
7/11 9/11/10-3046



~~Mr. Burnett~~  
 To note, Mr. Martin  
 Unfortunately the  
 Secretary decided not  
 to issue the statement  
 to which I referred.  
 However, you might  
 put the pressure on  
 McCoy as you  
 suggested. HTB  
 10/31/46

A-H/ Mr. Gross  
 JA hopes to get approval  
 through SCV and Mr.  
 [unclear] for a general  
 statement on [unclear] on  
 attached - so I feel  
 the letter to Gen. McCoy  
 is not as urgent as  
 it might otherwise be.  
 HTB

Form DS-10, Department of State 6-1-45		Date
REFERENCE SLIP		
To: <u>Mr. [unclear]</u>		
<input type="checkbox"/> Advise	<input type="checkbox"/> Note & Return	
<input type="checkbox"/> Approve & Return	<input type="checkbox"/> Note & File	
<input type="checkbox"/> As You Requested	<input type="checkbox"/> Per Telephone Talk	
<input type="checkbox"/> Attention	<input type="checkbox"/> Previous Correspon.	
<input type="checkbox"/> Attach File	<input type="checkbox"/> Priority Action	
<input type="checkbox"/> Comment & Return	<input type="checkbox"/> Reconsider	
<input type="checkbox"/> Consider	<input type="checkbox"/> Recommend Action	
<input type="checkbox"/> Copying	<input type="checkbox"/> Record	
<input type="checkbox"/> Correct	<input type="checkbox"/> Reply	
<input type="checkbox"/> File	<input type="checkbox"/> Return to Sender	
<input type="checkbox"/> Follow-up	<input type="checkbox"/> Rewrite	
<input type="checkbox"/> Hold	<input type="checkbox"/> Signature Required	
<input type="checkbox"/> Initials Needed	<input type="checkbox"/> See Me	
<input type="checkbox"/> Investigate & Report	<input type="checkbox"/> Take Action	
<input type="checkbox"/> Instruct	<input type="checkbox"/> Transfer	
<input type="checkbox"/> Justify	<input type="checkbox"/> Type	
<input type="checkbox"/> Keep Me Advised	<input type="checkbox"/> Verify	
<input type="checkbox"/> Legal Matter	<input type="checkbox"/> Reply for Signature of	
<input type="checkbox"/> Memo Required		
<input type="checkbox"/> Not Interested		
<input type="checkbox"/> Note & Destroy		
<input type="checkbox"/> Note & Forward		
REMARKS: <u>OK on this</u>		



STANDARD FORM NO. 64

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Mr. Noble  
 FROM : Mr. Parks  
 SUBJECT: Request referred to War Department

DATE: November 20, 1946.

*gto*  
 DEC 11 1946

Mr. Raymond R. Frazier made two requests, neither one of which involved a State Department responsibility: (1) he wanted a copy of a War Department report, and (2) he wanted to know the likelihood of a Congressional investigation into War Department construction work at Hawaii. We referred the letter to the War Department, which now informs us (instead of informing Mr. Frazier) where he should go for information about his second point.

If you approve, we shall write to Mr. Frazier as follows and send a flimsy copy to Colonel Johnson of the War Department:

"I refer to your letter of September 23, 1946 and the acknowledgment of the Department of State dated October 17 in regard to your request for (1) a copy of a War Department report, and (2) an indication of the possibility of a Congressional investigation of the relationship of certain persons to construction work in Hawaii. As stated in the acknowledgment of the Department of State, your letter was referred to the War Department for appropriate attention.

"The War Department has now informed the Department of State that inquiries in regard to the possibility of a Congressional investigation on the subject which you mention may be addressed to 'the Senate Committee Investigating the National Defense Program, of which Senator Harley M. Kilgore of West Virginia is Chairman.'"

F. W. 711.94/11-546

CS/A

RECEIVED  
 JAN 14 1947

F.W. 711.94/11-546

*ga*

RE: WGerber: nw



STANDARD FORM NO. 64

*file*  
**Office Memorandum • UNITED STATES GOVERNMENT**

TO : Mr. Gerber

DATE: November 13, 1946

FROM : E. Moore *E.M.*

SUBJECT: Letter from Colonel Albert W. Johnson, JAGD, Chief, Military Justice Group, War Department, November 5, 1946.

In response to a letter from Mr. Raymond R. Frazier, 1101 Second Avenue, Seattle 1, Washington in which he requested a copy of the Report on Pearl Harbor Investigations and information regarding the possibilities of an investigation into the pre-Pearl Harbor activities of Hans Rohl and Colonel Theodore Wyman, Jr., a form letter (retyped form number 11) was mailed to Mr. Frazier and his letter referred by Form DS-14 to the War Department for further attention.

*File 911.94/11-546*



Form DS-10 Department of 6-1-45 State		Date
REFERENCE SLIP		
To: <i>Mr. Parks</i>		
<input type="checkbox"/> Advise <input type="checkbox"/> Approve & Return <input type="checkbox"/> As You Requested <input checked="" type="checkbox"/> Attention <input type="checkbox"/> Attach File <input type="checkbox"/> Comment & Return <input type="checkbox"/> Consider <input type="checkbox"/> Copying <input type="checkbox"/> Correct <input type="checkbox"/> File <input type="checkbox"/> Follow-up <input type="checkbox"/> Hold <input type="checkbox"/> Initials Needed <input type="checkbox"/> Investigate & Report <input type="checkbox"/> Instruct <input type="checkbox"/> Justify <input type="checkbox"/> Keep Me Advised <input type="checkbox"/> Legal Matter <input type="checkbox"/> Memo Required <input type="checkbox"/> Not Interested <input type="checkbox"/> Note & Destroy <input type="checkbox"/> Note & Forward	<input type="checkbox"/> Note & Return <input type="checkbox"/> Note & File <input type="checkbox"/> Per Telephone Talk <input type="checkbox"/> Previous Correspon. <input type="checkbox"/> Priority Action <input type="checkbox"/> Reconsider <input type="checkbox"/> Recommend Action <input type="checkbox"/> Record <input type="checkbox"/> Reply <input type="checkbox"/> Return to Sender <input type="checkbox"/> Rewrite <input type="checkbox"/> Signature Required <input type="checkbox"/> See Me <input type="checkbox"/> Take Action <input type="checkbox"/> Transfer <input type="checkbox"/> Type <input type="checkbox"/> Verify <input type="checkbox"/> Reply for Signature of	
REMARKS: <i>do you know anything about this?</i>		
From: <i>SM</i>		





WAR DEPARTMENT  
~~HEADQUARTERS, ARMY SERVICE FORCES~~  
OFFICE OF THE JUDGE ADVOCATE GENERAL  
WASHINGTON 25, D. C.



Mr. G. Bernard Noble, Acting Chief  
Division of Historical Policy Research  
Department of State  
Washington 25, D. C.

5 NOV 1946

711.94/9-2346  
JA

Dear Mr. Noble:

Your Reference Slip dated 17 October, inclosing a copy of a letter to the Secretary of State dated 23 September 1946 from Mr. Raymond R. Frazier of Seattle, Washington, inquiring whether Congress has made or will make an investigation of Colonel Theodore Wyman, Jr., and one Mr. Hans Rohl in connection with the execution of certain construction work in Hawaii, and if so, how Mr. Frazier may obtain a copy of the report, has been referred to this office for reply.

The War Department has no information as to whether Congress intends to investigate the conduct of either Colonel Wyman or Mr. Rohl. It is suggested that any inquiry with respect thereto be addressed to the Senate Committee Investigating the National Defense Program, of which Senator Harley M. Kilgore of West Virginia is Chairman.

Sincerely yours,

DEPARTMENT OF STATE

NOV 1946

Division of  
RESEARCH AND PUBLICATION

*letter to  
Mr. Frazier*

*Albert W. Johnson*  
ALBERT W. JOHNSON  
Colonel, JAGD  
Chief, Military Justice Group

*(copy mailed  
to Col. Johnson  
12-10-46)  
File  
DJP  
ga*

DCI Unit  
*eg*

711.94/11-546

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711.94/11-546



OFFICE  
THE SECRETARY  
DEPARTMENT OF STATE

1947 JAN 22 AM 11 57

28

*file*

RECONSTRUCTION OF JAPANESE PLANS  
LEADING UP TO THE  
ATTACK ON PEARL HARBOR

(BASED UPON INFORMATION OBTAINED SUBSEQUENT TO 7 DECEMBER 1941)

711.94/1-2247 (REC'D)

CS/V

JAN 27 1947

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The following summarization has been prepared on the basis of reliable information obtained from various sources subsequent to the attack on Pearl Harbor. Although this summary does not represent a resume of Japanese Combined Fleet Operation Order No. 1, it will be apparent that heavy reliance has nevertheless been placed upon that document, a translation of which is submitted under separate cover.

The Japanese Naval High Command completed preparations during the summer and fall of 1941 to carry out a projected 2-phase plan of conquest and consolidation in the Asiatic-Pacific theatre. The essence of the plan lay in the element of surprise in a sudden attack which at one fell swoop would cripple the major potential opposition - the American Fleet maintained at Pearl Harbor. Following the crippling of this opposition weapon, coincident with the seizure and occupation of land masses desired for the economic, political, and military reasons that together determined the borders of the Greater East Asia Co-Prosperity Sphere, Phase 1 of the campaign would be completed, and Phase 2 - the consolidation of these gains by the seizure or neutralization of outer areas, together with the continued attrition of the enemy forces and his lines of supply - could be carried out to ensure the permanence of the new Empire.

The Japanese fleet, which had been in training over a period of years for combat fleet operations, was in a state of readiness by the summer of 1941. By late August of 1941, there is evidence based on information believed to be reliable, that the Commander in Chief of the Combined Fleet ordered all fleet commanders and their key staff members



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to Tokyo for war games\* preparatory to a final formulation of operation plans. The final games reportedly got underway on 2 September 1941, with most of the high ranking officers participating on one of the three teams that were organized: the "N" (Nippon) Team, "A" (America) Team, and "E" (England) Team.

During the afternoon of 3 September, 50 copies of an outline of conditions under which the games were to be held were prepared and contained the heart of Operation Order No. 1. These plans must have been under development for several months, as extensive preliminary planning was indicated.

On 5 September, it is known that Pearl Harbor plans were under discussion and the Japs apparently expected to catch all major U. S. Fleet units in the Pacific in Pearl Harbor, as well as units which they believed were recently transferred from the Atlantic. "N" Team expected to lose one-third of the units participating in the attack on Hawaii and one AKAGI-class aircraft carrier and one SORYU-class aircraft carrier were estimated as sunk.

On 6 and 7 September, "N" Team debated the best means of assaulting Pearl Harbor. Captain Kurojima (Deputy Chief of Staff) and Rear Admiral Ito (Chief of Staff) differed as to the practicability of conducting an amphibious assault on Hawaii. Ito was in favor of an early landing but Kurojima won the discussion by pointing out insuperable logistic problems.

These early sessions apparently were confined primarily to two general problems: first, the details for a surprise raid on Pearl Harbor; and

\*See Appendix 1.



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second, a schedule for occupying Malaya, Burma, N.E.I., the Philippines, the Solomons, and Central Pacific Islands, including Hawaii. The conferences and games were ended about 13 September. At the end of September, the Main Body of the Jap Fleet moved to Saeki and four revisions of Combined Fleet Operation Order No. 1 were made while NAGATO (Flagship) was at Saeki, although no major changes are indicated.

The actual operation plan itself - Combined Fleet Top Secret Operation Order No. 1 - has since been recovered and is reproduced in its entirety under separate cover. The objectives of the campaign strategy, the outline and sequence of operations planned, and the organization of the naval forces allotted to each phase of the operations were set forth in the Operation Order, and are analyzed below.

OBJECTIVES:

The general aims of the entire campaign were predicated on the desires for military conquest and security, and enhancement of the Empire by the occupation of areas rich in natural resources:

- "1. In the east, the American Fleet will be destroyed and American lines of operation and supply lines to the Orient will be cut.
- "2. In the west, British Malaya will be occupied and British lines of operation and supply lines to the Orient, as well as the Burma Road, will be cut.
- "3. Enemy forces in the Orient will be destroyed, bases of operations will be seized, and areas with natural resources will be occupied.
- "4. Strategic areas will be seized and developed; defenses will be strengthened in order to establish a durable basis for operations.



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- "5. Enemy forces will be intercepted and annihilated.
- "6. Victories will be exploited to break the enemy's will to fight."

OUTLINE OF OPERATIONS:

For the accomplishment of the objectives stated above, it was contemplated that operations would be carried out in two phases - the First Phase, comprising conquest of the American Fleet and occupation of areas desired, in large part, for economic reasons (the Philippines, British Malaya, Netherlands East Indies); the Second Phase, comprising consolidation of these gains by mopping-up operations, establishment of advance bases for defense of the occupied territory, and the continued attrition of enemy forces and lines of communication. The conquest or neutralization of areas deemed of strategic importance primarily from the point of view of military security was to occur during the Second Phase, no definite plan being provided initially for the chronology of these operations. Apparently both the precise timing of that portion of the campaign and the determination of which of these strategic areas (listed as Eastern New Guinea, New Britain, Fiji, Samoa; Aleutians and Midway; Andaman Islands, strategic points in the Australia Area) would be seized and which merely neutralized, were problems to be worked out in detail following the completion of the occupation of the areas desired for their economic value as integral portions of the new Co-Prosperity Sphere, and to be solved "as quickly as operational conditions permit."

A. Occupation: "First Phase Operations"

Basically, at this initial stage of the war, the Imperial Navy had four missions to fulfill:



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- (i) The destruction of the American Fleet in the Hawaiian area.
- (ii) The maintenance and extension of control over the Central and South Pacific, to deny these waters to any force which might menace the flank of the forces driving southward.
- (iii) The support of army invasion of the Philippines-N.E.I.-South-east Asiatic areas and the destruction of Allied naval forces therein.
- (iv) The protection of the North, both against thrusts by the United States from the Aleutians and also against a possible attack by the U.S.S.R.

Aside from the considerably inferior air power and the relatively few scattered surface fleet units possessed by the Allies in the Asiatic-N.E.I. area, the only obstacle of consequence was the American Fleet and air-power based at Hawaii. While Japanese land-based air and surface task groups could suffice to support the amphibious landings in the Philippines-N.E.I.-Asiatic area, a major Japanese task force, built around a carrier striking group, was essential to conduct a surprise attack on the American Fleet. Accordingly, the following general allocation of Japanese forces\* was planned for the First Phase operations.

(i) For the Pearl Harbor Attack:

The Striking Force under the Commander in Chief, 1st Air Fleet, comprising 2 fast battleships, 6 first-line carriers (with a maximum of 400 planes of all types), 2 heavy cruisers, 1 light cruiser, and 16 destroyers plus,

\*See Appendix 2 for allocation of Japanese Task Forces.



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The Advance Expeditionary Force under the Commander in Chief, 6th Fleet, comprising 1 training cruiser, 2 light cruisers, 20 fleet submarines, and 5 midget submarines.

- (ii) For the Invasion of Wake and Guam (and of Rabaul if conditions warranted):

The South Seas Force under the Commander in Chief, 4th Fleet, comprising 4 heavy cruisers, 3 light cruisers, 1 training cruiser, 12 destroyers, 16 submarines.

- (iii) For the Invasion of the Philippines-N.E.I.-Malaya:

The Southern Force under the Commander in Chief, 2nd Fleet, comprising 2 battleships, 2 small aircraft carriers, 11 Heavy cruisers, 7 light cruisers, 52 destroyers, 16 submarines.

- (iv) For the protection of the High North:

The Northern Force, under the Commander in Chief, 5th Fleet, comprising 1 heavy cruiser, 2 light cruisers, 2 destroyers.

- (v) In Reserve:

The Main Body under the Commander in Chief, Combined Fleet, comprising 6 battleships, 2 light cruisers, 8 destroyers.

The operations of these forces during the First Phase were to be divided into three periods:

- (a) First Period Operations:

Operations from the outbreak of war until the main body of the invasion army had been landed in the Philippines. To end about X plus 20.



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(b) Second Period Operations:

Operations after (a) and until the main body of the invasion army had been landed in British Malaya. To end about X plus 40.

(c) Third Period Operations:

Operations after (a) and until the completion of the occupation of the Netherlands East Indies.

(i) Central Pacific Operations:

(a) Attack on Pearl Harbor

Assumptions by the High Command:

It is clear from a study of the operation plans that the Japanese High Command made the following assumptions about the American Fleet:

(a) That the main body of the United States Pacific Fleet would be at anchor within Pearl Harbor, or at least in the Hawaiian area.

(b) That a fast carrier force could be moved from the Empire across the Pacific to the north of Midway, within striking distance of the main islands of the Hawaiian group without undue risk of detection by American defensive reconnaissance.

(c) That should assumption (a) or (b) be in error, a reserve group of heavy units could sortie from the Inland Sea to give support to the carrier striking force in a decisive engagement against the American Fleet. The other task forces of the Japanese Fleet - the Southern Area Force, Northern Area Force, South Seas Force - would also be available. Implicit in the plan is the assumption that in the event of such an engagement, the combined strength of the bulk of the Japanese major fleet units could defeat the American Fleet.



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(d) That a powerful carrier air strike directed against the American forces based in Hawaii could, if tactical surprise were effected, achieve the strategic result of crippling the American Fleet, and the tactical result of destroying the American land-based air to permit the Japanese striking force to withdraw without damage. While the latter assumption does not appear explicitly in the copy of the Japanese Combined Fleet Operation Order No. 1 recovered in the Philippines, it is logically implicit in the plan, and probably was a feature of the specific Operation Order issued by the Striking Force Commander. The seizure of air superiority is part of the classic Japanese naval doctrine.

The four assumptions outlined above were well grounded. An espionage network in the Hawaiian Islands, together with uninterdicted cable communications between Hawaii and Japan, undoubtedly aided the Japanese in establishing their basic hypothesis - namely, that the bulk of the American Pacific Fleet would be waiting at anchor at Pearl Harbor at the time of their surprise attack. The feasibility of a surprise attack prior to a declaration of war was, of course, borne out by events.

(1) Diplomatic Deception:

The operation plan providing for the outbreak of war and the attack on Pearl Harbor was published on 5 November 1941 as Combined Fleet Top Secret Operation Order No. 1, and Y day (8 December, Japanese time) was set in Combined Fleet Top Secret Operation Order No. 2 on 7 November 1941. At the same time, the Japanese envoy Mr. Kurusu was en route to Washington to join the Japanese Ambassador in conducting conversations



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with the American Government. On 7 November - the date that Y day was set - a "leading Japanese and reliable informant" visited the American Ambassador in Japan reportedly at the request of Foreign Minister Togo and urged repeatedly that, whether or not Japanese concessions were deemed inadequate by the United States, it was "of the highest importance that the Washington conversations be continued and not permitted to break down." These conversations were continued throughout November and until the actual launching of the surprise attack. While it is true that Operation Order No. 2, setting Y Day, was not sufficient by itself to effect the launching of the attack on that day, it was sufficient to despatch the various Japanese task forces to their scheduled pre-invasion rendezvous points (Takan Bay in the Kuriles for the Pearl Harbor Striking Force; Mako in the Pescadores for the main body of the Philippines Force, etc.) and have the Fleet complete its basic preparations for an attack on that day. And it seems evident, from a study of such available subsidiary orders as were issued during November 1941 by certain of the task forces involved in the plan, that the supplementary orders that were to cause the task forces to move forward to their attack positions and were to specify precisely the time for the outbreak of war, were to be issued almost as inevitable concomitants of the initial decision embodied in Operation Orders Nos. 1 and 2. While a radical change in the diplomatic situation might have caused the plan to be abandoned, it seems probable that nothing short of complete American acceptance of the Japanese terms in their note of 20 November 1941 would have been regarded as sufficient to cancel



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the plans already set in motion. In any event, the continuation of diplomatic negotiations by the Japanese after their task forces were already en route to their final goals must be deemed nothing short of deception.

(ii) Radio Silence:

The Striking Force, as it moved north to the sortie point in the Kuriles, and thence to the eastern Pacific, was operating under strict injunctions to maintain radio silence to help assure the secrecy of its movement and mission.

(iii) Radio Deception:

The 1st Combined Communications Unit was directed to maintain deceptive traffic to simulate the presence of the main strength of the Japanese Fleet in the Inland Sea. At the same time, the early December movements of the Japanese units en route to the south were not conducted under complete radio silence - possibly because the element of surprise for that part of the campaign could not be preserved by silence since Allied visual observations could be made of those movements and possibly because of the belief that the ability of Allied intelligence to trace the southward movements of the Southern Force, and only those movements, would further bolster the effectiveness of the strategic surprise desired for the operations of the Striking Force.

Composition of the Forces Attacking Pearl Harbor:

Striking Force

Commanding Officer: Commander in Chief, 1st Air Fleet - Vice Admiral  
Chuichi Nagumo.



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Battleship Division #3 (1st section) (HIEI, KIRISHIMA) 2 battleships  
 Carrier Division #1 (KAGA, AKAGI)  
 Carrier Division #2 (HIRYU, SORYU)  
 Carrier Division #5 (SHOKAKU, ZUIKAKU) 6 aircraft carriers  
 Cruiser Division #8 (TONE, CHIKUMA) 2 heavy cruisers  
 Destroyer Squadron #1 (ABUKUMA, 1 light cruiser  
 4 destroyer divisions) 16 destroyers  
 Plus 11 train vessels

Advance Expeditionary Fleet

Commanding Officer: Commander in Chief, 6th Fleet, Vice Admiral  
 Mitsumi Shimizu.

(ISUZU, YURA) 2 light cruisers  
 (KATORI) 1 training cruiser  
 I-class submarines (including Submarine Squadrons #1,  
 #2, #3: (I-1, 2, 3, 4, 5, 6, 7, 16, 17, 18, 20, 22-24, 68, 69, 74) 20 submarines  
 Midget submarines 5 midget submarines  
 Plus 6 train vessels.

Execution of the Operation

The Striking Force assembled at Takan Bay in Etorofu Island (Kuriles) during late November 1941, and sortied for the attack on or about 27 November, following a course to the eastward and then southward, as indicated on the captured track chart appended (see Appendix 3). Of the 11 train vessels allotted in the Operation Plan, reliable information suggests that only 3 tankers and 1 supply ship actually accompanied the Force. Apparently also, 3 submarines of the Advance Expeditionary Force (submarine fleet) accompanied the Striking Force - the other submarines having proceeded from the Inland Sea independently of the Striking Force. During the fast voyage to their destination 200 miles due north of Oahu, the vessels of the carrier force were kept fueled successfully, albeit with considerable difficulty in many cases. Upon arrival at their destination, about 200



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miles due north of Oahu, the carriers launched their aircraft, which rendezvoused further south and then flew in for a coordinated attack. Three waves of these carrier aircraft were employed, commencing at 0747 and ending at 0936, local time; the first attack was on various airfields, followed by attacks on the warships in Pearl Harbor. Following the successful completion of these surprise attacks, the carrier force withdrew to the Empire, taking a circuitous route to Hashirajima and arriving on 23 December. En route, Carrier Division #2 (HIRYU, SORYU) and Cruiser Division #8 (TONE, CHIKUMA) were detached as a small reinforcement group for the Wake Island operation. Losses sustained by the Striking Force during the Hawaiian operation reportedly totalled 29 aircraft.

Until the completion of the surprise attack on Hawaii by the Striking Force, the "Advance Expeditionary Force" of submarines was under the command of the Striking Force Commander. The precise movements of the participating submarines prior to the actual attack are not clear, although some information suggests that the bulk of those units left the Empire in late November. So far as is known, the functions allotted the submarines in Operation Order No. 1 were carried out as planned, viz:

(a) Until X-3, submarines were to reconnoiter important points in the Aleutians, Samoa, Fiji, and Tutuila, and were to observe and report on any powerful American forces discovered.

(b) One element was to patrol along the route of the Striking Force in advance of the movement of that Force - to ensure the undetected approach of the carrier group to its destination.



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(c) Until X-5, the remaining submarines were to surround Hawaii at extreme range while one element approached and reconnoitered without being observed.

(d) On X day, the function of the submarines would be to "observe and attack the American Fleet in the Hawaii Area; make a surprise attack on the channel leading into Pearl Harbor and attempt to close it; if the enemy moves out to fight he will be pursued and attacked."

Prior to the attack on X Day, the force of I-class submarines took up scouting positions in several allotted patrol sectors covering the waters in the vicinity of Pearl Harbor, while the 5 midget submarines were launched as a Special Attack Force to conduct an offensive attack against American warships within the Harbor and to prevent the escape of the fleet through the Harbor entrance during the scheduled aerial strike. Available data indicates that only two of the five subs penetrated into the Harbor; none of the five inflicted any damage on American units, and none of the five rejoined the Japanese Fleet. American naval units accounted for 3, possibly 4, of the total, and the 5th beached itself at Oahu.

During and after the attack, submarines outside of the Harbor area remained on patrol to oppose any possible sortie of American warships. The following is a translation of an extract from the "Report of the I-69's Operations off Pearl Harbor, 8-10 December 1941" (Tokyo time), written by the Commanding Officer of the I-69 (flagship of Submarine Division 12) and presents a picture of the operation as experienced by one of the Japanese units on patrol:



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"During daylight on December 8 (December 7 Honolulu time), the I-69 was cruising submerged, engaged in surveillance in Scouting Sector D (about 17 miles southwest of Pearl Harbor). Immediately after the attack upon the enemy by the Striking Force and the Special Attack Force, we were able to hear easily, by means of submarine sound detectors, explosions of bombs and torpedoes, and upon hearing the sound of depth charges, I judged that the Special Attack Force was engaged in heavy fighting.

"At 1400 radio orders from the Commander of Submarine Forces were received, assigning the I-69 to a surveillance in the central sector of E Inner Scouting Area (a circle with a radius of 8.5 nautical miles, with Pearl Harbor as the center). The orders further specified the annihilation of the remaining enemy forces.

"After sunset we surfaced, in an attempt to assist as much as possible, but during the night we sighted five destroyers. While submerging, we received a close-range depth-charge attack... At 0015 on the 9th (Tokyo time) we surfaced, making certain that no enemy patrol boats were within close range. On a course obliquely to the west, and at battle speed, we hurriedly recharged batteries.

"We sighted 2 patrol vessels on our port quarter and beam respectively, each about 5 kilometers away, and in about 30 minutes we reversed course. Pearl Harbor shone red in the sky, like a thing afire. It was already dawn."

In the post-attack phase, the I-class submarines maintained their patrols for some time, and at least one of the group - the I-7 - launched its aircraft to conduct a reconnaissance of Pearl Harbor to ascertain the status of the American fleet and installations. The operation plan had provided, in the event of the virtual destruction of the American Fleet at Pearl, that one Submarine Division or less would be placed between Hawaii and North America to destroy sea traffic and in fact at least one submarine - the I-17 - was despatched for the Oregon coast about 14 December.



43

11.94/1-2247

APPENDIX 1.

UMPIRES

Naval General Staff

NAGANO, Osami  
FUKUTOME, Shigeru

UOZUMI, Jisaku  
YAMAMOTO, Chikao

MAYUZUMI, Harue  
TAMURA, Saburo  
SANAGI, Tsuyoshi  
UOZUMI, Yoriichi

Rank

Admiral  
Rear Admiral

Captain  
Captain

Commander  
Commander  
Commander  
Commander

Official Duties

Head of First Section (War  
Planes and Operations).

Member First Section.

Head of Sub-Section, First  
Section.

Member Sub-Section, First Section.

" " " " "

" " " " "

" " " " "

Navy Ministry

TAKATA, Toshitane  
SHIKI, Tsuneo  
TOIBATA, Kurie

FUJII, Shigeru

Captain  
Commander  
Commander

Commander

Member of Military Affairs Bureau  
" " " " "

Member of Office of Military  
Supply.

Private Secretary to Navy Minister  
(Admiral SHIMADA, Shigetaro).

N-TEAM

Combined Fleet

YAMAMOTO, Isoroku  
ITO, Seiichi  
KUROJIMA, Kameto  
GOTO, Shigeru  
ISOBE, Taro  
SUGI, Toma  
SASAKI, Akira  
WADA, Yushiro  
NAGATA, Shigeru  
WATANABE, Yasuji  
ARIMA, Takayasu  
SEIMI, Ichiyoshi  
OTA, Kanai

Admiral  
Rear Admiral  
Captain  
Commander  
Commander  
Commander  
Commander  
Commander  
Commander  
Commander  
Commander  
Commander

CinC Combined Fleet.  
Chief of Staff.  
Deputy Chief of Staff.  
Staff Adjutant.  
Staff Engineering Officer.  
Staff Gunnery Officer.  
Staff Air Officer.  
Staff Communication Officer.  
Staff Navigation Officer.  
Staff Operations and Plans Off.  
Staff Torpedo Officer.  
Staff Supply Officer.  
Meteorologist Attached to Staff.

1st Combined Communications Unit (Radio Intelligence)

KAKIMOTO, Gonichiro  
ARISAWA, Naosada

Rear Admiral  
Commander

Commander.  
Deputy Chief of Staff.



43

711.94/1-2247

APPENDIX 1.

UMPIRES

Naval General Staff

NAGANO, Osami  
 FUKUTOME, Shigeru  
  
 UOZUMI, Jisaku  
 YAMAMOTO, Chikao  
  
 MAYUZUMI, Harue  
 TAMURA, Saburo  
 SANAGI, Tsuyoshi  
 UOZUMI, Yoriichi

Rank  
 Admiral  
 Rear Admiral  
  
 Captain  
 Captain  
  
 Commander  
 Commander  
 Commander  
 Commander

Official Duties  
 Head of First Section (War  
 Planes and Operations).  
 Member First Section.  
 Head of Sub-Section, First  
 Section.  
 Member Sub-Section, First Section.  
 " " " " "  
 " " " " "  
 " " " " "

Navy Ministry

TAKATA, Toshitane  
 SHIKI, Tsuneco  
 TOIBATA, Kurie  
  
 FUJII, Shigeru

Captain  
 Commander  
 Commander  
  
 Commander

Member of Military Affairs Bureau  
 " " " " "  
 Member of Office of Military  
 Supply.  
 Private Secretary to Navy Minister  
 (Admiral SHIMADA, Shigetaro).

N-TEAM

Combined Fleet

YAMAMOTO, Isoroku  
 ITO, Seiichi  
 KUROJIMA, Kameto  
 GOTO, Shigeru  
 ISOBE, Taro  
 SUGI, Toma  
 SASAKI, Akira  
 WADA, Yushiro  
 NAGATA, Shigeru  
 WATANABE, Yasuji  
 ARIMA, Takayasu  
 SEIMI, Ichiyoshi  
 OTA, Kanai

Admiral  
 Rear Admiral  
 Captain  
 Commander  
 Commander  
 Commander  
 Commander  
 Commander  
 Commander  
 Commander  
 Commander  
 Commander

CinC Combined Fleet.  
 Chief of Staff.  
 Deputy Chief of Staff.  
 Staff Adjutant.  
 Staff Engineering Officer.  
 Staff Gunnery Officer.  
 Staff Air Officer.  
 Staff Communication Officer.  
 Staff Navigation Officer.  
 Staff Operations and Plans Off.  
 Staff Torpedo Officer.  
 Staff Supply Officer.  
 Meteorologist Attached to Staff.

1st Combined Communications Unit (Radio Intelligence)

KAKIMOTO, Gonichiro  
 ARISAWA, Naosada

Rear Admiral  
 Commander

Commander.  
 Deputy Chief of Staff.



B-TEAMSecond Fleet

KONDO, Nobutake	Admiral	Commander.
YANAGIZAWA, Kuranosuke	Captain	Depty Chief of Staff.
OISHI, Tamotsu	Commander	Staff Navigation Officer.

Fourth Fleet

INOUE, Semi	Vice Admiral	Commander.
-------------	--------------	------------

Fifth Fleet

HOSOGAYA, Boshiro	Vice Admiral	Commander.
-------------------	--------------	------------

Eleventh Air Fleet

TSUKAHARA, Nishizo	Vice Admiral	Commander.
KUSAKA, Jinichi	Rear Admiral	Chief of Staff.

A-TEAMThird Fleet (Amphibious Forces for Southern Invasions)

TAKAHASHI, Ibo	Vice Admiral	Commander.
ISHIHARA, Majime	Captain	Deputy Chief of Staff.

Sixth Fleet

SHIMIZU, Mitsumi	Vice Admiral	Commander.
KANOAKA, Tomojiro	Captain	Deputy Chief of Staff.

First Air Fleet (Carrier Fleet)

NAGUMO, Chuichi	Vice Admiral	Commander.
KUSAKA, Ryunosuke	Rear Admiral	Chief of Staff.
GENDA, Minoru	Commander	Deputy Chief of Staff.



APPENDIX 2JAPANESE TASK FORCESMAIN BODY (Commander in Chief Combined Fleet) (Adm. Isoroku Yamamoto)

(6 Battleships, 2 Light Cruisers, 8 Destroyers)  
 Battleship Division #1 (2 Battleships) (MUTSU, NAGATO)  
 Battleship Division #2 (4 Battleships) (ISE, HYUGA, FUSO, YAMASHIRO)  
 Cruiser Division #9 (2 Light Cruisers) (KITAGAMI, OI)  
 8 Destroyers (Names uncertain)

STRIKING FORCE (Commander in Chief 1st Air Fleet) (Vice Adm. Chuichi Nagumo)

(2 Battleships, 6 Aircraft carriers, 2 Heavy Cruisers,  
 1 Light Cruiser, 16 Destroyers)  
 Battleship Division #3 (1st Section) (2 Battleships) (HIEI, KIRISHIMA)  
 Carrier Division #1 (2 Aircraft carriers) (KAGA, AKAGI)  
 Carrier Division #2 (2 Aircraft carriers) (HIRYU, SORYU)  
 Carrier Division #5 (2 Aircraft carriers) (SHOKAKU, ZUIKAKU)  
 Cruiser Division #8 (2 Heavy Cruisers) (TONE, CHIKUMA)  
 Destroyer Squadron #1 (1 Light Cruiser, 16 Destroyers) (ABUKUMA,  
 Destroyer names uncertain)

SOUTHERN FORCE (Commander in Chief Second Fleet) (Vice Adm. Nobutake Kondo)

(2 Battleships, 2 Small Aircraft carriers, 12 Heavy Cruisers,  
 7 Light Cruisers, 52 Destroyers, 16 Submarines)  
 Battleship Division #3 (2nd Section) (2 Battleships) (KONGO, HARUNA)  
 Carrier Division #4 (1st Section) (2 Small Aircraft carriers)  
 (Probably SHOHO and RYUJO)  
 Cruiser Division #4 (4 Heavy Cruisers) (ATAGO, TAKAO, MAYA, CHOKAI)  
 Cruiser Division #5 (3 Heavy Cruisers) (HAGURO, MYOKO, NACHI)  
 Cruiser Division #7 (4 Heavy Cruisers) (MOGAMI, MIKUMA, KUMANO, SUZUYA)  
 Cruiser Division #16 (1 Heavy Cruiser, 3 Light Cruisers) (ASHIGARA,  
 KUMA, KINU, NAGARA)  
 Destroyer Squadron #2 (1 Light Cruiser, 12 Destroyers) (JINTSU,  
 Destroyer names uncertain)  
 Destroyer Squadron #3 (1 Light Cruiser, 16 Destroyers) (SENDAI,  
 Destroyer names uncertain)  
 Destroyer Squadron #4 (1 Light Cruiser, 12 Destroyers) (NAKA,  
 Destroyer names uncertain)  
 Destroyer Squadron #5 (1 Light Cruiser, 12 Destroyers) (NATORI,  
 Destroyer names uncertain)  
 About 16 Submarines (Names uncertain)



APPENDIX 2JAPANESE TASK FORCES (continued)

SOUTH SEAS FORCE (Commander in Chief 4th Fleet) (Vice Adm.  
Shigeyoshi Inoue)

(4 Heavy Cruisers, 4 Light Cruisers, 12 Destroyers, 16 Submarines)  
KASHIMA (Light Cruiser)  
Cruiser Division #6 (4 Heavy Cruisers) (AOBA, FURUTAKA, KINUGASA, KAKO)  
Cruiser Division #18 (2 Light Cruisers) (TENRYU, TATSUTA)  
Destroyer Squadron #6 (1 Light Cruiser, 12 Destroyers) (YUBARI,  
Destroyer names uncertain)  
About 16 Submarines (Names uncertain)

NORTHERN FORCE (Commander in Chief 5th Fleet) (Vice Adm.  
Boshiro Hosokaya)

(2 Light Cruisers, 2 Destroyers)  
Cruiser Division #21 (2 Light Cruisers) (TAMA, KISO)  
2 Destroyers

ADVANCE EXPEDITIONARY FORCE (Commander in Chief 6th Fleet)  
(Vice Adm. Mitsumi Shimuzu)

3 Light Cruisers (KATORI, ISUZU, YURA)  
About 26 Submarines

ATTACHED FORCES (Training)  
Carrier Division #4 (2nd Section) (2 Small Aircraft carriers)  
(Probably HOSHO and ZUIHO)  
Miscellaneous Vessels.



SECRET

MAR 5 1947

No. 274

To the

Officer in Charge of the American Mission,  
Nanking.

The Secretary of State transmits herewith for the information of the Officer in Charge, and for such comment as he may desire to make, a revised Policy and Information Statement on Japan.

711.94/3-547

Enclosures:  
JAPAN, February 15, 1947  
Receipt

CS/A

711.00/

S-GC:CSavage:vh  
3/4/47

A true copy of the signed original.

MAR 4 1947

Unit

Dist

*[Handwritten signature]*

711.94/3-547  
SECRET FILE



MAR 5 1947

**SECRET**

No. *341*

To the

Officer in Charge of the American Mission,  
The Hague.

The Secretary of State transmits herewith for the information of the Officer in Charge, and for such comment as he may desire to make, a revised Policy and Information Statement on Japan.

711.94/3-547

VT

Enclosures:  
JAPAN, February 15, 1947  
Receipt

CS/A

A true copy of the signed original.

711.00/

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*MAH* 4 1947 P.M.

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Dist.	



SECRET

MAR 5 1947

No. *58*

To the

American Political Adviser to the Staff General,  
United States Occupation Forces in Korea,  
Seoul.

The Secretary of State transmits herewith for  
the information of the Officer in Charge, and for  
such comment as he may desire to make, a revised  
Policy and Information Statement on Japan.

711.94/3-547

CS/A

Enclosures:  
JAPAN, February 15, 1947  
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A true copy of  
the signed original.

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MAR 5 1947

**SECRET**

No. *253*

To the

Officer in Charge of the American Mission,  
Manila.

The Secretary of State transmits herewith for the information of the Officer in Charge, and for such comment as he may desire to make, a revised Policy and Information Statement on Japan.

711.94/3-547

Enclosures:  
JAPAN, February 15, 1947  
Receipt

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A true copy of the signed original.

*OK*  
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Cat	<i>Cat</i>
Sub	<i>Sub</i>
Initial	<i>Initial</i>

SECRET FILE

*711.94/3-547*



MAR 7 1947

SECRET

AIR MAIL

My dear Mr. Acheson:

There is enclosed a copy of the February 1947 issue of the Policy and Information Statement on Japan. The Statement has been revised in the light of recent events. Will you please go over it carefully and transmit to the Department your frank comment and recommendations.

It will be of interest to you to know that one of the most gratifying and productive features of this project has been the straightforward and vigorous comment from the field on the policies set forth in these Statements.

There is enclosed an additional revised copy of the Statement on Japan for the information of General MacArthur. The enclosed form showing that these Statements have been received and that the two copies of the previous issue have been burned should be signed and returned to the Department.

Sincerely yours,

DCR NE Unit  
*[Handwritten signature]*

Dean Acheson

Enclosures:  
JAPAN, February 15, 1947 (2)  
Receipt

A true copy of the signed material

MAR 3 1947

S.M.F.  
FE

The Honorable  
George Acheson, Jr.,  
United States Political Adviser to the  
Supreme Commander for the Allied Powers,  
Tokyo.  
CS  
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3/4/47

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Route



~~SECRET~~  
DC/R

AMERICAN EMBASSY  
The Hague, Netherlands

March 28, 1947



SECRET

The Honorable  
The Secretary of State

Sir:

The following Policy and Information Statements  
have been received:

<u>Country</u>	<u>Date</u>	<u>Copy No.</u>
Japan	Feb. 15, 1947	23

711.94/3-2847

The following have been burned:

<u>Country</u>	<u>Date</u>	<u>Copy No.</u>
Japan	June 1, 1946	16

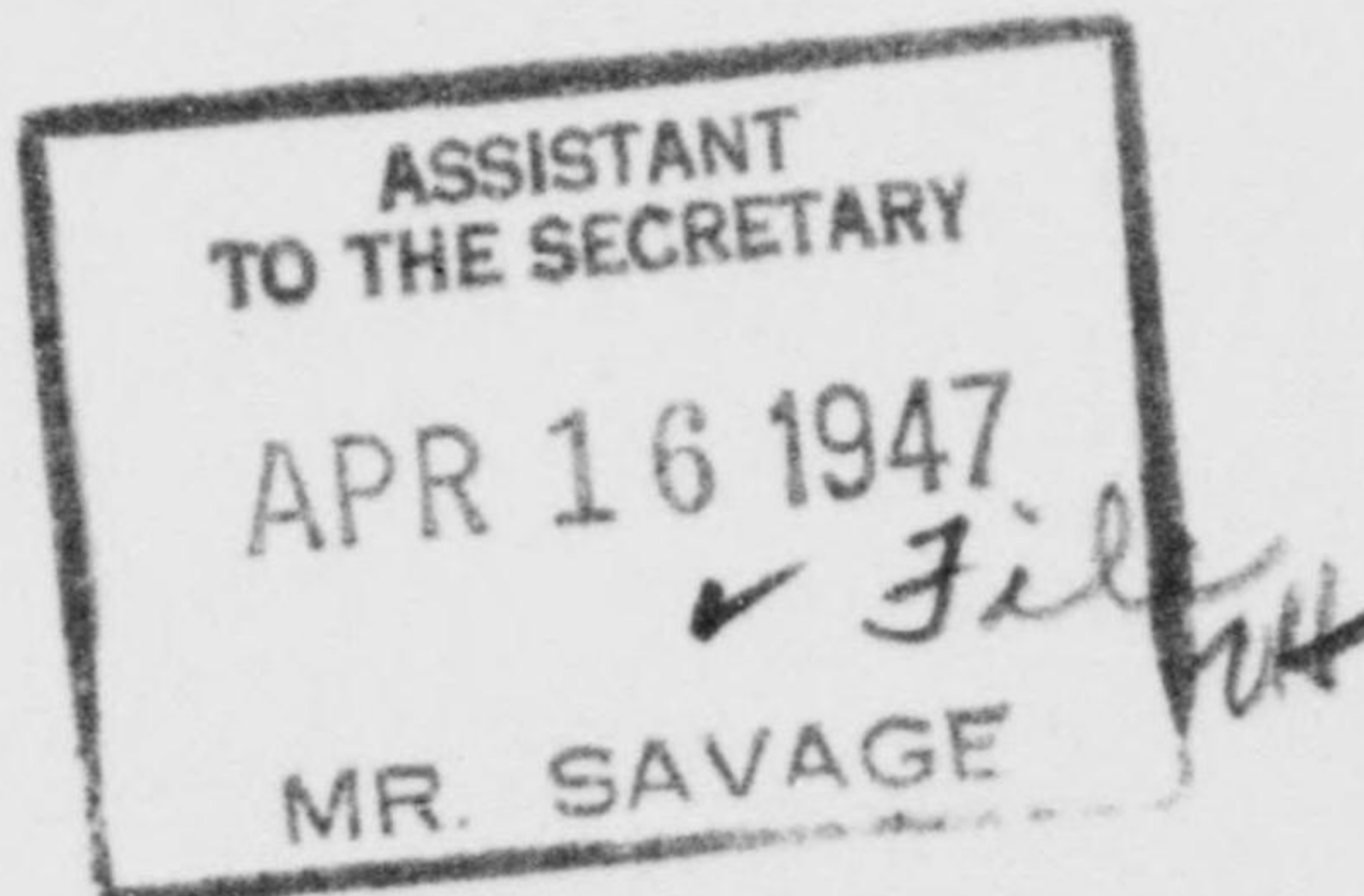
APR 21 1947

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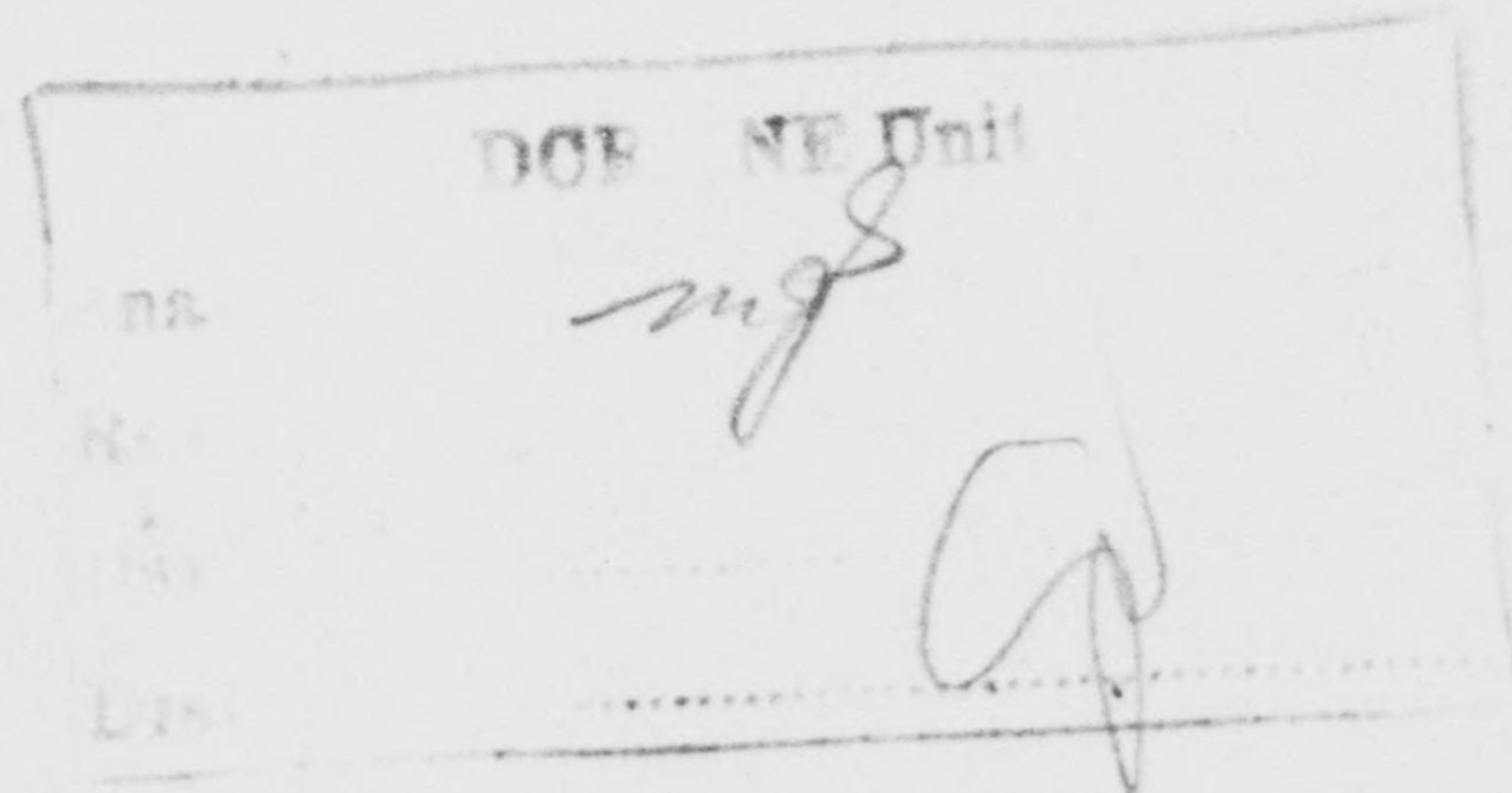
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SECRET FILE



Very truly yours,  
*J. Webb Benton*  
J. Webb Benton  
Charge d'Affaires, a.i.





APR 18 1947

70

In reply refer to  
JK

My dear Mr. Flanz:

I regret that I was unable to confer with you and the group when you visited the Department on March 26. Mr. Martin has informed me of the course of the discussion and I feel sure that the exchange of information and views was beneficial to all. I may say that I have reviewed the contents of your brief, on the points of which Mr. Martin expressed the views of the Department.

The Department is always desirous of obtaining the views of groups which are vitally affected by the Government's foreign policies. I recognize that the policies sometimes appear to bear unduly upon particular groups, but I am sure you will agree that policies must be developed which promise to serve best the general interest and welfare of the nation. The policies toward Japan are directed toward the objective of that country becoming self-sustaining so that we and other countries will not be required to support her into an indefinite future. While we think it likely that Japan's textile industry will play an important role in Japan's future economy, we are hopeful that such a development would not be supported by various unethical business techniques and practices, such as prevailed in the prewar period, that go far to undermine and destroy free enterprise as we know it.

Mr. Martin has indicated the Department's views on the specific points raised in your brief. I should like to add only this major point: As I read your brief, the objectives you seek would seem to require this Government to take long-run action which would in a number of ways involve restrictions on trade. This course would appear to be in serious conflict with a basic principle which this country is endeavoring to establish throughout the world, namely the expansion of world trade through the reduction of trade barriers and the systematic elimination of discriminatory practices.

Please extend to your colleagues the thanks of the Department for their interest and the expression of their views. You may be assured that

Mr. William C. Flanz, Chairman,  
Cotton Machinery Committee,  
The Cotton Textile Institute, Inc.,  
320 Broadway,  
New York 7, New York.

in the

Handwritten notes and stamps in the bottom left corner, including a signature and the word "RECEIVED".

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-2-

in the development of policies we shall not be unmindful of your interest. Points may arise upon which you could provide valuable information and help; if so, we shall be glad to have your views.

Sincerely yours,

Willard L. Thorp  
Assistant Secretary  
for Economic Affairs

OR *112* ✓  
APR 18 1947 P.M.

*G*  
JK:DOBowman:bbb  
4/10/47

cc: Mr. Gardiner-USCC

(Cleared with CP)





STANDARD FORM NO. 64

*Office Memorandum* **DRAFT** • UNITED STATES GOVERNMENT

RWB/evc

DATE: 9 June 1947

TO : Mr. Martin

FROM : Mr. Barnett

SUBJECT: Comments on Mr. Hoover's Letter to Secretary Patterson

1. In Mr. Hoover's letter of May 7, 1947, to Secretary of War Patterson, there are several mis-statements of fact upon which he has based erroneous conclusions as to what United States policy towards Japan should, at present, be considered to be.

2. The United States Government has never advocated "Draconic measures of punishment" for Japan. The United States Government, in company with other signatories of the Potsdam Declaration, assured Japan that (para. 9) "The Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives" and (para. 11) "Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to re-arm for war. To this end, access to, as distinguished from control of, raw materials shall be permitted. Eventual Japanese participation in world trade relations shall be permitted." The United States Government has abided by these principles. The Far Eastern Commission has considered them controlling.

2. "Level of industry" considerations have had no effect upon Japan's trade deficit during the period from September 1945 until the present. No reparations removals occurred in that period. The Far Eastern Commission authorized SCAP to designate individual plants for permanent retention up to capacity far exceeding present operation in every category of industry in which any capacity has been declared available for

711.94 / 6-947  
L 66-9 / 6-116



removal. Lag in production to satisfy domestic needs or develop export surpluses found its causes in coal shortage, inflation, overloading of rail transport, breakdown of wartime consumption controls, weakening of government authority, disruption of the patterns of ownership, and psychological inertia. Shortage of industrial raw materials was a factor in this situation, but not primary. "Level of industry" was no practical factor, except as Japanese chose to find alibis for their own failures.

3. Japan's food deficiency was never underestimated in the Japanese food import programs of the U.S. Government. What reductions or restrictions were imposed upon requirements stated by either the Japanese or by SCAP, were the result of world shortages in supply and not (a) shortage of funds or (b) lack of willingness to satisfy known needs.

4. Reparations decisions, proposed by the United States and acted on or being considered by the Far Eastern Commission, making available Japanese industrial capacity for removal as reparations have been posited upon careful and convincing research which, in every case, has established availabilities as being what is clearly surplus to the peace needs of Japan, i.e. in excess of what is required to maintain a 1930-34 standard of living. Food deficiencies, increased population, technological changes, employment, and other factors, likely to exist at that date, have been accounted for. No permanent "maxima capacity levels" have been established. No decisions have been reached as to disposition of what is available for removal (because surplus) and yet not removed (because too costly to move or, for other reasons, not wanted). It is our belief that most of what is declared



"surplus" is unnecessary to the Japanese economy. Our regret is that little of this "surplus" is likely to be much more useful to the countries devastated by Japan.

5. No long term program of economic repression has been put to the Far Eastern Commission by the United States Government. On the contrary, government to government trade arrangements are being expanded, private trade re-opened, increased private enterprise in Japan encouraged, monopolies dissolved, and commercial credit facilities from Japanese and foreign sources being developed.

6. The keys to most effective revival of Japanese productivity are (A) a working program of industrial recuperation in Japan (upon which the State Department has been working) and (B) intelligent and responsible cooperation with other Far Eastern countries with which Japan's trade inter-relationships must develop (which, we hope, can be secured). Japan's economic recovery is already an objective of the United States Government.



No. 1436

AMERICAN CONSULATE GENERAL

Shanghai, July 2, 1947

SUBJECT: Chinese Comment on U.S. Policy in Far East



1947 JUL 14 PM 4 00

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

RECEIVED DEPARTMENT OF STATE

DC/1 FACILITIES BRANCH

1947 JUL 14

I have the honor to transmit herewith a copy of the Republic of China Government Information Bureau's Daily Bulletin, Shanghai Edition, for June 30 entitled "U.S. Far East Policy." The editorial quoted in the Bulletin generally follows the line taken by the official Chinese Central News Agency in its reports from Japan.

Although the bulletin carries the specific statement that editorial or feature translations are for the reference of readers and such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein, it seems clear from past indications of government officials and the Central News Agency's definite trend in news reports that this article reflects to a considerable extent the Chinese Government's views.

Respectfully yours

For the Consul General

Bradley Connors Chief Public Affairs Officer

842

BC:FS

To the Department in original and valid

Enclosure: AM

1. Copy of Republic of China Government Information Bureau's Daily Bulletin, Shanghai Edition, for June 30, 1947.

Copy for the Embassy.

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FE  
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navy  
CID

HB

711.94/7-247

CS/A

711.94/7-247

AUG 1 1947



COPY

Enclosure to Despatch No. 1436

Government Information Bureau  
Daily Bulletin, Shanghai Edition  
No. 25 June 30, 1947

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein."

#### U.S. FAR EAST POLICY

The American Far Eastern policy, which is aiding Japan to recover from her war wounds, has embarked on a perilous course, said the Sin Wan Pao on June 27. This policy, based on expediency has been formulated by U.S. military officers. They maintain Japan with her remnant strength is still more powerful than China, if there is war with the U.S.S.R., the United States Army cannot cope with the Soviet Army in the Far East, and the United States will find better air and naval bases in the Japanese islands than in China.

General Douglas MacArthur, advocate of the above-mentioned propositions, is principally responsible for the development of American Far Eastern policy, stated the paper. Judging from latest developments in defeated Japan, many people have said with reason, that Japan has become the ward of the United States. The United States alone has decided the amount of reparations to be exacted from Japan, regardless of opinions of other Allied powers. Two weeks ago, the U.S. government even announced that Japan would be permitted to resume her trade, and American has designated the Far East as the chief market for Japanese goods. In addition, General MacArthur, in an interview with the French Press Agency, said that Japan had undergone substantial psychological disarmament. A short time ago, the Japanese government requested that Japan be allowed to maintain a small army and air force. Is this proof of Japanese psychological disarmament? the paper asked.

It is reported that Japan will get US\$850,000,000 of the possible American loan of some \$22,000,000,000 to be extended to needy countries of the world. The same reports reveal that China's share is only \$300,000,000. If this information is correct, we do not know what the Chinese will think. China's economic situation is getting progressively more serious, the paper said. Though the American government has expressed sympathy, yet the men who have the final say in extending a loan to China are basing their decision solely on business consideration, thus hindering its materialization.

The American press places the whole responsibility for the present serious situation on the National Government of China, not realizing that the adversity stems from the Northeastern problem, which in turn is a result of the Yalta Agreement. There are also some people who say that China is an onerous burden to the United States, and they ask the U.S. government to pull out of China. We cannot fathom these people's reasoning, the paper remarked.

It is time for the American Government to reconsider its Far Eastern policy. If it still remains indifferent to realities, the whole world will be jeopardized.



JOS. R. BRYSON  
4TH DISTRICT SOUTH CAROLINA

COMMITTEE ON JUDICIARY

WASHINGTON TELEPHONES:  
NATIONAL 3120  
REPUBLIC 7315

GREENVILLE TELEPHONES:  
41 AND 249-J

Congress of the United States  
House of Representatives

Washington, D. C.  
July 9, 1947

JAMES W. CROCKER  
SECRETARY

RHODA MCCARRELL  
ASS'T SECRETARY

CLERKS:  
NAOMI NORRIS  
NELL SHEPPARD

*Ask. #7  
7-12-47  
JWB*

THE WHITE HOUSE  
JUL 10 9 17 AM '47  
RECEIVED

*JWB*  
*DC/R*

The President  
The White House  
Washington, D. C.

RESPECTFULLY REFERRED  
FOR CONSIDERATION  
*William D. Rowley*  
MEMBER OF THE HOUSE

711.94/7-947

My dear Mr. President:

While I was home last weekend, one of my constituents, Mr. T. J. League of 114 Buist Avenue, Greenville, South Carolina, a former missionary, spoke with me regarding a communication he wished placed in your hands. In accordance with Mr. League's request, I send you herewith the sealed communication I have received.

Thanking you and with kindest personal regards,  
I am

Very respectfully,

*J. R. Bryson*  
Joseph R. Bryson

JRB:nn

Enc.

DEPARTMENT OF STATE  
JUL 17 1947  
*filed*

CS/A

*Handwritten notes and stamps in a box at the bottom left.*

DEPARTMENT OF STATE  
JUL 23 1947  
*filed*  
*carded - etc*

711.94/7-947  
FILED



Greenville S. C., July 3rd. '47.

Persident Truman,  
Washington D. C.

Dear Mr. President,

I hope you will excuse my addressing you on a matter which seems of great importance. It has to do with a report in the Magazine Time, the 16th. of June last. In your Kansas city ~~addr~~ address, You are reported as saying among other things: "Japan struck at Pearl Harbor because she thought the United States was too weak to fight back. What a mistake she made!"

I went to China in 1889. Consequently I have been in quite close contact with the happenings in that part of the world for more than half a century. During the years especially, when affairs between the Manchu Dynasty and Japan, as also between Russia and Japan were developing, I had unusual opportunity <sup>for</sup> knowing the events and their significance as they passed.

I not only know the events which took place, but what is even more important I know them in their sequence and effects. On the basis of this knowledge I beg to say ~~that~~ that Japan struck at Pearl Harbor because they had no other choice, if their self-respect was to be preserved. From 1931 to 1941 in particular, our U. S. Government, acting under the effects of misconception and misleading propagaanda persisted in an unbroken series of hostile practices, against which Japan offered no retaliation.

Beginning with Mr. Stimson's "Pronouncement", refusing to recognize the restoration of Manchu rule in Manchuria, under the lineal successor of that dynasty, our Government kept up a barrage of letters making unwarranted charges against Japan with regard to matters which



should have been taken up with the restored Manchu Government; such as import duties collected on American manufactured articles entering Manchuria. Japan was charged with obstructing such imports, with the purpose of shutting out American commerce altogether. American Newspapers carried such reports, thereby increasing the degree of misinformation among the American people which has resulted in so much of irreparable harm. An examination of the American Commerce Department for the period concerned, showed that exports to Manchuria <sup>after</sup> the Manchu succession had increased two hundred ~~seventy~~ percent.

Unfriendly feeling growing against Japan, found expression around the years 33/4 in a sponsored boycott in America against the sale of Japanese manufactured goods. No one seems to have realized how serious an offence this was.

As no retaliation was made on the part of Japan, the next move by our Government was the declaring of Economic Sanctions against Japan. Still no retaliation. On the contrary during this period American exports to Japan reached the high mark of so six hundred million dollars <sup>per year</sup> almost three times that ~~for~~ the whole of China. In spite of that, the next hostile move on the part of our Government was the placing of an embargo against Japanese shipping; a move which <sup>I</sup> believe had always led to military retaliation by the affected party. Still no retaliation on the part of Japan.

The next move, which clearly indicated the temper of the American Government, was the freezing, otherwisr the confiscating, of all of Japanese financial and commercial resources in America. <sup>the</sup> This act took place on July 26th. '41. The clear implications of all this indicated a determination on the part of the American Government to provoke Japan to retaliation. A high Legal authority said of this that he could ~~do~~ not <sup>see</sup> how Japan could ~~fail to~~ maintain its self respect without retalia-



tion. - that such retaliation would lead to a terrible war, which could result only in great damage and loss to all concerned." Again Japan did not retaliate.

Four months after the "Freezing" act, an Ultimatum was issued to Japan in which, after the usual preamble there followed these words: - "Failure of the Imperial Government of J-apan to remove at once the whole of her military forces and armament from China, is War." I ask you Mr. President, what choice had Japan!

I make you the proposition, <sup>that</sup> in the progress of events after the entry of Japan into International relations in 1858, ~~that~~ no action of Japan in relation to U.S. America or China can be pointed to, which in any way affected either China's or American interests adversely. Of propaganda alleging damaging projects, there is an abundance, but of evidence to support it, there is none. On the contrary both China and U. S. America profited much from Japanese operations.

For China, the stabilization of Manchuria secured a safe northern border for China. Japanese ingenuity furnished much in the way of aiding and stimulating appropriate means for supplying China's needs. I will site one of these. The Chinese had never got beyond the spinning wheel, and the hand loom for supplying the needs for woven materials for clothing and other purposes. Japanese ingenuity produced a foot power loom, as that was the only available source of power in China, by means of which cloth production was greatly increased. I saw hundreds of these in operation. Thousands of Chinese, including the well advertised Kiang Kai Shek, went to Japan for educational training.

On the part of U. S. America, I have already pointed out the great increase of exports to Japan. Japanese industrial enterprise absorbed some of the Chinese markets for textiles in particular. On the other hand the Chinese market was greatly stimulated for cotton



yarns, suitable for <sup>warp in</sup> the improved looms the Japanese furnished China. I am aware of all the propaganda of starvation wages for textile and ~~and~~ other workers in Japan. Evidence furnished by reputable American textile men, has sufficiently refuted this. Wages as compared with American textile workers was very low, but the economy of Japan developed on low expenses, the care for the operatives by the operators of the industries, the highly trained home economy of the operative, more than overbalanced ~~this~~ apparent money superiority of American operatives.

Much unwarranted propaganda as to the overbearing effect of the Japanese is not supported by the evidence. Boycotts against Japanese merchandise in China were ~~perennial~~, beginning even before the suspension<sup>n</sup> in 1912 of the Manchu control of China, in order that China might make the attempt to form a Republic. In spite of the inevitable effects of such long continued boycotts, the alleged militancy <sup>m</sup> attempted no retaliation against the Chinese. Compare the course of Western powers in dealing with Chinese attempts to curb their advances. Punitive military expeditions, the establishment of Extraterritorial privileges, the establishment of International Settlements for the accommodation of citizens of the various Powers concerned. The control of Chinese import duties, both as to procedure and the percentage permitted of such duties. As late as 1927, an American Naval vessel joined the British in bombarding Nanking for some violation of regulations.

Compare the non retaliation <sup>against</sup> ~~of~~ ten years of hostile practices by our America Government from 1931 to 1941, which I have detailed above. Comment seems superfluous.

The Japanese were under no illusion as to the seriousness of the attempt to defend themselves against American demands. They knew, and the Chinese knew that American Demands were not justified. The



The Chinese knew, and the occupants of the several International ports knew, that the attacks by the Chinese in 1934 and in 1937, on the Japanese sectors of these International Settlements, was a violation of the treaties which created these areas. It was the obligation of the Western occupants to have joined the Japanese in repealing the Chinese in that violation. I will not say to you what the obvious reason for this dereliction was. It should be too clear to any open minded observation.

Now Japan's power is destroyed, and by the same power, Russia is gratuitously returned to the dominant role in the Far East. Again comment seems superfluous.

Do you ask why I wait to this late day to bring up these matters? I reply that I did everything in the power of an individual to bring attention to the facts. When I read Mr. Roosevelt's inaugural address in 1933, in which he said that he was not fully informed as to Far Eastern matters, so he was accepting the policy of his predecessor. At once I set to work and wrote as fully as possible what I knew about the situation, as to the misconceptions on which his predecessor had acted, and mailed to him, in Mrs. Roosevelt's care. I had an acknowledgment from her to the effect that she would see that the paper was brought to the President's attention.

During the following years, as matters developed, I wrote repeatedly to Mr. Stimson, <sup>whose</sup> unfortunate pronouncement in 1941 ~~was a pronouncement~~ I realized would lead to eventual disaster, unless misconceptions of the situation could be brought to light. I wrote repeatedly to Mr. Hull, to Ex-President Hoover, to News-paper Editors, none of whom would accept any information offered. I wrote to the Sec. of the Canadian Parliament pointing the danger to British interests if the course of action under way could not be in some way diverted. I wrote to many influential men in industries, I



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wrote to Mr. Grew on his return from Japan, calling ~~his~~ attention to the misconceptions on which Western and American policies were founded and their certain results. Just one man, a prominent educator in law, <sup>replied as below</sup> to whom I sent ~~sending him~~ a copy of my appeal to Mr. Stimson. I am not at liberty without his consent, to give you his name, but I will give you a quotation from his reply, and if this writing comes to your attention I will on your request ask his consent to give you his name.

Here is the quotation:

"Dear Mr. League,

I have read with great interest your letter of Aug. 17th. with its copy of your letter to Henry L. Stimson. You evidently know what you are talking about, and I congratulate you on the clear presentation of the facts.

The relations between Manchuria and Japan were more clearly understood in this country in 1904 and during the period down to 1918, when the Lansing-Ishii agreement had been concluded, than they have been since then. Since 1919 a sort of vacuous sentimentality has come upon the American people, generated by the theories of Geneva, all of which, ~~when~~ analyzed, will boil down to the goal of seeking to preserve the status quo, without examining its foundations. In this country this status quo was accepted as a sort of divine inspiration prudently fortified by military force. In fact there has probably rarely been an unhealthier status quo than that, created in 1919. When however it began to crack up, the moralists in this country were completely shocked, for they had not been prepared by knowledge to expect what was coming.

The attitude toward Manchuria has been extraordinary. Apparently very little knowledge of the background prevails. I have much admiration for Mr. Stimson in many respects, but I am depressed at his assumptions with respect to the Far East. Japan could have taken Manchuria in



1904, having finally driven Russia away. Russia was the worry of England, and of other countries, and Japan was applauded for her self restraint in not annexing it. perhaps Japan regretted not having done so, but it was not part of China, as most people I think then appreciated. The castigations of Japan and the anti-Japanese propaganda began with the League of Nations sentiment created in 1931. It has now (1939) been carried on to a point where I am told forty million <sup>America</sup> people subscribe to an embargo on Japan. It seems to me that Japan in self-respect would have to retaliate, and that would mean war. This war would find its foundation, I believe, in ignorance, but our emotionalism has become so natural that there is little disposition to study the facts. I would deplore war with Japan, which could only result in disaster to the United States, and to Asia. We made a great mistake in 1917 and now seem bent on repeating it.

It seems to me that the best way in which a man of your profound information and good judgment can make himself effective is perhaps to reprint or have reprinted by some KEEP AMERICA OUT OF THE WAR organization, a copy of your letter to Mr. Stimson and to circulate it freely throughout the country. Notably it should be sent to officials of the Department of State, and to members of the Senate and the House.

Very faithfully yours." Aug. 23, '39

I had no means to follow the above recommendation. When I saw what the outcome of events would be, unless some means could be found to avert it, I wrote again to Pres. Roosevelt, pleading with him not to commit our country to any irrevocable situation till a Commission of well informed men should be sent to the Far East to thoroughly examine the whole situation. I had no acknowledgment of my letter.

At this point I heard your address at Charlottesville Va. Those were noble sentiments <sup>which</sup> you expressed as to peace. But no peace can



can be attained where misconception and misinformation prevail. I say to you, Mr. President that no people were ever more greatly misinformed than our American people as to the development of this war with Japan. I speak of what I know from the many years of living in the heart of the developments which produced it, as I have already spoken of above. There was no invasion of Manchuria. There was no invasion of China. There was no treacherous sneak attack on Pearl Harbor.

Japan had the Far East stabilized, and if our Government and country had been wise enough not to listen to Chinese anti-Japanese propaganda, based as it was ~~on~~ purely on Jealous envy of Japanese National attainments, we should not now be faced with the serious problems of that disrupted and unhappy country. Think you that Russia, now reestablished on the Gulf of Pechili, gratuitously reestablished by our Government, will ever again surrender the advantages we have so needlessly given them!

China, freed from the abetting of our Government and people of their unreasonable and unreasoning anti-Japanese jealous envy, would have eventually yielded to Japanese proposals for cooperation. The Japanese are the only people with the qualities and patience to do what is necessary for China's rehabilitation. It was an unforgivable blunder our Government made when Japan asked for a recognition of her paramount interest in her environment. How could our Government of all governments deny so reasonable a recognition. Our news-papers fairly spit on the proposition which they attributed to Japan's ~~of~~ "unspeakable arrogance"!

I was greatly distressed today when you again classed Japan with Germany. Whose arrogance is it when we warn all and sundry against interference in our environment!

I commend to your especial attention the letter quoted in full. I am tempted to make another quotation from the same source, in a letter



date of Dec. 4th. '44. Quote: "We seem to have let ourselves in for a fearful mess, and the impotence of Japan which this country is trying to bring about increases the future hopelessness of the situation. I don't know what is in the mind of F. D. R., or whether he has thought about the future at all. But in the meantime I suppose the fighting instinct compels him to sacrifice American troops to the first objective, victory. What he will do with it I am interested to see." End quote.

I should like to say something about Korea. Suffice it to say that Korea was practically without government, an open invitation to Russian encroachment. Mr. Theodore Roosevelt fully approved of Japan's action in that case, which he was not at all likely to do without good reasons. One of my sons was in Korea in a business capacity for some years after the Japanese occupation, and his impression was that Japan's occupation was entirely justified, and the well-being of the people well considered. At all events we have done much more of that kind of thing, with far less reason for it.

What is the situation now! We shall have no peace that is worth while till the American <sup>people</sup> understand and admit the truth that the war was forced on them <sup>(the Japanese)</sup> by our Government. That the two grounds on which the war was promoted and promulgated, namely the invasion of Manchuria and the invasion of China, neither has any reality in fact. I ask you, Mr. President, think you that if Japan had made an invasion of China, they would, with their demonstrated courage and military capacity, have dawdled over it for four full years! After the principal International settlements in which the Chinese, as shown above attacked the Japanese, <sup>were occupied</sup> sectors, no further move was made by Japan. The Chinese kept up their sporadic attacks for the sole purpose of making sure American intervention with the inevitable result of war. With the evidence before you <sup>again</sup> I ask you what choice Japan had!



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I can add as my excuse for addressing you my grave concern for the hopeless situation which the unwarranted action of our Government made on the basis of misconception and misinformation, both of which might so easily <sup>have been</sup> averted by an open minded examination of the sequence of events which produced the debacle. I can of course make no suggestions, I can go no further than tell you what I know of the whole unhappy business and leave to your discretion whether anything may be done about it

With sincere respect,

*T. J. League*

From

T. J. League,  
114 Buist Ave.,  
Greenville S. C.



STANDARD FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

DATE: February 5, 1948

TO :

FROM :

SUBJECT: Respective Positions of Secretary Stimson and the British Government during the Manchurian Crisis, 1931-1932.

*KR 893.00  
Manchuria*

There is no evidence in the Department of State records that Secretary Stimson ever proposed to adopt an all-out "get tough" policy toward Japan during the Manchurian crisis of 1931-1932, nor that the Secretary proposed either economic or military sanctions against Japan.

The first position of Secretary Stimson with regard to the Manchurian crisis in September and October 1931 was that we would lend the League of Nations "our moral support" but that we would have nothing to do with sanctions. Our rejection of sanctions was repeated in November 1931 while the Secretary stated our willingness to express disapproval of Japan's action and to refuse to recognize treaties forcibly imposed by Japan. On November 16, at the Paris session of the League Council, Sir John Simon, who had just become foreign minister, stated that if he had to choose between long and uncertain negotiations on the one hand and "going squarely and openly on the records to support the principles of the League" on the other, he would choose the latter even if it were unsuccessful. On November 18, Sir John stated that if China invoked articles 15 and 16 of the League Covenant, "the League should go the limit of its powers irrespective of whether the probabilities favor success or not. It would tend at least to mobilize the world's moral forces in a strong way in condemnation of Japan's procedure, always provided the same attitude is concurrently and independently assumed by the United States Government". Sir John Simon inquired whether "the United States Government would be inclined to appoint either a member or an associate investigator" on an inquiry commission under article 15. He felt that "then, if this action is ineffective, (the League) should proceed under article 16", (the sanctions article of the Covenant).

*299*  
*LDV*  
Ambassador Dawes informed Secretary Stimson on November 19 by telephone that he had seen Simon, Briand, and Cecil, and he stated that the question in their minds was whether "the United States should now come in behind the League", and Ambassador Dawes then repeated that "Simon's position was that he wants to go the limit".

Secretary

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Secretary Stimson, in response to this inquiry, emphatically rejected the idea of sanctions so far as the United States was concerned, and repeated that all we could do would be to publish the correspondence and announce our disapproval of Japan's action and our refusal to recognize treaties imposed by force.

When in January 1932 Mr. Stimson proposed sending non-recognition notes, the British Government agreed in principle to the non-recognition policy but stated that as a member of the League, its position was somewhat different from that of the United States. Secretary Stimson's proposal at the end of January 1932 for a direct appeal to China and Japan by the American and British chiefs of state was not received favorably in Britain because it was felt that King George could not do that sort of thing.

Likewise, Secretary Stimson's proposal on February 11, 1932, to make a joint statement regarding the obligations of article 7 of the Nine-Power Treaty failed of consummation. Sir John at that time expressed a more hopeful view of achievement through the League. Later Sir John supported parallel action by the British and American Governments in the Far East and supported the approval by the League of the non-recognition doctrine. The record shows that when Sir John became foreign minister in November 1931, he was in favor of a much more vigorous policy than Mr. Stimson favored. Later, in January and February 1932, when Mr. Stimson was pushing his non-recognition proposal, Sir John Simon was unwilling to adopt identical procedures but rather favored action through the League. This situation, in February 1932, led Mr. Stimson to state his opinion that the British Government had let us down.

The above comments cover the significant period of negotiations between the British and American Governments on this subject.

RE:GBNoble:mem



*reply dated  
3-25-48  
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JMC:cms

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

American Consulate General  
Shanghai, China  
March 5, 1948

TOP SECRET

Dear Walt:

The Chinese newspapers are continuing to express grave doubts with regard to our Japanese policy. Even the newspapers which are most friendly to us are expressing misgivings as a result of George Kennan's trip to Japan. I do not know whether there is any truth to the recent U.P. story that we have decided to reverse our policy toward Japan and build it up as a bastion against Communism, but I can scarcely believe that we would reverse our policy so sharply at this date. Needless to say, I am not familiar with conditions in Japan, but I doubt that any military advantage we might get from abandoning our war-time ally, China, at this time and rearming our war-time enemy, Japan, would equal the discredit we would bring on ourselves throughout this area by such a course. Since we have as yet received no recent policy statements from the Department, I am inclined to read into the U.P. story the rather obvious fact that we do not want Japan to offer a fertile field for the dissemination of Communism, and that for that reason we are trying to reestablish sound economic conditions in Japan.

This is an argument which we should be able to sell to the Chinese. It would, after all, be of no benefit to them if we should permit the continuance of conditions which would impell the Japanese people to embrace Communism. On the contrary, such a situation would be more dangerous for a non-Communist China than it would be for the United States, the more so as Communist Japan would of course respect any obligations regarding disarmament as little as other ex-enemy Communist states have respected their treaty obligations.

In

The Honorable  
DOB - J. W. Walton Butterworth,  
Director, Office of Far Eastern Affairs,  
Department of State,  
Washington, D. C.

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TOP SECRET

In my speech before the Rotary Club a month ago I tried, by pointing to a few basic facts, to bring before Chinese public opinion the sincerity of our repeated declarations that we intended to demilitarize Japan. The speech was widely read and on the whole, I believe, very well received - at least the interest expressed in it and the many favorable comments I have heard have been very pleasing. Naturally it evoked a certain backwash of criticism, most of which it would have been very easy to have refuted had we been furnished with even the meagerest factual information. This criticism was, moreover, so weak that in a sense it refuted itself. Now, however, the Kennan visit has raised Chinese suspicions again to a fever heat, and the Department's silence leaves even our official representatives in China in the dark as to its exact position. We do not dare say anything more until we know that what we are saying will not disagree with any new developments which may have occurred in Departmental policy. As a result we have been forced to remain silent as the chorus of questioning voices rises to ever higher pitch, and the effect on Chinese public opinion must be ever more profound.

If the U.P. story is substantially correct, then I still believe that for the time being we should be careful, both in word and action, regarding any relaxation which we are going to make in our demilitarization program. I gather that it will take some time to put Japan on a sound basis economically in any case. Moreover, we must remember that Russia and China have not yet signed any peace treaty with Japan, and that endless complications would, I imagine, ensue if we should hand arms back to the Japanese, or even give the impression we were going to, before a peace treaty had been signed. We should at least wait until the issue has been decided in China and the entire country engulfed in Communism. I repeat, however, that in my opinion such a course, despite the practical arguments which might recommend it, would be of such deviousness that we should reject it with repugnance.

If, as I imagine, our basic policy remains substantially unchanged and merely contemplates the rebuilding of a sound economy in Japan, then it seems to me that we should be so informed immediately in order that at least the fundamental arguments may be used to refute the yammer now arising against us in this country.

Even

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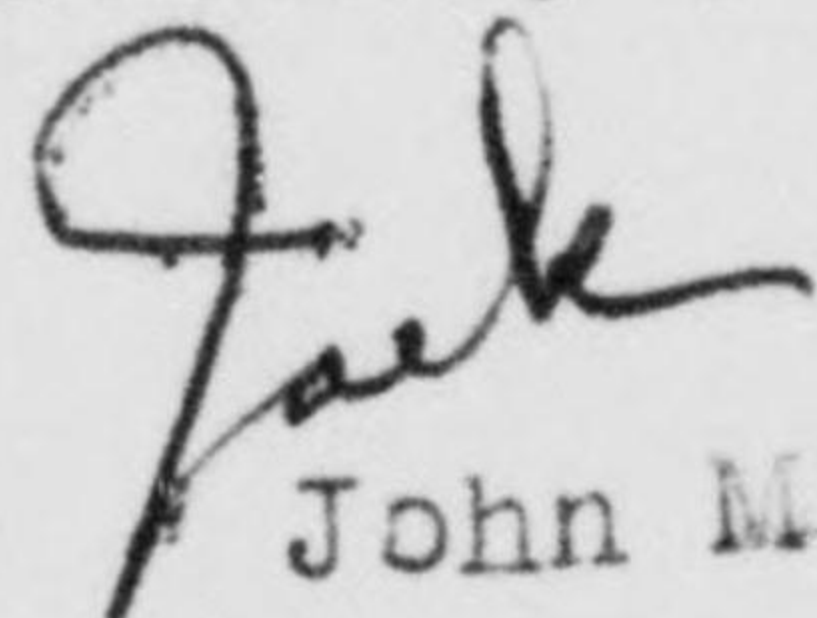
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Even if there are disagreements as to how the policy specified above is in practice to be carried out, there is much we could do now to set Chinese misgivings at rest which would be much less effective at a later date.

I sincerely hope that we can be given general directives, at least, in the immediate future. You cannot imagine how disheartening it is to see golden opportunities slip through our fingers every day! I do hope you will give your personal attention to this.

With all good wishes,

Very sincerely yours,



John M. Cabot

TOP SECRET



DC/R  
File

March 25, 1948

TOP SECRET

Dear Jack:

In reply to your letter of March 5, 1948, let me say at the outset that I have given much thought to the points raised in your letter and to the whole question of Chinese newspaper comments with regard to our policy toward Japan. A special committee has been at work in the Department preparing material for use in connection with a possible press conference on this subject as requested by you in recent telegrams. In order not to embarrass George Kennan in his discussions with General MacArthur, the Under Secretary directed that no formal position be taken on those aspects of our Japanese policy which Kennan might take up with General MacArthur, until after Kennan's return. Under the circumstances, therefore, it has seemed advisable to hold up final decision on the material which is being prepared for your use until after Kennan's return to Washington.

In reference to the points raised in your letter, you are quite correct in assuming that our basic policy remains substantially unchanged and that our interest is to rebuild a sound economy in Japan to relieve us of a continuing burden of support. This does not in any way mean that we are "abandoning our wartime ally, China, at this time and rearming our wartime enemy, Japan". The interest of the Congress in a China aid program should be ample evidence of the fact that China is not being abandoned. As for rearming our wartime enemy, Japan, I hope

that

John M. Cabot, Esquire,  
American Consul General,  
Shanghai, China.

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that you will not be unduly influenced by Chinese misinterpretations of our attempts to create conditions in Japan which make the growth of Communism impossible and which have as their primary purpose a healthy rather than a chronically ill Japan. Certainly assistance to contribute toward self-support is quite different from "rearming". At the present time, Japan is one of the few spots in Eastern Asia where a reasonable amount of stability exists. It certainly continues to be to our interest, as well as to China's interest, to see to it that this situation continues but stability cannot be maintained by continuing the occupation and U.S. subsidies indefinitely.

It seems to me that the Chinese have certain basic misconceptions in reference to Japan which might be corrected on the basis of information already at your disposal. For example, Mr. Sebald, in his letter to Mr. Shen on February 27, 1948 (Tokyo despatch No. 127, February 27, 1948, a copy of which Tokyo sent you), gave a forthright statement as to why a resurgence of Japanese militarism is impossible. However, you doubtless appreciate that psychologically the Chinese realize in their heart of hearts (but will not admit it) that they have probably missed a heaven-sent opportunity to be the leading country of the Far East, and that this factor accounts for much of China's present attitude.

The recent FEC decision on disarmament, which I assume you have seen in the press and in the Wireless Bulletin, should help to quiet Chinese fears. Obviously, there are no objections to your discreetly doing what you can to counteract the development in the Chinese press of unfavorable attitudes, but in so doing you will probably wish to stick for the most part to generalities.

While I am at it, I would like to comment that in the present state of this world certainly it is not "devious" to look after one's strategic interests, especially in view of the fact that the world would not be in its present shape if all of our wartime allies had been behaving themselves. I believe we should not fail to recognize the importance of Japan to us in the Pacific and of the fact that we carry alone the obligation of security in the Pacific. This fact certainly will have a direct bearing on our future interest in Japan's economic health.

Thanking

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Thanking you for your thoughtful letter and  
assuring you that we have not overlooked the matter,  
I am

As ever,

W. Walton Butterworth

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1973

STANDARD FORM NO. 64

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : OE - Mr. Whitman

DATE: March 24, 1948

FROM : ADO - Mr. Schuler *W*SUBJECT: Attached Letter from Professor Quigley of Minnesota on  
Japanese Reparations being Used Along Lines of the Boxer  
Indemnity Fund.

I believe that this really falls within the economic  
bailiwick rather than ours. I should think that the report  
of Overseas Consultants makes the proposal a little fantastic  
at this time.

Would you be good enough to route the reply through us  
and NA.

DIVISION OF OCCUPIED AREAS  
ECONOMIC AFFAIRS  
MAR 24 1948  
DEPARTMENT OF STATE

*100-911,949/3-1148*

## Attachment

Letter from Professor  
Quigley dated March 11, 1948

ADO:FA Schuler, Jr./rk 3/24/48



OIG OCCUPIED AREAS DIVISION  
(ADD)

APR 9 1948

DEPARTMENT OF STATE

My dear Doctor Quigley:

Your letter to the Secretary of State presenting and endorsing the suggestion of Doctor McQuarrie that funds from Japanese reparations be used in a manner similar to the Boxer Indemnity Fund has been received and noted with interest. There is no doubt that the type of education promoted by the Boxer Fund has played an important part in creating a feeling of good will between the United States and the people of China.

No decision on reparations from Japan has yet been reached in the Far Eastern Commission. It is therefore impossible to know at this time the nature or amount of United States shares, or the possibility of their disposal.

We appreciate your interest and suggestion in this matter.

Sincerely yours,

For the Acting Secretary of State:

Roswell H. Whitman  
Acting Associate Chief  
Division of Occupied Areas Economic Affairs

Harold S. Quigley, Ph.D.,  
University of Minnesota  
Minneapolis, 14, Minnesota

OE:JFDavidson:cmb

4/8/48



UNIVERSITY OF MINNESOTA  
COLLEGE OF SCIENCE, LITERATURE, AND THE ARTS  
MINNEAPOLIS 14

DIVISION OF  
NORTHEAST ASIAN AFFAIRS

MAR 16 1948

OIG OCCUPIED AREAS DIVISION  
(100)

DEPARTMENT OF STATE

March 11, 1948

APR 9 1948

DEPARTMENT OF STATE

DIVISION OF OCCUPIED AREAS  
ECONOMIC AFFAIRS  
MAR 24 1948  
DEPARTMENT OF STATE

OIG OCCUPIED AREAS DIVISION  
(100)

MAR 23 1948

DEPARTMENT OF STATE

DEPARTMENT OF POLITICAL SCIENCE

The Honorable  
The Secretary of State  
Washington, D. C.

Dear Sir:

A colleague in the Medical School at this University, Professor Irvine McQuarrie, who has recently returned from Japan, has raised the question of whether funds to be released from Japanese reparations might not be employed along the lines of the Boxer Indemnity Fund. This suggestion impresses me as one having great possibilities for the encouragement of future more cordial relations between the United States and Far Eastern peoples. I have myself returned about a year ago from a period of duty as research consultant in General Headquarters in Tokyo. This position was tendered to me, I suppose, because of my having devoted most of my adult life to the study and teaching of the Far East and relations with that area. I think you will agree that the way in which the Boxer Indemnity Funds were used has been an important factor in the development of Sino-American friendship and mutual confidence. If we could have something of the same nature to assist the development of a corresponding feeling between our people and the Japanese, I believe that we would find it producing a corresponding result. I should like, therefore, to endorse very cordially this suggestion of Dr. McQuarrie.

Trusting that it will have an appeal to you and to the Department, and that Far Eastern developments will not prevent the consideration of the proposal, I am

Respectfully,

*Harold S. Quigley*  
Harold S. Quigley

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My dear Doctor Quigley:

Your letter to the Secretary of State presenting and endorsing the suggestion of Doctor McQuarrie that funds from Japanese reparations be used in a manner similar to the Boxer Indemnity Fund has been received and noted with interest. There is no doubt that the type of education promoted by the Boxer Fund has played an important part in creating a feeling of good will between the United States and the people of China.

No decision on reparations from Japan has yet been reached in the Far Eastern Commission. It is therefore impossible to know at this time the nature or amount of United States shares, or the possibility of their disposal.

We appreciate your interest and suggestion in this matter.

Sincerely yours,

For the Acting Secretary of State:

Roswell H. Whitman  
Acting Associate Chief  
Division of Occupied Areas Economic Affairs

Harold S. Quigley, Ph.D.,  
University of Minnesota,  
Minneapolis, 14, Minnesota.

CH  
APR 9 1948 P.M.

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RECOMMENDATIONS WITH RESPECT TO  
U.S. POLICY TOWARD JAPAN*Keenan Report*  
March 28, 1948.I. The Peace Treaty.1. Timing and Procedure.

This Government should not press for a treaty of peace at this time. It should remain prepared to proceed with the negotiations, under either the two-thirds rule or the FEC or some other generally acceptable voting procedure, if at any time the other Allied powers can agree among themselves on one of these procedures. Meanwhile, we should concentrate our attention on the preparation of the Japanese for the eventual removal of the regime of control. We should also, before actually entering into a peace conference, seek through the diplomatic channel the concurrence of a majority of the participating countries in the principal points of content we desire to have in a treaty.

2. The Nature of the Treaty.

It should be our aim to have the treaty, when finally negotiated, as brief, as general, and as non-punitive as possible. To this end we should try to clear away during this intervening period, ~~by-direct-action~~, as many as possible of the matters which might otherwise be expected to enter into the treaty of peace. Our aim should be to reduce as far as possible the number of questions to be treated in the peace treaty. This applies particularly to such matters as property rights, restitution, etc. Our policy for the coming period should be shaped specifically with this in mind.

*7/1/94/3-28-48*

II. Security

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II. Security Matters.1. Disposition of our Tactical Forces in the Pre-Treaty Period.

Tactical forces should be retained in Japan for the coming period; but every effort should be made to reduce to a minimum their numbers, their cost to the Japanese economy, and the psychological impact of their presence on the Japanese population. The arrangements for their location, support, and employment should be determined with this in mind.

2. The Post-Treaty Arrangements.

United States tactical forces should be retained in Japan until the entrance into effect of a peace treaty. A final U.S. position concerning the post-treaty arrangements for Japanese military security should not be formulated until the peace negotiations are upon us. It should then be formulated in the light of the prevailing international situation and of the degree of internal stability achieved in Japan. If Russia has not been extensively weakened and sobered by that time or if Japanese society still seems excessively vulnerable in the political sense, we should either postpone the treaty or ~~insist on a limited re-militarization of Japan~~ permit the institution of adequate security arrangements by Japan, preferably under U.S. guidance and supervision. But if by that time the Russian situation should really have changed for the better and if we are reasonably confident of the internal stability of Japan, we should aim at a complete demilitarization, guaranteed by an international treaty of the most explicit and concrete nature, to which the Russians would be a party.

3. Okinawa

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3. Okinawa. The Ryukyu Islands.

The United States Government should make up its mind at this point that it intends to retain permanently on a long-term basis the facilities at Okinawa, and the base there should be developed accordingly. <sup>AT the proper</sup> ~~The problem~~ *time, international sanction should be obtained by the* ~~of obtaining international sanction for our permanent~~ *means the most feasible for our long-term strategic* ~~strategic control of the islands the Central and Southern~~ *control of the Central and Southern Ryukyu Islands.* ~~Ryukyu Islands should be studied at once in the Department~~ of State.

4. The Navy.

~~The U.S. Navy should retain until the peace treaty its present facilities in Japan--~~ It should shape its policy in the development of the Yokosuka base in such a way as to favor the retention on a commercial basis in the post-treaty period of as many as possible of the facilities it now enjoys there. Meanwhile, it should proceed to develop to the maximum the possibilities of Okinawa as an advance naval base, <sup>and increasingly employ the facilities on Okinawa</sup> on the assumption that we will remain ~~per-~~ <sup>manently</sup> in control there *on a long-term basis.*

5. The Japanese Police Establishment.

The Japanese police establishment should be strengthened by the reinforcing and re-equipping of the present forces, by the creation of a strong and effective coast-guard maritime customs patrol, and by the establishment of a central organization, under American expert supervision, along the lines of our FBI. ~~SANACC should be~~ *directed to work out (the <sup>omit</sup> detailed) directives to SCAP for* ~~the implementation of this recommendation.~~

III. The Regime of Control.1. SCAP.

This Government should not--at this time--propose

or

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or consent to any major change in the regime of control. SCAP should accordingly be formally maintained in all its existing rights and powers. However, the scope of its operations should be progressively reduced to a point where its mission will consist largely of general observation of the activities of the Japanese Government and of contact with the latter at high levels on questions of broad governmental policy.

### 2. FEC.

No move should be made by this Government at this time to terminate the existence of the FEC. However, we should begin to discourage the consideration by the FEC of new papers which do not relate strictly to the execution of the terms of surrender. On matters not related to the execution of the terms of surrender, this Government should issue unilateral directives to the Commander-in-Chief in his capacity as CINCFE. These would not be called interim directives. However, in matters which do relate to the execution of the terms of surrender, we should adopt a positive program of leadership designed to secure early agreement on a basis satisfactory to this Government but in all cases where it becomes evident that agreement cannot be promptly reached we should not hesitate to use the interim directive ~~wherever we fail to obtain prompt action in the~~ FEC. SCAP should also be encouraged to make greater use of his independent authority as an international officer.

### 3. Allied Council.

The Allied Council should be continued, and its functions unchanged.

IV. Occupational

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IV. Occupational Policy.1. Relations with the Japanese Government.

Instructions should be given to SCAP that in the coming period its various sections should take particular care not to interfere or participate directly in the work of the Japanese Government or to perform functions which would normally be the responsibilities of agencies or officials of the Japanese Government. Its functions should be reduced as rapidly as possible to those of general supervision; and it should deal with the Japanese Government, as a rule, only at a high level and on matters of broad policy. This would apply particularly to the activities of the Economic and Scientific Section and the Government Section.

2. The Reform Program.

While SCAP should not stand in the way of reform measures initiated by the Japanese if it finds them consistent with the overall objectives of the occupation, it should be authorized not to press upon the Japanese Government any further reform legislation. As for reform measures already taken or in process of preparation by the Japanese authorities, SCAP should be authorized steadily but unobtrusively to relax pressure on the Japanese Government in connection with these reforms, and to permit the Japanese authorities to proceed in their own way with the process of implementation. In the case of certain reforms, such as those pertaining to Labor, Deconcentration and Police, it will probably be desirable to provide SCAP with instructions indicating generally the nature and extent of the modifications which should be permitted in the relaxation of the reforms.

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3. The Purge.

SCAP should be directed ~~gradually-to-permit-the relaxation-of-the-purge~~ to inform the Japanese Government that the purge may be modified along the following lines:

(1) Categories of persons who have been purged by virtue of their having held relatively harmless positions should be made re-eligible for governmental, business and public media positions; (2) certain others barred from public life should be allowed to have their cases re-examined on the basis of personnel actions rather than on the basis of positions occupied; and (3) a ~~lower~~ minimum age limit should be fixed, under which no screening for public office would be required.

4. Occupation Costs.

Measures should be taken to bring about a drastic reduction in the costs of the occupation borne by the Japanese Government. If this cannot be accomplished in any other way, then arrangements should be made to cover many of the costs of occupation, particularly those pertaining to personal services, by payment in dollars, which in turn should be used for financing of Japanese imports.

5. Economic Recovery.

Economic recovery should be made the prime objective of United States policy in Japan for the coming period. It should be sought through a combination of a long-term U.S. aid program envisaging shipments and/or credits on a declining scale over a number of years, and by a vigorous and concerted effort by all interested agencies and departments of the United States Government to cut away existing obstacles to the revival of Japanese foreign trade and to facilitate the restoration and development of Japan's

exports

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exports. Detailed recommendations concerning the implementation of the ~~letter-point~~ above points should be worked out between War and State Departments following Under Secretary Draper's return to Washington; and White House authority should be, if necessary, invoked to see that the cooperation of all agencies and departments of the Government is enlisted in the implementation of these recommendations.

6. Reparations.

(The following to be substituted for <sup>the</sup> original draft.)

Reparations problems should be resolved in accordance with the following principles and procedures: (1) The FEC Governments should be informed that the U.S. Government considers it essential that the reparations program be completed during the next two years; (2) The U.S. schedule of reparation shares submitted to the FEC on November 6, 1947, possibly with minor revisions to increase the extent of its international support, should be issued as an interim directive for SCAP's guidance; (3) SCAP should be directed to prepare an inventory of particular plants available for removal under the provisions of SWNCC 236/43 after selective downward revisions in the light of the OCI report; (4) SCAP should then immediately advise the Japanese Government that all other plants in Japan are immune from reparations removal; (5) The claimant countries should request allocation to them of particular facilities, within their respective reparation shares, from the total inventory of available plants; (6) SCAP should determine whether any of these facilities are required temporarily for occupation purposes and, if some are, should withhold them from allocation;

(7) The

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(7) The claimant countries should prepare and submit to SCAP carefully scheduled reparation removal plans under which they guarantee to remove prescribed quantities of requested, approved reparation facilities each quarter during the two-year period in designated, demonstrably available bottoms for the purpose of reestablishing those facilities in their own countries; (8) SCAP should make the final allocations on the basis of these specific undertakings, and should inform the Japanese Government that all plants previously declared available but not included in the final allocations are immune from reparations removal; (9) SCAP should ensure delivery at dockside of the allocated facilities in accordance with the removal schedules; and (10) If at any time a claimant country fails to remove facilities delivered at dockside in accordance with the removal schedules, the quantity of facilities made available to that country under the delivery contract should be correspondingly reduced by SCAP and the released facilities removed from the list of allocated facilities and returned to the Japanese economy.

7. Property Matters.

SCAP should be directed to force the pace of the restoration or final disposal of property of United Nations members and their nationals in such a way that the process will be substantially completed by July 1, 1949. It should be the objective of U.S. policy to have property matters straightened out in advance of a treaty of peace in order that they may not hamper treaty negotiations. Meanwhile we should continue our efforts to obtain an exact listing of Japanese external assets with a view to setting these off, eventually, against the reparations claims of FEC countries.

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8. Information



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8. Information and Education.a. Censorship.

*Present administrative delays in the censorship of literary materials entering Japan should be markedly reduced and admission of literary materials to Japan should be removed.*

~~Pre-censorship of all-matters-printed-in-Japan~~ the Japanese press should cease. This should not operate, however, to prevent SCAP from exercising a broad post-censorship supervision and from engaging in counter-intelligence spot-checking of the mails.

b. Translation and Dissemination of U.S. Books and Magazines.

SCAP, in his capacity as CINCFE, should be directed by the Joint Chiefs of Staff to permit the authorized translation and publication in Japan of U.S. copyrighted literary works. GARIOA FY 1950 budget should provide for the shipment of newsprint to Japan.

c. Radio.

~~We~~ The U.S. Government should immediately undertake a regular program of medium and long-wave broadcast to Japan from ~~our~~ a transmitter station on ~~Saipan~~ Okinawa. These programs should be carefully prepared with a view to developing an understanding and appreciation of American ideas and at the same time to maintaining as wide a Japanese radio audience as possible.

d. Interchange of Persons.

The interchange between Japan and the United States of scholars, teachers, lecturers, scientists and technicians should be strongly encouraged. ~~We should press this matter in the FEC, and failing early action, an interim directive should be issued to SCAP authorizing bilateral agreements covering such interchange.~~ SCAP should immediately

permit

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permit approved Japanese to go abroad for cultural purposes  
under bilateral arrangements with the Allied nations willing  
to receive them. *as well as economic*

e. National Education Budget.

The Japanese should be <sup>encouraged</sup> ~~permitted~~ to allocate  
a higher proportion of the national budget to educational  
purposes.

9. War Crimes Trials.

We should press for <sup>an</sup> ~~early deadlines~~ <sup>conclusion</sup> for the  
termination of the War Crimes Trial of "A" suspects. We  
should immediately undertake the screening of all "B" and  
"C" suspects with a view to releasing those whose cases we  
do not intend to prosecute. The others should be <sup>tried but</sup> brought  
~~to swift justice.~~ *not under a procedure which would entail such delays as have*  
*characterized the war crimes trials to date.*

V. State Department Representation.

*Insert* [As soon as this is practically feasible, and  
desirable, the Department of State should send to Tokyo  
a permanent Political Representative, with the rank of  
Ambassador. The functions of this official would be to  
advise the Commander-in-Chief on political matters and  
to report to the Secretary of State on matters concerning  
Japan. The Political Representative would enjoy the normal  
facilities for independent communication with the Depart-  
ment of State. He would not, at least in the initial  
period, deal officially with the Japanese Government,  
although there would be no restrictions on his informal  
contact with Japanese government officials. <sup>PP</sup> The Diplomatic  
Section of GHQ, SCAP, <sup>headed by a State Department representative</sup> should remain in existence, but its  
functions should be restricted to those of a protocol and  
liaison section for GHQ, SCAP. All normal State Department  
functions

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functions now performed in the Diplomatic Section, together with the supervision of the consular establishments in Japan, should be placed under the Political Representative.

The effect of the above recommendations will be to give the United States the same level of diplomatic representation in Tokyo that has been enjoyed by other countries, both allied and neutral, for the past two years.

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# INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

OFFICE OF  
EUROPEAN AFFAIRS  
MESSAGE CENTER

APR 7 3 40 PM 1948

DEPARTMENT OF STATE

UNCLASSIFIED

886

AIRGRAM

FROM: Moscow

DATE: March 29, 1948

DISPATCHED: April 1, 1948

REC'D: Apr/ 7, 1948 8:53

*Handwritten initials and scribbles*

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ACTION EUR  
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Secretary of State,  
Washington.

A-312, March 29

Literary Gazette, No. 22, March 17, carried article "Hitoshi Ashida, His Colleagues and Patrons" devoted almost entirely to describing the connections of Ashida and his followers with both Japanese and American industrialists and militarists.

Perhaps the most interesting paragraph is the leading one quoted below:

"On March 9th there was unusual animation on the Tokyo stock exchange. In the course of the afternoon, the shares of the spinning, silk and heavy industries rose by 30 or more yen. The explanation was simple enough: the protector of the Japanese stock brokers, General MacArthur, had agreed to stand as candidate for the Presidency of the USA. No wonder that the militarists, monopolists, landed aristocracy and bureaucrats were exultant. For, if the present Shogun of Japan has already done much for the revival and strengthening of reaction, what might not be expected from him when he enters the White House?"

See the Joint Press Reading Service translation of Literary Gazette, No. 22, for a summary of this article.

SMITH

APR 14 1948

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BT—end/end

711.94/3-2948



STANDARD FORM NO. 64

C O P Y

## Office Memorandum • UNITED STATES GOVERNMENT

TOP SECRET

DATE: April 6, 1948

TO : FE - Mr. Butterworth

FROM : E - Mr. Thorp

SUBJECT: Recommendation with respect to U.S. Policy Toward Japan.

In my absence, several members of my staff have studied Mr. Kennan's report and I am forwarding their comments without change. I have also read the report myself and wish to say it is a most valuable analysis, and should provide the basis for a rapid and constructive reformulation of our policy in Japan.

I cannot underline sufficiently the section on economic recovery needs. This is in large part a matter of reviving trade between Japan and other Eastern countries. One point which might be worth study in this connection is a gradual restoration of direct relations between the Japanese Government and foreign governments, especially with respect to economic matters, a matter not discussed by Mr. Kennan.

With regard to the recommendations on the reform program, I believe some modification of the language or clarification of meaning would be desirable. I believe that although the general principles on which the reform recommendation is based are sound, it is clear that a premature relaxation of all SCAP's pressure might make the achievement of minimum essentials of the program in certain important areas impossible.

The attached comments relating to reparations are particularly detailed. The facts presented do not appear to correspond with the basic assumptions of Mr. Kennan's reports, either in terms of the burden on the Japanese economy or the advantages to receiving countries. The specific facts seem to refute the general allegations on the economic aspects of the problem.

Whether or not to have reparations is essentially a political problem, the form which they are to take is an economic one. A decision to reduce reparations will have major political repercussions. All Far Eastern countries feel deeply that simple justice requires that Japan make reparation in some form. They have also associated intimately in their minds the reparations and security problems. The objections which General MacArthur raises to remilitarization of Japan are objections which they would level against Mr. Kennan's view on reparations. The ERP countries with colonies in Asia, notably the U.K. and France, have found it necessary to consider the prestige as well as the economic implications of demands upon them for Japanese industrial reparations which have arisen in their colonies. As a country which built up its plant during the War, it is difficult for us to understand the pressures from other countries for reparations

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but it is a strong political fact.

These political considerations which would justify standing on present policy may not outweigh others which justify its abandonment. We should be aware, however, of what is involved in adopting Mr. Kennan's recommendation. The FEC would not agree to a reparations program going no further than -- and perhaps not as far as -- the existing 30% project. The U.S. Government could not take unilateral action without exciting the deepest resentment and inviting the antagonism of the FEC countries. They would certainly regard such a move as violating both existing international reparations commitments and the terms of reference of the Commission; they might regard it as requiring break-up of the Commission itself.

In the meantime, it seems only natural to expect the Far Eastern countries, if their views have been disregarded on this question, to be reluctant, to say the least, about cooperating in the program of economic recovery for Japan which is a prime objective of present U.S. policy. It is, I believe, generally recognized that the active cooperation of these countries is a sine qua non of Japanese recovery. I may add that if this issue were to cause the break-up of the FEC, we should lose a useful negotiating mechanism for securing the support of these countries for measures essential to Japanese recovery.

If one assumes that reparations are politically necessary, the present 30% plan cannot be regarded as a solution since it relates to only four countries. There may be room for some adjustment, but the present program is probably, from an economic point of view, as good as any. I am not convinced either that it imposes a heavy burden on the Japanese economy or that it will seriously hamper recovery. No reparation formula can meet the tests suggested by Mr. Kennan -- it necessarily constitutes a loss and cost to the paying country. However, it seems to me that the form of reparations is a less crucial problem than the more fundamental one of the attitude of the other countries on this matter, and our commitments to them. It is obvious that the U.S. interest and approach differs from that of other countries, just as it did in the negotiations of the Paris Peace treaties.

Most important of all, it is urgent that some definite and final settlement of the reparations problem be reached promptly. Further delay, review, or restudy of details would reflect a type of vacillation which is more damaging to Japan than almost any kind of concrete program, not to mention the damage it does to the standing and purposes of the U.S. in the rest of the world.

TOP SECRET



# INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

623

AIRGRAM

FROM: Shanghai, China.

DATE: April 29, 1948.

NO. : A-360

MAILED:

REC'D: May 4, 2:02 p.m.

UNCLASSIFIED

NO ACTION  
MAY 5 - 1948  
DIVISION OF CHINESE AFFAIRS  
DEPARTMENT OF STATE

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Office of  
FAR EASTERN AFFAIRS  
MAY 5 1948  
DIRECTOR  
Department of State

SECSTATE,  
WASHINGTON.

A-360, April 29, 1948.

ACTION:FE  
INFO:  
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Continuing our series of reports on Shanghai editorials critical of American policy toward Japan, there are quoted below extracts translated from the CHIN YUNG JIH PAO of April 28:

"We deeply regret the wrong U.S. policy of helping Japan to recover economically, which will make Japan more than 'self-supporting', for no matter how strong the reasons advanced by the American policy-makers are, such action is designed only to protect America's own interests, will indirectly force China to become a satellite of Japan economically under the main objective of 'getting prepared for possible war against Soviet Russia', and shows a disregard for moral principles. We have always felt that friendly relations with the United States are one thing, but that opposition to Japan's economic recovery is quite another. We cannot bear to see our friends, who fought shoulder to shoulder with us in defeating Japan, unconsciously sow the seed for another war. For the sake of the peace and security of the Far East, we cannot help protesting against the silence over America's ignoring China's policy toward Japan, nor can we help urging the Government to adopt a reasonable policy toward Japan and to solemnly express its attitude at an early date."

GABOT

File No. 800

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711.94/4-2948

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MAY 25 1948

HH



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*Letter  
Army  
Schuyler*

In reply refer to  
FE

*DC/R*  
Bureau of  
FAR EASTERN AFFAIRS  
AUG 20 1952  
ASSISTANT SECRETARY  
Department of State

May 24, 1948

*WC*

Dear General Schuyler:

Pursuant to our conversation at the close of the meeting in Mr. Draper's office on Friday evening, I am sending over to you informally three copies of the State Department's "Recommendations with Respect to U.S. Policy Toward Japan", as revised in the light of Mr. Draper's and your comments. All changes in the original draft, transmitted to you last month, are indicated by deletion marks and by underlinings where additions have been made.

For several reasons of particular importance to the State Department, it is planning to introduce the revised recommendations to the National Security Council by mid-week. I believe that through our very helpful discussions with you and Mr. Draper, the area of disagreements between our two Departments on the policy proposals has been narrowed to a point where early NSC agreement should be possible. Reparations is, of course, the outstanding unresolved problem.

Faithfully yours,

This Document Must Be Returned To  
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Central Files  
711.94/5-2448

Enclosure:  
Three copies of State  
Department's Policy Paper  
on Japan.

**Brigadier General C. V. R. Schuyler,**  
Chief, Plans and Policy Group,  
Plans and Operations Division,  
Department of the Army.

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STANDARD FORM NO. 64

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Copy No. 1

Office Memorandum • UNITED STATES GOVERNMENT

TO : FE - Mr. Butterworth

DATE: January 6, 1949

FROM : E - Mr. Thorp *WRT*

SUBJECT: Rescission of Pre-FEC U.S. Purge Directives.

I do not disagree with the objective of Mr. Bishop's proposal, attached herewith, which, as I understand it, is to bring SCAP's purge program in Japan into harmony with paragraph 13 of NSC 13/2. I cannot concur, however, in the procedure proposed for accomplishing that objective. My reasons follow. First, since there is no conflict between paragraph 13 of NSC 13/2 and paragraphs 5b, 23, and 40 of SWNCC 52/7 rescission of the latter paragraphs is unnecessary. It would be difficult to defend when our real and justifiable objectives are so much more limited in scope. The discrepancy will arouse suspicions without benefiting us. Second, mere rescission of SWNCC 52/7 would not be regarded by General MacArthur as conferring upon paragraph 13 of NSC 13/2 any more binding legal force in him than is now the case. At present, he feels that, as SCAP, he is free to ignore "advice" on such matters from the U.S. Government. Third, SCAP's previous directives to the Japanese Government on this matter, although far more detailed and comprehensive than directives received by SCAP himself, have been understood both by the Japanese people and by Allied Governments as being based upon formal U.S. or FEC directives. In consequence, both in order to assure the changes desired and to protect SCAP from charges of subterfuge and irresponsibility, the method of providing SCAP with instructions to modify actions, previously taken within his administrative discretion, should, to be fully effective, be procedurally correct, open and above board, and politically defensible both within Japan and internationally. The U.S. Government should accept the responsibility for giving SCAP the instruction required.

*611.94/1-649*

Therefore I recommend that the U.S. Government issue as an interim directive to SCAP, after an appropriate interval of discussion in the FEC, the following statement of policy:

"The following policy provisions supplement and do not derogate from previous directives issued to SCAP by the J.C.S. in connection with the purge program for Japan.

SCAP should take appropriate steps

(A) to enable categories of persons who have been purged or who are subject to the purge by virtue of their having held relatively harmless positions to be made re-eligible for governmental, business, and public media positions

(B) to enable certain others who have been barred or who are subject to being barred from public life on the basis of positions occupied to be allowed to have their cases re-examined solely on the basis of personal actions, and;

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(C) to



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(C) to fix a minimum age limit under which no screening for public office would be required."

The above action would be a formal declaration of U.S. policy embodied in directive form and publically announced. There is little question that SCAP would regard it as impossible to modify his previous directives to the Japanese Government informally and would choose to bring about the desired modifications in his purge program through use of a similarly formal and open procedure in Japan.

OFD:RWBarnett:cb  
1/6/49

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