

41

JUL 19 1941

- 2 -

suggests that the Treasury Department advise each licensee substantially as follows:

On behalf of the Department of State you are advised that (a) your activities in Japan will at all times be subject to the control of the Supreme Commander for the Allied Powers; (b) sales in Japan will be priced in yen and payment will be received in yen; (c) such yen may be used only for expenditures in Japan for goods and services essential to your operations in Japan, including the procurement in Japan for your own account of articles or services of the same type as are sold in Japan by you; (d) yen so received will in no event be used for the acquisition of interests in business enterprises or in real property, except for the temporary rental for necessary facilities, nor will they be transferable against dollars or other foreign exchange to any other person or firm. The yen so received may not be used in payment for food or accommodations which may be furnished to your representatives in Japan by the Supreme Commander for the Allied Powers. The Department of State desires that it be clearly understood that you accept yen under these conditions entirely at your own risk, and that the Department cannot undertake to press claims for the conversion of these yen balances into foreign exchange.

Sincerely yours,

For the Secretary of State:

John H. Hilldring  
Assistant Secretary

JK:NCottrell:mw

HB  
JA

R  
ESP

FN  
JACB

WTS

OIC

CE

Le

C.F.



DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE INCOMING TELEGRAM

ACTION COPY

OFFICE OF EUROPEAN AFFAIRS DISTRIBUTION OFFICE JUL 19 1946

Moscow via War

Dated July 18, 1946

Rec'd 3:24 p.m., 18th

Action: EUR

Info:

S PLAIN

U Control 5696

FE DC/L

ITP

ESP

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SA/GN

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SPA

OOD

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CY

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PL

EUR/X

DC/R

SECSTATE

2212, Eighteenth.

PRAVDA July 18 carries Zaslavski Feuilleton, "King Arthur's Courtier in Yankeeeland."

Citing Acheson's June 10 statements before Allied Council for Japan that we are not obliged to instill communism but democratic principles in Japan and that communism and fascism do not direct trade unions but destroy them, article states that they were made in reply to General Derenyanko's recommendations on labor legislation. It continues that these Soviet recommendations to Control Council guarantee freedom of trade unions, collective agreements, eight hour working day, health insurance, etc., that British representative Boll had stated that he saw no communist propaganda in Soviet document; and that difference between Acheson and Boll is that between seventeenth and twentieth centuries. Acheson "does not know that Soviet trade unions played highly important role in destroying fascism; or it may be that he heard of it and therefore refers to Soviet trade unions with such passion and hostility." Classifying him as "living anachronism," or "Knight of Round Table around modern round table," it concludes that his statement would provide fitting subject for satirical literature.

Repeated SCAFPOLAD TOKYO 61.

MRM:JRMc

PLAIN

SMITH JUL 21 1946 DEPT OF STATE

JUL 29 1946

740.00119 CONTROL (JAPAN) / 7-1846 LRC

PERMANENT RECORD COPY: THIS COPY MUST BE RETURNED TO DC/R CENTRAL FILES WITH NOTATION OF ACTION TAKEN.



3875

PREPARING OFFICE WILL INDICATE WHETHER

OUTGOING TELEGRAM

PREPARING OFFICE WILL TYPE HERE CLEARLY THE CLASSIFICATION OF THE MESSAGE:

Collect

Department of State

Charge Department:

Washington

SECRET

Charge to

AMPOLAD

CASERTA

200

Paraphrase before communicating to anyone. SECRET

AUG 15 1946

6p

740.00119 CONTROL (ITALY) / 7-2246

CS/HH

Confidential File

Although Dept is disappointed that in spite of its strong recommendations in past, preparations for elections in VG have not (rpt not) been undertaken by AMG, it is now considered that promulgation general order is not (rpt not) politically desirable in view of CFM decisions and situation in VG. (Reference Rome's 3275 July 22, rptd Caserta 949 and Paris 452). It is believed issuance general order for preparation electoral lists based Ital law would further complicate already difficult negotiations concerning Trieste statute, including discussion citizenship qualifications and method of voting for constituent assembly. (Sent Caserta as 200 rptd Paris as 4136).

VP 865.00

Dept considers it most desirable to continue all possible preparations which can be undertaken without publicity. Should question of elections become a public issue, explanation could then be offered to effect that preparations proceeding but elections not scheduled pending final decision Peace Conference on territory.

CODE ROOM: Pls rpt Paris as Dept's 4136.

DIST. DISTRIBUTION DESIRED (OFFICES ONLY)

SE:WBSale:smw 8/14/46

AUG 15 1946 P.M.

Acherns Acting





LEGATION OF THE UNITED STATES OF AMERICA

*JA*  
*OC*  
*etc*  
*D/K*

DC OCCUPIED AREAS DIVISION (AOO)  
SEP 6 - 1946  
To: Department of State  
From:

MEMORANDUM

OFFICE OF EUROPEAN AFFAIRS  
DISTRIBUTION OFFICE  
SEP 4 1946  
DEPARTMENT OF STATE  
*file*

Department of State, Washington  
American Legation, Canberra

740.00119 CONTROL (JAPAN)  
/7-2246

Attached are three copies of a summary of Australian press comment through July 19, 1946 on the occupation of Japan which has been forwarded to the Supreme Commander, Tokyo, in accordance with the Department's telegraphic instruction no. 130, December 27, 1945, 5 p.m.

*740.00119 Control (Japan) / 12-2745-*

DIVISION OF JAPANESE AFFAIRS  
SEP 2 - 1946  
DEPARTMENT OF STATE  
*HY*

Canberra, Australia,  
July 22, 1946.

4  
RECEIVED  
DEPARTMENT OF STATE

1946 AUG 29 AM 9 16

DC/R  
RECORDS BRANCH  
DCR NE Unit  
*[Signature]*

DC EUROPEAN AREA DIVISION (AOE)  
SEP 4 - 1946  
Department of State  
*[Signature]*

FILED  
SEP 12 1946

740.00119 Control (Japan)  
CS/V  
*[Signature]*  
7-2246



SCAP  
TOKYO

July 22, 1946

Unnumbered

Clear

(Sent to Sydney for  
transmission via  
US Army)

Following is summary of Australian press comment with respect to occupation of Japan through July 19 PGH

During the past four weeks little has been published PRD

Only editorial comment has been with respect to American proposal for Four Power Treaty to assure demilitarization of Japan PRD In discussing proposal editorially Sydney Morning Herald June 26 stated in part CMM QUOTE Australia must be particularly interested in such a treaty CMM not only because it would offer for the coming generation a reasonable guarantee of peace in this hemisphere but also because the Commonwealth CMM already committed to sharing the duty of maintaining regional security in the Southwest Pacific CMM is likely to become identified in no small measure with Britains responsibilities in any enforcement of the proposed Treatys punitive terms PRD There is good warrant for this assumption in the dominant role which we have accepted and even demanded in the British forces

of



-2-

of occupation during the term of Allied military control in Japan PRD It is reasonable indeed to suppose that just as Australia has been accorded the function of representing the British Commonwealth on the existing Advisory Allied Council in Tokyo so we would perform a similar duty on the proposed Commission of Control PRD UNQUOTE Editorial concludes CMM QUOTE While the American proposal CMM or something like it CMM should be assured of ultimate acceptance among the powers pledged to the Potsdam Declaration CMM it leaves still unsatisfied the objections voiced in the Far Eastern Council to the control of Japan during the current period of military occupation PRD If the United States Government thus admits a common interest and duty among all major Pacific powers in the supervision of Japans conduct as a security measure after the end of that period CMM surely it must pay heed to arguments of equal cogency during the present stage of Japans political reconditioning PRD The recent meetings of the Far Eastern Council in Tokyo have seen little abatement of the resentment shown by General MacArthur against the provisions agreed to by the Governments concerned for a sharing of the political authority there CMM previously assumed by him as a personal privilege UNQUOTE PGH

Melbourne Argus June 24 discussing the proposal stated CMM QUOTE If only because it would insure the continuation of her active participation in international affairs and

retard



-3-

retard a possible return to her isolationism CMM the adoption of USA APOSTROPHE s proposal for a 25 years Big Four pact to keep Japan disarmed and powerless would be a valuable step PRD UNQUOTE Editorial concludes CMM QUOTE Once it has been undertaken neither sentimentality nor indifference should be allowed to dissuade the Powers from completing it until a new generation of Japanese and Germans CMM freed from the evil influence of warmongers CMM has grown up UNQUOTE PGH

Jack Percival in special article in Sydney Morning Herald June 22 discussing new Japanese Diet stated in part CMM QUOTE Although many militarist zaibatsu and gumbatsu diehards have either resigned or have been purged from the Upper and Lower Chambers a number of reactionaries still remain PRD Nevertheless their number has been leavened by types which under the old regime could never have aspired to sit in the Diet PRD At the same time some of the new male and female members elected in the recent elections are indubitably standins for those whose candidature was disallowed by Supreme Headquarters because of war guilt PRD UNQUOTE He states that CMM QUOTE The clauses which strip the Emperor of his absolute powers and those in which Japan revokes war as a method of settling international disputes have been heatedly debated by the Japanese PRD The **rulers** naturally

do



-4-

do not wish to give up their interlocking hereditary rights with those of the Emperor and the masses who have so long regarded their Imperial Master as a god are somewhat stunned PRD UNQUOTE Percival points out that CMM QUOTE If General MacArthur meets any great difficulties with the new Diet in having legislation passed in accordance with the requirements of the Potsdam Declaration he can call for a new election UNQUOTE PGH

Press reports from Japan have been concerned mainly with Communist activities PRD For example CMM Sydney Daily Mirror July 15 under headline QUOTE Reds Active in Japan Exploiting Food Crisis UNQUOTE carried Washington report that MacArthurs eighth report had told US War Department that Communists were seizing on food crisis in Japan to stir up public violence PGH

Canberra Times July 19 under headline QUOTE Violence in Japan Over Communist Control of Press UNQUOTE reported from Tokyo that violence had broken out in the struggle for control of Tokyo leading daily newspaper Yomiuri Hoohi Shinbun which had not been published since July 12 because of a sitdown strike PRD Report stated CMM QUOTE Conflict has attracted attention of publishing world because issue is whether or not a labor union is able to control the press for the benefit of Communist Party UNQUOTE PGH

Sydney



-5-

Sydney Daily Telegraph July 12 under heading

QUOTE Americans Begin Anti Communist Drive in Japan UNQUOTE  
published article by Massey Stanley asserting that Americans  
have Russian jitters badly and cited as evidence position  
reported to be taken by Acheson during discussion by Allied  
Control Council of Russian representatives program for  
labor legislation PRD Article continues with statement CMM  
QUOTE American suspicion of the Russians is not concealed  
but all of us in Tokyo have a suspicion that nobody is as  
suspicious of the Russians as the Russians are of everybody  
UNQUOTE PGH

The Melbourne Age July 9 carried short article by its  
special correspondent in Tokyo stating that McMahon Ball CMM  
British Commonwealth Member of Allied Council for Japan CMM  
bids fair to become known as father of Japanese land law  
reform and asserts that Japanese Government has drafted a  
bill embodying every salient feature of the plan he proposed  
to the Council and to which the Council gave enthusiastic  
support PRD

MINTER

DJ/vr  
Typed: vr



SCAP  
TOKYO

July 22, 1946

Unnumbered

Clear

(Sent to Sydney for  
transmission via  
US Army)

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-2-

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-5-

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reform and asserts that Japanese Government has drafted a  
bill embodying every salient feature of the plan he proposed  
to the Council and to which the Council gave enthusiastic  
support PRD

MINTER

DJ/vr

Typed: vr



ACTION COPY

DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE INCOMING TELEGRAM

Office of FAR EASTERN AFFAIRS JUL 23 1946 3:15 AM

JA

Tokyo via War

Rec'd July 23, 1946 5:46 p.m.

3-D

Action: FE  
Info :  
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DC/L  
OCD  
FC  
DC/R

CONFIDENTIAL

Action	JA
Information	
FE	<input checked="" type="checkbox"/>
CA	
JA	<input checked="" type="checkbox"/>
SEA	
PI	<input checked="" type="checkbox"/>

Control 7279

No paraphrase necessary

DIVISION OF JAPANESE AFFAIRS  
File, no action  
JUL 24 1946  
DEPARTMENT OF STATE

FROM: SCAP Tokyo Japan

TO: War Department for COS (pass to State)

NR: C 63314

22 July 1946

The Chief of Soviet Mission in Tokyo requested clearance this date for departure tomorrow for USSR for permanent change of station of the political advisor to the Chief of the Mission, former Ambassador Yakov Alexandrovich Malik. This official is considered the strongest personality in the Soviet Mission. It is claimed that his deteriorated physical condition is the cause of his relief.

ACTION: D/I (State)

CM-IN-4564

(22 Jul 46)

DTG 221240Z

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CONFIDENTIAL

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7/24/46  
AUG 6 1946  
product

JUL 28 1946

FILED

740.00119 CONTROL (JAPAN) / 7-2246

L.L.

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DIVISION OF  
COMMUNICATIONS AND RECORDS  
TELEGRAPH BRANCH

DEPARTMENT OF STATE  
INCOMING TELEGRAM

ACTION COPY

17

Rome

*File*  
8-2746

Dated July 22, 1946

Rec'd 11:45 a.m., 22nd

Action: EUR

Info:

S

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C

NFA

A-R

SPA

OOD

DC/R

SECRET

Control 6772

Paraphrase before communicating to anyone.

SECSTATE

US URGENT

3275, July 22, 1 p.m.

OFFICE OF EUROPEAN AFFAIRS  
DISTRIBUTION  
*Reply sent to Caserta*  
*8/14/46*  
JUL 22 1946  
SE: WBB:smw.

According to directive from AFHQ last September which provided among other things that electoral lists should be prepared as soon as possible in zone A Venezia Giulia and that preparation of electoral lists should be based on Italian system to extend possible general order has finally been drafted by AMG VG, providing for preparation of electoral lists based on Italian decrees. It is now being translated into Italian and Slovene and thereafter will be ready for signature and publication in AMG territory (see Caserta's 15, January 5 and 46 January 14 to Department).

In view of decision taken by CFM in Paris regarding disposition VG, AC has advised AMG to suspend promulgation general order regarding electoral lists pending further instructions. AC has further sent following message to AFHQ: (BEGIN PARAPHRASE). Instructions requested whether preparation electoral rolls in VG should proceed in light of decisions CFM Paris. Since September 1945, I have, as you know, consistently recommended that compilation these lists should be initiated since it would take some six months. I still recommend after consultation with political advisers that general orders should be issued and that work should proceed since it is part of administrative duties of Military Government even of temporary nature. (END PARAPHRASE).

In line with

SECRET

AUG 22 1946

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740.00119 CONTROL (ITALY) / 7-2246

LRC

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SECRET

-2-, #3275, July 22, 1 p.m., from Rome

In line with policy expressed DEPTTEL 1375, August 18, last, we have consistently pressed for preparation electoral lists in our zone of VG. Registration of voters must occur before elections of any kind can be held regardless of sovereignty of territory, and we have argued here that at least this first step should be taken by AMG who, as Department knows, has been reluctant to precipitate local elections in territory under its jurisdiction (see Caserta's 17 of January 7 to Department). Regardless of what decisions may be taken at Peace Conference I feel that AMG will be object of justified criticism if when turning over territory to succeeding authority it has failed during its long tenure to make any preparation for ultimate elections therein (REMBTEL 718, February 10 re elections in Yugoslavia occupied Venezia Giulia).

Consequently, I recommend that AMG be permitted to proceed with publication of order looking to immediate preparations of electoral lists in zone A. If Department agrees, would appreciate instructions in this sense to AMPOLAD.

Repeated to Caserta 949 and Paris 452.

KEY

RB:AL

SECRET



CYPHER (OTP)

Telegram No. 7421  
of July 27, 1946

From: Foreign Office  
To: Lord Inverchapel  
Desp: 7:27 p.m., July 28, 1946  
Recd: 1:45 p.m., July 28, 1946

CHANCERY DIPLOMATIC  
DISTRIBUTION

Chancery - Action  
Spares (2)  
H.E.  
J. Balfour  
R. Makins  
Sir G. Sansom  
R.H. Hadow  
A.H. Tandy  
P. Pares  
G.H. Middleton  
F.C. Everson  
R. Cecil  
P. Solly-Flood  
Brig. Price  
Information Office (3)  
M. Sichel  
R.W. Jackling  
H.A. Graves  
W. Bell  
B. Cockram  
T.E. Bromley  
G. Munro

Following received from United Kingdom Delegation Paris telegram 397 of July 27, repeated Washington Caserta and Paris.

Begins:

Pass to Washington and Caserta.

Secret.

Following from Waldo.

Your telegram 698 discussed with Sullivan.

The Yugoslav delegate Bebler at the hearing before the special commission did sneer at A.M.G. for having failed to hold any elections. All over Europe even in Germany he said elections had been held but not in zone A of Venezia Giulia. I do not think that such stuff will make much impression on respectable opinion at the Peace Conference. Venezia Giulia is so plainly a special case having lain all these months past sub judice and under acute racial antagonism.

2. On the other I suggest that there is serious objection to the issue of the order even with an accompanying statement. One of the vital points for decision in the Provisional Regime will be the qualification for citizenship and for voting for the constituent assembly. The Slav camp is already much exercised by this point and might with justification attack us if we now issued an order notifying electoral arrangements based on Italian law and on Italian sovereignty of Venezia Giulia. They would allege that we were trying to prejudice the

15526:CRD

/constituent



- 2 -

constituent elections and the discussion at the conference.

3. I agree with the course proposed in your paragraph 3. It would take some of the edge off possible criticism at the conference if A.F.H.Q. issued a statement explaining that the arrangements for elections in zone A which were in hand are not now being proceeded with owing to the settlements concerning Venezia Giulia agreed by the Council of Foreign Ministers which will shortly be discussed at the Peace Conference.

4. Jebb agrees.

decisions



JUL 23 1946

**SECRET**

No. 207

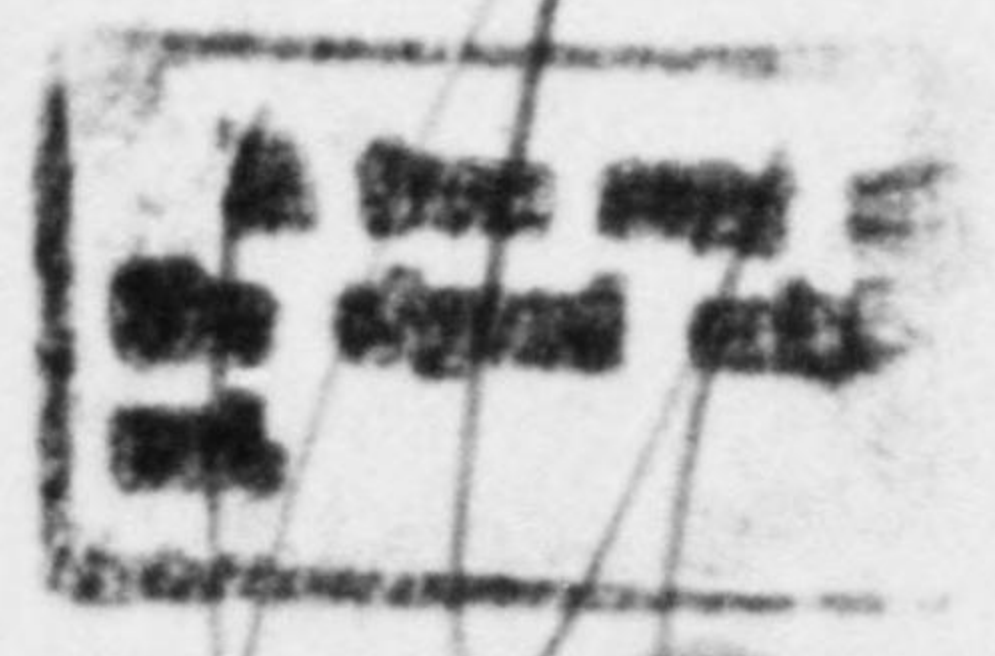
To the  
United States Political Adviser to  
The Supreme Commander for the Allied Powers,  
Tokyo.

The Secretary of State encloses for the information  
of the Political Adviser copies of SWNCC documents as  
listed below.

- Enclosures:
- 1. SWNCC 216/1, copy no. 45.
  - 2. SWNCC 259/6, copy no. 45.
  - 3. SFE 180/1, copy no. 2.

740.00119CONTROL (JAPAN) / 7-2346

Enc.	OCF	IT	Init
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			2



*[Handwritten signature]*

FE:JKPenfield:hst  
7-23-46

JA  
812

JUL 23 1946 P.M.

740.00119 Control  
(Japan) / 7-2346  
Confidential File



ADDRESS OFFICIAL COMMUNICATIONS TO  
THE SECRETARY OF STATE  
WASHINGTON 25, D. C.



SECRET/CONTROL  
DEPARTMENT OF STATE U.S. Officials Only  
WASHINGTON

July 23, 1946

MEMORANDUM

To: <sup>General</sup> A-H -- John H. Hilldring  
FE - *Mr. Vincent*

From: ~~JKS~~ -- Edwin O. Reischauer  
FE *Mr.*

Subject: Discussion of Research Program for Japan *and Korea*

On the basis of meetings in June and July of representatives of JKS, JA, JK, ADO, and FEI, an over-all research program for Japan has been worked out and is outlined in the endorsed attachments.

The first meeting held on June 20 was attended by Mr. Hugh Borton and Mr. John Emmerson of JA, Mr. Frank Schuler of ADO, Mr. Charles B. Fahs and Mr. Warren Hunsberger of DRF, and myself. At this meeting it was agreed that the greatest contribution which could be made by DRF in the political field lay in a program of continuing evaluation of the progress achieved in Japan's political reorientation. It was also agreed that, although a considerable percentage of time was already being devoted by DRF economists to a comprehensive reparations program worked out with JK, a similar evaluation in the economic field would be indispensable. Such evaluation, both political and economic, would lay the foundation for the major decisions which will have to be made in Washington, would provide the necessary orientation in case a decision is made at a later date to transfer occupation authority to civilian control, and would contribute back-ground material for peace treaty studies. At this meeting it was proposed by the representatives of JA that an interim evaluation of the degree to which Japan is meeting the political and economic aims of the occupation be prepared by mid-summer.

A second meeting was held on July 10. Those present included, Mr. Hugh Borton and Mr. John Emmerson of JA, Mr. Ross Whitman of JK, and Mr. Burton Fahs, Mr. Warren Hunsberger, and Mrs. Evelyn Colbert of DRF. Mr. Gordon Bowles of ADO, originally scheduled to attend, was unable to do so because of an FEC committee meeting. Four documents were submitted to the meeting by DRF: an outline for an over-all evaluation of developments in Japan since surrender in the light of the objectives of the occupation (Attachment A as amended), a proposal for individual studies on various aspects of the problem to serve as a basis for over-all evaluation

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U.S. Officials Only

740. 00119 Central (Japan) / 7-2346



SECRET/CONTROL

-2-

(Attachment B), a selected list of economic studies already prepared in DRF (Attachment C, parts IV through IX), and the DRF June Work in Progress Report (Attachment D). Attachment C, parts I, II and III, a selected list of completed political studies--was presented at the June 20 meeting.

The DRF representatives stated that in view of personnel shortages and an already heavy work load requiring the assumption of considerable overtime by members of the Division, it would not be possible to prepare an interim report based on Attachment A by mid-summer. DRF, therefore, proposed that it turn its immediate attention to the preparation of a series of evaluations on specific fields as outlined in Attachment B. With the completion of these studies, as well as others, the initiation of which is dependent on the completion of several new appointments now long in process, it would then be possible to draw the conclusions of the individual studies together into an overall evaluation of the progress made by Japan in achieving the aims of the occupation during its first year. It was estimated that such a study could be completed by October 31. This estimate, however, may lose its validity should the actual hiring of personnel already requested be delayed very much longer. The proposals of DRF were accepted by the representatives of the other divisions.

Further discussion of Attachment B led to considerable clarification of the organization of the studies suggested. It was agreed in general that these studies should (1) draw together U.S. policy statements and SCAP directives on the specific questions involved (2) evaluate the degree of progress made by Japan in achieving the aims established in these statements and directives and (3) estimate the probable future developments and problems in each field.

Attention was then turned to attachment A and a number of suggestions were made for strengthening the outline both in form and content. It was particularly emphasized that the outline should include consideration of social and military developments as well as political and economic. These suggestions were accepted by DRF and have been incorporated in the outline presented herewith.

It was agreed that the group would meet again on July 17 to discuss a similar program for Korea.

SECRET/CONTROL



57



UNITED STATES POLITICAL ADVISER FOR JAPAN DEPARTMENT OF STATE

OCT 23 1946  
Tokyo, July 24, 1946  
INTERNATIONAL SOCIAL JOURNAL AND HEALTH AFFAIRS - ILH

RESTRICTED

No. 518

Subject: Ninth Meeting of Allied Council for Japan, July 10, 1946.

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DOR  
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RECEIVED  
DEPARTMENT OF STATE  
AUG 4 1946

DIVISION OF INVESTMENT AND ECONOMIC DEVELOPMENT  
NOV 1 1946  
DEPARTMENT OF STATE

DEPARTMENT OF STATE  
RECEIVED  
JAN 21 1947  
DIVISION OF BIOGRAPHIC INTELLIGENCE

DIVISION OF JAPANESE AFFAIRS  
DEPARTMENT OF STATE  
INTELLIGENCE REFERENCE DIVISION  
RECEIVED  
FEB 19 1946

The Honorable  
The Secretary of State,  
Washington.  
Sir: 1946 AUG 4 14

740.00119 CONTROL (JAPAN) / 7-2446  
FILED  
FEB 5 1947

I have the honor to refer to this Mission's despatch no. 487, July 5, 1946, and previous correspondence, in regard to meetings of the Allied Council for Japan, and to forward as an accompaniment five copies each of the Agenda, Summary of Proceedings, and Verbatim Minutes of the ninth meeting of the Council held on July 10, 1946.

Considerable discussion was held on the subject integration of repatriates into the national life of Japan, continued from the meeting of June 26, 1946. The Chinese Member expressed the opinion that this question is one for the Japanese Government to solve and that a directive should be sent to that Government with the view to having a definite plan formulated for discussion in the Council. This view was also shared by the Soviet Member. The British Commonwealth Member (an Australian) expressed his opinion in a lengthy oral statement to the effect that this subject is one which is intimately connected with the general unemployment problem and with foreign trade. He filed eight general recommendations for improvement of economic conditions which appear in the verbatim minutes, page 7, et seq.

Items 2, 3, 4, and 5 on the agenda were concerned with various health measures and were suggested by the Supreme Commander with a view to obtaining the advice of the Council regarding certain aspects of these important problems. The British Commonwealth, Chinese, and Soviet Members contended that these subjects were inappropriate for discussion in the Council. Item 2, "Maritime Quarantine" was carried forward to a subsequent meeting at the request of the Soviet Member.

In explanation of the question raised by item 6 on the agenda, I made an oral statement based upon information supplied by the Japanese concerning the objectives

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-2-

of the "Japanese Commission on the Investigation of the Courses which Led to War and to Defeat". After hearing this explanation, the Soviet Member recommended that the Supreme Commander be advised to dissolve the Commission. The Chinese Member was of the opinion that the establishment of this Commission might be a good thing, and that if there were any tendency to "whitewash" some of the war criminals, it would be an easy matter for the Supreme Commander to put a stop to such tendency. The British Commonwealth Member saw difficulties in allowing the Commission to proceed if its findings were inconsistent with Allied pronouncements concerning the cause of the war. Finally, the British Commonwealth Member, when asked directly whether he concurs with the Soviet Member's recommendation, hedged by saying that the subject needs to be carefully reconsidered. As United States Member, I stated that I do not concur with the Soviet Member's recommendation.

On the subject of "Labor Legislation in Japan", item 7 on the agenda, I made an oral statement concerning the Supreme Commander's labor policies in Japan. This statement appears on page 23, et seq., of the verbatim minutes. After listening to an explanation by Mr. Cohen of the Labor Division of the Economic and Scientific Section of General Headquarters concerning changes in labor legislation, major labor legislation now in force, and of the rights of trade unions, the Soviet Member read a lengthy statement embodying twenty-two principles which he recommended for the revision and improvement of existing labor legislation. This statement appears on page 31, et seq., of the verbatim minutes. As the Soviet Member's statement had been given to the press on the previous evening, as most of his recommendations were already in effect, and as his action was obviously an effort to indicate to the public that he was taking the lead in labor reform, I made the oral statement which is set forth in the verbatim minutes on page 35, et seq. After a recess for luncheon, the British Commonwealth Member, who is inclined to give direct or other support to the Soviet Member as against American policy, stated that he was unable to find signs of Communist propaganda in the Soviet proposals. (This is, of course, a statement of fact. The propaganda aspect of the matter was the Soviet Member's endeavor to imply that his recommendations were new and needed, and that only the Soviet Union was the champion of the worker). The Soviet Member characterized my oral statement as of "intentionally propagandist character", in general took strong exception thereto, and reserved the right to refer to this subject at a subsequent meeting.

On the subject of "Government Compensations for the Former Companies of War Industries", item 8 on the agenda, after hearing an explanation by Commander Akin of the Economic and Scientific Section of General Headquarters, the British Commonwealth and Chinese Members suggested

that the



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that the item be carried forward to the next meeting. The Soviet Member recommended that no compensation be paid to companies comprising the former war industry of Japan, and that money already so paid to these industries be returned to the Japanese Treasury.

Respectfully yours,

*George Atcheson, Jr.*  
George Atcheson, Jr.

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*Enclosures to Dep. 518 from Tokyo*

9a-710

AGENDA

for the

NINTH MEETINGALLIED COUNCIL FOR JAPAN

To be held in the Meiji Building, Tokyo  
Wednesday, 10 July 1946 at 1000 Hours

- I APPROVAL OF THE VERBATIM MINUTES OF THE PREVIOUS MEETING  
(One Session, Numbered 8a-626).
- II OFFICIAL MATTERS
1. Integration of Repatriates into the National Life of Japan (SCAP, Inclosure 1)
  2. Maritime Quarantine (SCAP, Inclosure 2).
  3. Measures Taken to Prevent Disease in Japan (SCAP, Inclosure 3).
  4. Pure Food and Drug Legislation (SCAP, Inclosure 4).
  5. Standardization of Laws Regarding Food Handlers, and Food Distributing Agencies (SCAP, Inclosure 5)
  6. Japanese Commission on the Investigation of the Courses which led Japan to War and to Defeat (USSR, Inclosure 6).
  7. Labor Legislation in Japan (USSR, Inclosure 7).
  8. Government Compensations for the Former Companies of War Industries (USSR, Inclosure 8).
- III PROCEDURAL MATTERS
- None held over or submitted as items for this Agenda.

By Direction of the Chairman:

*Bonner F. Fellers*  
BONNER F. FELLERS *per*  
Colonel, G. S. C. *Fellers*  
Secretary-General

## 8 Incls:

1. Agenda Item, 6a-612-1
2. Agenda Item, 9a-710-1
3. Agenda Item, 9a-710-2
4. Agenda Item, 9a-710-3
5. Agenda Item, 9a-710-4
6. Agenda Item, 9a-710-5
7. Agenda Item, 9a-710-6
8. Agenda Item, 9a-710-7

5 July 1946

*740-00119 Central (Japan) / 17-2446 (Bulby 210)*



ALLIED COUNCIL FOR JAPAN  
Proposed Discussion Agenda

- I AGENDA NO. 6a-612-2.
- II PROPOSED BY: THE SUPREME COMMANDER FOR THE ALLIED POWERS.
- III SUBJECT FOR DISCUSSION: Integration of Repatriates into the National Life of Japan.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: Advice of the Council.
- VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE:  
None requested.
- VII REFERENCES: Memorandum from GHQ, SCAP, to ACJ, 5 June 1946, subject: "Integration of Repatriates into the National Life of Japan," (Inclosure A to Inclosure 5, Agenda 6a-612) and 2 inclosures:
1. Map showing Japanese to be repatriated as of 15 Sept 1945. (Furnished Members 7 June 1946)
  2. Chart showing States of Repatriation as of 2 June 1946. (Inclosure B to Inclosure 5, Agenda 6a-612).

Inclosure #1



ALLIED COUNCIL FOR JAPAN  
Proposed Discussion Agenda

- I AGENDA NO. 9a-710-1.
- II PROPOSED BY: THE SUPREME COMMANDER FOR THE ALLIED POWERS.
- III SUBJECT FOR DISCUSSION: Maritime Quarantine.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: Advice of the Council.
- VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE:  
None requested.
- VII REFERENCES:
1. Memorandum from General Headquarters, Supreme Commander for the Allied Powers to the Allied Council for Japan, dated 3 July 1946, on the subject of Maritime Quarantine.
  2. Staff Study: "Quarantine control regulations including boat and port quarantine."
  3. Memorandum for record from Public Health and Welfare Section, General Headquarters, Supreme Commander for the Allied Powers, dated 3 July 1946, Subject: "Introduction of cholera into Japan by way of illegal traffic from Korea."
  4. SCAPIN 1015.
  5. SCAPIN 927/1.
  6. SCAPIN 1025.
  7. SCAPIN 928.
  8. SCAPIN 927.



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500  
3 July 1946

MEMORANDUM:

TO : Allied Council for Japan

1. Maritime quarantine has been established in Japan. A partial staff study is attached hereto which gives certain facts and indicates actions taken to date on this problem.

2. The advice of the Council is requested concerning the operation of the maritime quarantine service in Japan.

a. Shall all vessels entering Japanese ports be subject to quarantine processing in accordance with regulations in effect at time of entry, or shall certain categories of ships be excluded? In case certain classes of vessels are exempted, who shall be responsible that such ships do not act as importers of disease?

b. At least eleven foci of cholera have developed within the past month in Japan. Available evidence indicates that the infection was introduced through illegal shipping from the Asiatic mainland. What measures shall be taken to suppress this traffic which is so threatening to the public health of Japan?

c. Of vital importance in processing ships through quarantine is a knowledge of the existence and prevalence of communicable disease in those ports recently visited by such vessels. This information is incompletely available in Japan. Of particular interest are disease conditions in China, Manchuria, and northern Korea because of repatriation from those areas. What measures shall be instituted to insure that outbreaks of communicable disease in all parts of the world are promptly reported to health officers in Japan? The International Sanitary Convention of 1926, as amended by the International Sanitary Convention of 1944, provides for the international control of maritime quarantine affairs and the exchange of information concerning the occurrence of communicable diseases in various countries.

FOR THE SUPREME COMMANDER:

/s/ Paul J. Mueller  
/t/ PAUL J. MUELLER  
Major General, General Staff Corps  
Chief of Staff

1 Incl:  
Staff Study  
w/6 Incl.

Inclosure A to Inclosure 2



## QUARANTINE CONTROL REGULATIONS INCLUDING BOAT AND PORT QUARANTINE

## I THE PROBLEM PRESENTED

To prevent the introduction, transmission and dissemination of communicable diseases from foreign areas into Japan via maritime traffic, an adequate maritime system must be established.

## II FACTS BEARING UPON THE PROBLEM

1. Vessels of all categories operating between Japan and foreign ports must be regarded as potential transmitters of disease. Vessels engaged solely in traffic between Japanese ports are subject to domestic but not to international quarantine.
2. An illegal traffic exists at the present time between Japan and Korea. Multiple outbreaks of cholera in northwestern Kyushu, Japan, are believed attributable to infection introduced through this traffic. (Incl A)
3. The Japanese Government has for many years and currently maintains a generally efficient maritime quarantine service throughout Japan. This service is under the direction and supervision of the Supreme Commander for the Allied Powers.
4. Maritime quarantine is a responsibility of the Japanese Government. Aside from traffic concerned with occupational duties, port quarantine in Japan today deals only with one problem, that of repatriation. To date, approximately 3,800,000 Japanese have been repatriated to Japan without the development of any serious epidemic. Approximately 2,000,000 remain to be brought back.
5. Quarantine control of military vessels is the responsibility of the military department concerned.
6. Directives currently governing port quarantine procedures consist of memoranda issued to the Imperial Japanese Government. (Incl B, C, D, E and F)



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Public Health and Welfare Section

3 July 1946

MEMORANDUM FOR RECORD.

SUBJECT: Introduction of Cholera into Japan via Illegal Traffic  
from Korea.

1. During the month of June 1946, cholera appeared in the following listed localities in Kyushu and southern Honshu, Japan:

Fukuyama  
Higoshi-Taku  
Ikishima  
Karatsu  
Kokura  
Saga City  
Tawarayama-Mura  
Tobata  
Tsushima  
Wakamatsu  
Yobuko City

2. Available evidence indicates that the infection was introduced via small craft engaged in illegal traffic between Japan and Korea, where cholera is epidemic. It is believed that further introduction of cholera from Korea into Japan will occur via these vessels unless this traffic is suppressed. To date cholera has not appeared among American troops.

MASON V. HARGETT  
Lt. Col., USPHS  
Port Quarantine  
Consultant

Inclosure 2-A-2



ALLIED COUNCIL FOR JAPANProposed Discussion Agenda

- I AGENDA NO. 9a-710-2
- II PROPOSED BY: THE SUPREME COMMANDER FOR THE ALLIED POWERS.
- III SUBJECT FOR DISCUSSION: Measures taken to Prevent Disease in Japan.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: The advice of the Council is requested as to additional measures that should be adopted to insure satisfactory public health conditions in Japan, with particular reference to the following problems:
- a. Venereal disease control.
  - b. Communicable disease reporting.
  - c. Control of insects and rodents.
  - d. Production of vaccines and sera.
- VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE:
- None requested.
- VII REFERENCES:
1. Memorandum from the Supreme Commander for the Allied Powers, to the Allied Council for Japan, dated 3 July 1946, on the subject of disease prevention.
  2. Staff Study: "Preventative Medicine in Japan."
  3. SCAPIN 48
  4. SCAPIN 1274-A
  5. SCAPIN 921
  6. Memorandum from General Headquarters, Supreme Commander for the Allied Powers to the Imperial Japanese Government, file AG-710 (16 Jan 46) PH dated 16 January 1946, Subject: "Smallpox vaccination of Japanese civilians."
  7. Memorandum from General Headquarters, Supreme Commander for the Allied Powers to the Imperial Japanese Government, file AG-710 (29 Nov 45) PH dated 29 November 1945, Subject: "Prevention and Control of Typhus Fever in Japan."

Inclosure #3



8. Memorandum from General Headquarters, Supreme Commander for the Allied Powers to the Imperial Japanese Government, file AG-710 (21 Nov 45) PH dated 21 November 1945, Subject: "Prevention and Control of Typhus Fever in Japan."
9. SCAPIN 865
10. SCAPIN 698
11. SCAPIN 153
12. SCAPIN 642
13. SCAPIN 920
14. SCAPIN 945



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500  
3 July 1946

MEMORANDUM:

TO : The Allied Council for Japan.

1. A partial staff study showing measures taken to prevent disease in Japan and other pertinent facts is attached hereto.

2. The advice of the Council is requested as to additional measures that should be adopted to insure satisfactory public health conditions in Japan, with particular reference to the following problems:

- a. Venereal disease control.
- b. Communicable disease reporting.
- c. Control of insects and rodents.
- d. Production of vaccines and sera.

FOR THE SUPREME COMMANDER:

/s/ Paul J. Mueller  
/t/ PAUL J. MUELLER  
Major General, General Staff Corps  
Chief of Staff.

1 Incl:  
Staff Study  
w/9 Incls.

Inclsure A to Inclosure 3.



## PREVENTIVE MEDICINE IN JAPAN

## I. THE PROBLEM PRESENTED.

The poor sanitary conditions existing in Japan and the lack of adequate measures for the control of diseases during the past several years makes possible the outbreak of epidemics which may seriously affect the success of the occupation.

## II. FACTS BEARING UPON THE PROBLEM.

1. Memorandum on Public Health Measures (See Incl. A and B) directed the following action:

a. Survey of existing conditions.

b. Inauguration of measures for weekly reporting of communicable diseases, and immunization and control of any disease likely to seriously affect civilian health.

c. Restoration of water supplies, sewerage systems, and other human waste disposal means to the maximum civilian capacity.

d. Operation of civilian laboratories for clinical diagnoses, and for the manufacture of sera and vaccines.

2. Memoranda on smallpox, typhus, cholera, diphtheria, and venereal diseases directed action to be taken for the control of these diseases, production of sera, vaccines and other supplies, and immunization programs to be followed. (See Incl. C, D, E, F, G, respectively).

3. Memorandum on Appointment of Insect and Rodent Control Officers directed the appointment of such officers in each Prefectural Health Department to be responsible for the organization, training, operation, and supervision of insect and rodent control personnel and activities within the prefecture. (See Incl. H).

4. Memorandum on Reorganization of Governmental Public Health and Welfare Activities directed reorganization of activities to cope more adequately with the emergency health and welfare situation. (See Incl. I).



ALLIED COUNCIL FOR JAPANProposed Discussion Agenda

- I AGENDA NO. 9a-710-3
- II PROPOSED BY: THE SUPREME COMMANDER FOR THE ALLIED POWERS.
- III SUBJECT FOR DISCUSSION: Pure Food and Drug Legislation.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: The advice of the Council is requested on the following aspects of this problem:
- a. What legislation should be adopted to prohibit traffic in food and drugs dangerous to health.
  - b. The extent to which punitive measures should be imposed by courts for infractions of such laws.
  - c. The additional governmental agencies which should be established at both the central and the prefectural governmental levels, to promulgate and enforce pure food and drug laws.
  - d. What measures should be adopted to prevent untruthful and misleading statements and advertising concerning the curative effects of drugs.
- VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE:
- None requested.
- VII REFERENCES:
1. Memorandum from General Headquarters, Supreme Commander for the Allied Powers, to the Allied Council for Japan, dated 3 July 1946, on the subject of pure food and drug legislation.
  2. Staff Study: "Pure Food and Drug Legislation for Japan."
  3. SCAPIN 871



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500  
3 July 1946

MEMORANDUM:

TO : Allied Council for Japan.

1. The problem of adequate legislation for the protection of Japanese consumers from harmful ingredients in foods and drugs is being considered. A partial staff study listing pertinent facts concerning this problem is attached hereto.

2. The advice of the Council is requested on the following aspects of this problem:

a. What legislation should be adopted to prohibit traffic in food and drugs dangerous to health.

b. The extent to which punitive measures should be imposed by courts for infractions of such laws.

c. The additional governmental agencies which should be established at both the central and the prefectural governmental levels, to promulgate and enforce pure food and drug laws.

d. What measures should be adopted to prevent untruthful and misleading statements and advertising concerning the curative effects of drugs.

FOR THE SUPREME COMMANDER:

/s/ Paul J. Mueller  
/t/ PAUL J. MUELLER  
Major General, General Staff Corps  
Chief of Staff.

1 Incl:  
Staff Study  
w/1 Incl.

Inclosure A to Inclosure 4.



## PURE FOOD AND DRUG LEGISLATION FOR JAPAN

## I THE PROBLEM PRESENTED.

The consuming public in Japan, which includes the Occupation Forces, is not protected against the use of dangerous poisons in foods, drugs, and cosmetics. Where harmful, but not dangerous, ingredients are used, labels do not warn consumers thereof.

## II FACTS BEARING ON PROBLEM.

1. Existing legislation in Japan does not give sufficient protection to the consumer.

2. The following Japanese laws on the subject of pure food and drugs are in effect, but do not adequately cope with the problem, in that they deal with minor aspects only:

a. The sale of foods and beverages "believed to be injurious to health" is prohibited.

b. The sale of milk drawn from diseased cows, and which is "putrid or bitter tasting" is prohibited.

c. The sale of ice and water which contains "foreign matter" is prohibited.

d. The use of "artificial saccharine" in food or beverages is prohibited.

e. The use of certain dangerous poisons for colouring foods and beverages, or as preservatives therein, are prohibited. Other harmful poisons, however, such as coal tar colors, are not forbidden.

f. The use of certain metals is prohibited in the manufacture of food containers.

g. Law concerning slaughter houses provides for inspection of animals before slaughtering.

h. Because of frequent deaths in the Occupation Forces due to methyl alcohol poisoning, a memorandum to the Japanese Government was issued requiring the enactment of more stringent punitive legislation on the subject of methyl alcohol in beverages. (See Incl A)

3. The penalties prescribed for violations of any of the above laws are so mild that they can have no possible deterring effect. The maximum fine in most instances is only 25 yen with no provision for imprisonment.



ALLIED COUNCIL FOR JAPANProposed Discussion Agenda

- I AGENDA NO. 9a-710-4
- II PROPOSED BY: THE SUPREME COMMANDER FOR THE ALLIED POWERS.
- III SUBJECT FOR DISCUSSION: Sanitation and Spread of Communicable Diseases.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: The advice of the Council is requested on the following:
- a. Legislation to be enacted which would prevent food handlers from spreading communicable diseases. Such legislation should uniformly control this problem throughout Japan.
  - b. A system of inspection for such personnel.
  - c. Legislation for sanitary measures to be carried out by all food processing and distributing agencies in Japan.
  - d. A system of inspection for such agencies.
- VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE:  
None requested.
- VII REFERENCES:
1. Memorandum from the Supreme Commander for the Allied Powers to the Allied Council for Japan, dated 3 July 1946, on the subject of sanitation and the spread of communicable diseases.
  2. Staff Study: "Standardization of laws regarding food handlers and food distributing agencies."



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500  
3 July 1946

MEMORANDUM.

TO : The Allied Council for Japan.

1. The question of adequate sanitation of food processing and distributing agencies and elimination of personnel who spread communicable diseases in handling this food during its processing, preparation and distribution is an important part in the public health program of any nation. A partial staff study of the problem is attached hereto.

2. The advice of the Council is requested on the following:

a. Legislation to be enacted which would prevent food handlers from spreading communicable diseases. Such legislation should uniformly control this problem throughout Japan.

b. A system of inspection for such personnel.

c. Legislation for sanitary measures to be carried out by all food processing and distributing agencies in Japan.

d. A system of inspection for such agencies.

FOR THE SUPREME COMMANDER:

/s/ Paul J. Mueller  
PAUL J. MUELLER  
Major General, G.S.C.  
Chief of Staff.

1 Incl: Staff Study.

Inclosure A to Inclosure 5



STANDARDIZATION OF LAWS REGARDING FOOD HANDLERS, AND FOOD  
DISTRIBUTING AGENCIES.

I. THE PROBLEM PRESENTED.

Intestinal, respiratory and venereal diseases are apt to be transmitted by food handlers in restaurants, canning factories, slaughter houses, and sales outlets. Public eating places where food is stored, prepared or distributed in Japan are not subject to health and sanitation regulations.

II. FACTS BEARING UPON THE PROBLEM.

1. The intestinal diseases are particularly apt to be spread by food handlers. In this class of diseases the carrier state is common, and the carrier, because he is apparently healthy, goes undetected unless positive measures are adopted for his detection and elimination.
2. In a recent survey by the Tokyo Provost Marshal, it was found that approximately 50 percent of the waitresses employed in restaurants and bars were infected with one or more of the common venereal diseases.
3. All matters of local sanitation in public eating and gathering places fall within the jurisdiction of the Prefectural Governors. No regulations for sterilization of cooking utensils, tools, and serving facilities are prescribed. Premises are not subject to examination for cleanliness and sanitation. No provision is made for periodic physical examination of food handlers.
4. No uniform laws for the handling, serving, and preparation of food exist for the whole of Japan.



ALLIED COUNCIL FOR JAPAN  
Proposed Discussion Agenda

- I AGENDA NO. 9a-710-5.
- II PROPOSED BY: LIEUTENANT GENERAL KUZMA N. DEREVYANKO, Member for the Union of Soviet Socialist Republics.
- III SUBJECT FOR DISCUSSION: Japanese commission on the investigation of the causes which led Japan to war and to defeat.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: It is desirable that the Headquarters of the Supreme Commander for the Allied Powers inform the Allied Council about the motives of the creation and appointment of such commission on the investigation of the causes which led Japan to war and to defeat.
- VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE: It is desirable to receive information concerning following items:
- a. The structure of the commission.
  - b. Members on the staff of this commission.
  - c. Purposes of the commission.
  - d. The concrete tasks before this commission.
- VII REFERENCES: None given.



ALLIED COUNCIL FOR JAPANProposed Discussion Agenda

- I AGENDA NO. 9a-719-6.
- II PROPOSED BY: LIEUTENANT GENERAL KUZMA N. DERFVYANKO, Member for the Union of Soviet Socialist Republics.
- III SUBJECT FOR DISCUSSION: Labor legislation in Japan.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: It is desirable to receive information from the representative of the Headquarters of the Supreme Commander for the Allied Powers concerning labor legislation which is now in force in Japan, and in particular, concerning the rights of the Trade Unions as well as concerning existing suppositions for the improvement, widening, and amendment of this legislation.
- VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE: None.
- VII REFERENCES: Japanese legislation, which is in force now concerning the questions of labor.



ALLIED COUNCIL FOR JAPANProposed Discussion Agenda

- I AGENDA NO. 9a-710-7.
- II PROPOSED BY: LIEUTENANT GENERAL KUZMA N. DEREVYANKO, Member for the Union of Soviet Socialist Republics.
- III SUBJECT FOR DISCUSSION: The government compensations for the former companies of war industries.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 10 July 1946.
- V SCOPE OF INFORMATION DESIRED: It is desirable to know the total sum of all pecuniary claims which were submitted by the former companies of the war industry to the Japanese Government under pretext of the compensation of damages, caused during the war.

Total compensation which has been paid by the Japanese Government to the companies of the war industry up to the present date with breakdown to various kinds of compensation and showing at the expense of what means this compensation has been paid.

VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE:

1. It is desirable to get acquainted with data regarding the sums which are claimed by the companies of the war industry with subdivision to various kinds of compensations. (Losses connected with carrying out of the orders under directions of the Government, losses connected with extension of the industrial equipments, losses connected with transfer of the enterprises to the safe places, the war insurance, the foreign funds, compensation for the equipment, which is subject to the reparations and other kinds of compensations.)
2. The methods of the calculation of these claims.
3. The claims of concerns, which are under schedule of restricted companies.

The information which was received by the Headquarters according to the Memorandum N 767 of 23 February 1946.

4. What are the sums of each kind of compensation which have been paid to the companies of the war industry, at the expense of what means and the method of the payment. (In cash by remittances to the blocked accounts, etc.)

VII REFERENCES: None given.



9a-710

COPY NO. 47RESTRICTED

VERBATIM MINUTES  
of the  
NINTH MEETING  
ALLIED COUNCIL FOR JAPAN  
(Morning Session)

Meiji Building, Tokyo, Wednesday, 10 July 1946 at 10:00 A.M.

MEMBERS PRESENT

Ambassador George Atcheson, Jr., Deputy for the Supreme Commander,  
Chairman, and Member for the United States

Lieutenant General Chu Shih-Ming, Member for China

The Honorable W. Macmahon Ball, Member representing jointly the  
United Kingdom, Australia, New Zealand and India

Lieutenant General Kuzma N. Derevyanko, Member for the Union of  
Soviet Socialist Republics

SECRETARY-GENERAL

Colonel Bonner F. Fellers

Office of the Secretariat  
Allied Council for Japan  
12 July 1946



RESTRICTED

THE CHAIRMAN: Shall we come to order, gentlemen? Copies of the minutes of the previous meeting have been furnished each Member for correction and I assume that it is the wish of the Members that they be recorded as approved. Are there any procedural matters?

Under official matters, the first subject on the Agenda is the question of the Integration of Japanese Repatriates into the National Life of Japan. This subject was proposed by the Supreme Commander. It was first placed on the Agenda by letter which was distributed to the Members on the 7th of June. This is the third meeting that we have had this question before us. GENERAL CHU, would you wish to open the discussion on this subject?

LIEUTENANT GENERAL CHU: Didn't we come to some kind of agreement that the Japanese Government should be directed to establish an organization to take care of Japanese repatriates? I would like to know whether that directive has been already given to the Japanese Government, or at least whether that directive is in the process of preparation.

THE CHAIRMAN: My recollection is that after rather lengthy discussion of various aspects of this question during two meetings, at the last meeting of the Council the Soviet Member made an affirmative recommendation that something be done about this--that the Japanese Government be asked to draw up a plan. My recollection further is that the question of discussing the matter further, was held over for this meeting in the hope--at least it was my hope--that the Members of the Council would make some concrete, specific, substantive recommendations as to, we will say, the general principles of the plan which it would be desired that the Japanese Government draw up.

LIEUTENANT GENERAL CHU: It appears to me that at the last few meetings, we found ourselves not in a position to make any



concrete recommendations because we did not have enough information and that is the reason why we suggested that the Japanese Government be told to furnish a plan. I still find myself very much in the same position as I was in the last meeting, because I haven't any additional information on that subject.

THE CHAIRMAN: My view was that we had sufficient information to enable us to make some concrete suggestions; that we might possibly make suggestions along such lines as these--that the Japanese Government might set up employment offices at ports of debarkation, employment offices at which the repatriates might be examined to learn their skills and qualifications with a view to sending them to certain parts of the country where their services as workers, or whatever it might be, could be utilized; that schools might be set up for them for their democratization similar to schools we have in the United States--Americanization schools, night schools, for immigrants; that a number of things of that sort might be suggested. I think there was some comment in the press or elsewhere to the effect that the Chairman was endeavoring to obtain some snap decisions in this matter, but I don't think there is any question of snap decisions after three weeks.

LIEUTENANT GENERAL CHU: Well, I have no objections to what you have just mentioned, MR. CHAIRMAN, but I think those details can be very well fitted into an over-all plan, when that over-all plan is prepared by the Japanese Government.

THE CHAIRMAN: MR. BALL, do you have any comments?

MR. BALL: Well, MR. CHAIRMAN, I have thought about it a bit more since the last meeting, naturally. I would like to give, if I may--I have said this before, but I would like to repeat my point; I think the real problem here is not the unemployment of repatriates, but one of general unemployment; and if we try to segregate the problem of unemployed returned soldiers from the



general problem of unemployment, such a policy will be economically useless and politically dangerous. It will be economically useless because the general level of employment is so low now that if we concentrate on getting jobs for returned soldiers only, we will be putting other people out of jobs and putting them in, or giving them preference at whatever few jobs may still be hidden away at the present level of employment; and to give them any preference would be undesirable. It would tend to give them a build-up as veterans of foreign wars. We want to make it clear to the Japanese people that soldiers and all other classes of people alike must share equally in the penalty of having lost a war of aggression. I think the other problem, MR. CHAIRMAN, is that if it is necessary to raise the general level of employment here, then that is linked up with all kinds of things. Now, I know you become impatient with me from time to time. You put up a question and say, "Please give me a concrete and specific answer," and I say that this is linked up with all sorts of other things. I know very often you have to put arbitrary limits to the problems you study because everything is linked up and connected with everything else. Nevertheless, there appears to be six million unemployed in Japan. After all, these six million repatriates are in a sense real additions to the working population of Japan. They are people who have been engaged in Army work for many years. Then in addition to the repatriates, you have civilians repatriated from previously occupied territories, you have the people who were engaged in war industries and have lost their jobs, you have the people who worked in factories and were bombed out, you have all these things to consider. If we are concerned with raising the general level of economic activity in Japan, we have to face the fact that this means the restoration of Japanese foreign trade. It means that opportunities must be given to Japan for imports--imports of



raw materials. Pretty soon, coking coal, iron ore, imports of cotton, wool and wood pulp. There is no use giving them opportunities for import if you don't give them at the same time, opportunities for export. Now, MR. CHAIRMAN, this would, I know, raise a big question--a very big question--a question that is being considered at higher levels than this. Because of that, I don't want to make any specific statement at this Council about the restoration of Japanese foreign trade. What I do say, is that we are foolish to pretend that we are dealing with a molehill when we are in fact confronted with a mountain. The problem of unemployed returned soldiers is part of the general unemployment problem. The general unemployment problem is part of the whole problem of Japanese foreign trade. Now, I don't suggest that because this is a complex question, we must simply fold our hands and do nothing about it; and I think it is possible for us to put forward certain recommendations for action. We should be quite clear that this will do little more than mitigate--it won't cure--the real problem that is causing this unemployment. I should be perfectly happy, and I am sure the other Members will be happy, to put forth recommendations of the kind you, yourself just suggested, MR. CHAIRMAN. I have some suggestions here. First of all, pay special attention--the Japanese Government should be instructed to do these things--pay special attention to overcoming bottlenecks in coal and iron and steel production. Speed up conversion of war plants. Carry out prompt liquidation and re-constitution of Zaibatsu companies. Establish a very rigid kind of control over raw materials and investments. Set up a complete register of unemployed. Make a careful survey of whatever opportunities exist at the present economic level, of labor requirements, so that if there are, say, a few coal miners down in Kyushu and a few vacancies for coal miners up in Hokkaido, these people may



be found jobs. Then the Government should be urged to accelerate as quickly as possible the program of public works that it has advertised; and this program of public works should be framed as far as possible to meet these conditions. The sort of program that would involve the use of a very high proportion of labor in relation to raw materials--since there is a shortage of raw materials; that will assist in the production of food; that will contribute to the increased production of basic raw materials and will assist industrial reconstruction and reconversion. Now, MR. CHAIRMAN, I wouldn't put those forward as being final and ideal, but I do suggest that they are the sort of specific instructions that might be given to the Japanese Government; and if they were carried out, they would help a great deal in relieving the present situation, but in themselves they wouldn't cure it.

THE CHAIRMAN: I am afraid, MR. MINISTER, I cannot follow your development of this specific problem to the very general problems you have stated, including the restoration of the foreign trade of Japan. The Supreme Commander has asked the Council's advice in regard to this specific problem of what measures should be taken or adopted to assure the appropriate integration into the economic life of the country of those being repatriated to Japan in order that they may be self-supporting and that they may not constitute a menace to the achievement of the objectives of the Occupation. That is a concrete and specific problem on which the Supreme Commander has asked the advice and recommendations of Members of the Council. It is not a question of taking jobs away from someone to give jobs to repatriates, it is not a question of preferential treatment of repatriates. The Japanese Government is under specific instructions not to give them any preferential treatment. It is a question of how to reintegrate them into the national life of Japan in order, as I have stated, that they may



be self-supporting and that they may not constitute a menace to to the Occupation. I take it from your remarks that you do not have any recommendations to make or any advice to give to the Supreme Commander on this problem.

MR. BALL: Well, MR. CHAIRMAN, I am afraid you have almost completely misunderstood what I have said, and I can only express regret for being so lacking in lucidity. I tried to finish what I said by giving out eight quite concrete, specific recommendations, that the Japanese Government be directed to do these eight things that are quite as specific and as concrete as it is possible to be. Moreover, MR. CHAIRMAN, I think you must grant the Members of the Council the right to comment on the kind of questions that are put to the Council. After all, it is sometimes harder to ask an intelligent question than it is to give an intelligent answer; and if a question is put in such a way as to involve certain difficulties, I think the Members of the Council must be free to point out these difficulties. That is what I tried to do. I have talked for a long while and made quite a speech. I wanted to point out that this question was framed in a way that involved all sorts of problems not apparent in the questions themselves. I went on and tried to accept your invitation to give specific advice and made eight specific recommendations.

THE CHAIRMAN: GENERAL DEREVYANKO, do you have any comments to make?

LIEUTENANT GENERAL DEREVYANKO: I am obliged to state again that as far as the integration of repatriates into the national life of Japan is concerned, the responsibility lies with the Japanese Government in the first place, but the Japanese Government has not taken the trouble to work out a definite program, the absence of which deprives us of the opportunity of discussing the gist of the matter according to the request of the Supreme Commander



for the Allied Powers and deprives us of the opportunity of formulating our opinion on the subject.

THE CHAIRMAN: GENERAL CHU, do you have any further comments?

LIEUTENANT GENERAL CHU: No, I have not.

THE CHAIRMAN: I am frankly disappointed at the meagerness of the response of the Members of the Council to the Supreme Commander's request for advice and information.

MR. BALL: Here are my eight recommendations, MR. CHAIRMAN.

\* \* \* \* \*

I recommend that the Japanese Government should be directed to take the following steps:

(i) Pay special attention to overcoming bottlenecks in coal and iron and steel production. Coal production is only about at the 1913 level and without increased supplies key industries cannot expand output to the level required to meet even a moderate reconstruction programme. With production per head less than half normal there is obviously considerable room for expansion with existing capacity.

(ii) Speed up conversion of war plants for peace-time production within the limit set by the nature of the plants and the requirements of Allied policy decisions on reparations.

(iii) Carry out prompt liquidation and reconstitution of Zaibatsu companies, particularly those producing key materials. While the future of these companies is uncertain it is to be expected that activity in them will be sluggish. In particular 60% of coal output is in the hands of these companies.

(iv) Establish rigid control over investment and raw materials, particularly construction materials, to ensure the maximum allocation of resources for high priority reconstruction projects.

(v) Set up a complete register of people for whom employment is to be found. These will include -

- (a) Present civilian unemployed.
- (b) Ex-soldiers who still have to be reintegrated into civilian life.

The register will include information about occupational qualifications. The register of ex-soldiers can be made from the records compiled during their demobilization.

(vi) Make a survey of labour requirements in all industries.

(vii) Undertake an extensive system of vocational training to fit unemployed people for employment in industries where opportunities exist or are likely to exist in the near future.



(viii) Carry out public works (under the recently announced programme), which as far as possible fulfill the following urgent conditions -

- (a) Involve the use of a relatively high proportion of labour to raw materials,
- (b) Assist food production,
- (c) Contribute to increased production of basic raw materials,
- (d) Assist industrial conversion and reconstruction.

\* \* \* \* \*

THE CHAIRMAN: Thank you. I will repeat my statement that I am very much disappointed at the meagerness of the response to the Supreme Commander's request for advice and assistance in regard to this serious, concrete problem with which the General Headquarters is daily being confronted.

The next subject under Official Matters, Number 2--

MR. BALL: MR. CHAIRMAN, may I just say before you go on--

THE CHAIRMAN: Surely.

MR. BALL: May I just put on record that I feel surprised and disappointed that you should have expressed such a view since I have tried to provide exactly the kind of concrete advice for which you asked.

THE CHAIRMAN: (To reporter) Do you have that on the record?

REPORTER: I have, sir.



THE CHAIRMAN: Thank you, MR. BALL.

This subject, Number 2, under Official Matters, Maritime Quarantine, proposed by the Supreme Commander for discussion today. He requests the advice of the Council. There are various reference papers which are listed in the Agenda: Memorandum from General Headquarters, Supreme Commander for the Allied Powers dated July 3rd on this subject; Staff Study, Quarantine Control Regulations including Boat and Port Quarantine; and a memorandum for the record from the Public Health and Welfare Section entitled, "Introduction of Cholera into Japan by way of Illegal Traffic from Korea." The letter to the Allied Council placing this material on the Agenda is as follows:

"Maritime quarantine has been established in Japan. A partial staff study is attached hereto which gives certain facts and indicates actions taken to date on this problem.

"The advice of the Council is requested concerning the operation of the maritime quarantine service in Japan.

"Shall all vessels entering Japanese ports be subject to quarantine processing in accordance with regulations in effect at time of entry, or shall certain categories of ships be excluded? In case certain classes of vessels are exempted, who shall be responsible that such ships do not act as importers of disease?

"At least eleven foci of cholera have developed within the past month in Japan. Available evidence indicates that the infection was introduced through illegal shipping from the Asiatic mainland. What measures shall be taken to suppress this traffic which is so threatening to the public health of Japan?

"Of vital importance in processing ships through quarantine is a knowledge of the existence and prevalence of communicable disease in those ports recently visited by such vessels. This information is incompletely available in Japan. Of particular interest are disease conditions in China, Manchuria, and northern Korea because of repatriation from those areas. What measures shall be instituted to insure that outbreaks of communicable diseases in all parts of the world are promptly reported to health officers in Japan? The International Sanitary Convention of 1926, as amended by the International Sanitary Convention of 1944, provides for the international control of maritime quarantine affairs and the exchange of information concerning the occurrence of communicable diseases in various countries."

I should like to introduce to the Council, COLONEL WEAVER of the Public Health and Welfare Section of General Headquarters. COLONEL WEAVER. COLONEL WEAVER will be glad to endeavor to answer any questions which Members may wish to ask in regard to this



subject. Would you like to open the discussion, MR. BALL?

MR. BALL: I am afraid I am handicapped on this part of the Agenda, MR. CHAIRMAN. I haven't any sanitary or quarantine officers on my staff. I haven't any questions that I could put forward. It is a highly technical question; and I am afraid I cannot contribute anything.

THE CHAIRMAN: This is one of the subjects, or one of a similar category of subjects which, if I recall correctly, I mentioned would be put before the Council on the Fifth Meeting on 29 May.

MR. BALL: Yes. It does seem to me--

THE CHAIRMAN: There were at that time no objections raised to this type of subject which was listed for probable future consideration by the Council.

MR. BALL: No. I think one could only understand the nature of the inquiry when one had information in more detail. I do feel it is the kind of information that normally should be left to expert officers. I feel that it is an administrative function and I don't feel that it is the kind of problem that can be properly deliberated at this Council.

THE CHAIRMAN: It is the sort of thing I mentioned on 29 May, MR. BALL, and I do not recall any objections on the part of any Member. As a matter of fact, there was some gratification expressed.

MR. BALL: We didn't know the form in which you were going to put the question.

THE CHAIRMAN: I may take it then, that you have no comments to make or recommendations.

MR. BALL: Nothing at all.

THE CHAIRMAN: Does the Soviet Member have any comments?

LIEUTENANT GENERAL DEREVYANKO: I had no objections to the placing of this question into the Agenda of today's meeting and I have no objections at present, but as long as I had no opportunity of studying this problem thoroughly, I have no recommendations to make on this subject at present.



THE CHAIRMAN: GENERAL CHU?

LIEUTENANT GENERAL CHU: Yes. When I looked into these questions--this particular question under discussion, as well as a few others like the food--pure food and other questions, I found them all highly technical in character and I think perhaps it is better to be left to the concerned sections of SCAP who have the experts. In case SCAP does desire any assistance from experts in my country, or in any other country, I think we would be very glad to furnish them. There is, however, this danger I want to point out. It might be construed as reopening the question of subcommittees. I want to point out that I am not doing that. However, I want to point out the fact that these technical questions are much better solved in a small expert group than in a Council meeting like this and if we recognize that fact, this question of whether subcommittees or by any other names you want to call them, would always turn up like the proverbial bad penny, I am afraid. MR. BALL, I am sorry I stopped you. Didn't you have something to say?

MR. BALL: No, GENERAL CHU, I am sorry. I agree with you. If SCAP is in need of technical skilled personnel, I am sure our Governments would be glad to do their best.

THE CHAIRMAN: These public health questions are of considerable importance to the Occupation Forces. We now have not only American troops in Japan, we have British and Australian troops and we will soon have Chinese troops in Japan. Am I correct?

(LIEUTENANT GENERAL CHU indicates assent.)

THE CHAIRMAN: Then the Council has nothing to recommend--no comments to offer?

MR. BALL: My idea is that it is not the sort of question to ask the Council. Not that it is not an important question. It is obvious that it is highly important; but it is technical and does not involve political principle or policy; and the Members of the Council lack the technical training to handle the details necessary. I notice you sent us here particulars about different kinds of



inoculations, and different kinds of vaccinations and rodents. Well, I know nothing about the best way to control the various kinds of rodents. I have no views on how to control various tropical diseases. I haven't on my staff the sanitary or quarantine officers who would be able to give me the proper advice. It is not that we don't want to help, it is simply that we cannot help.

THE CHAIRMAN: In regard to the question of propriety, it is of course proper for the Supreme Commander to ask the Members of the Council a question of any substance or importance relating to the Occupation. The next item, Pure Food and Drug Legislation.

SOVIET INTERPRETER: MR. CHAIRMAN, the GENERAL would like to say a few words on the subject.

THE CHAIRMAN: Surely.

(LIEUTENANT GENERAL DEREVYANKO addresses the Council in Russian.)

LIEUTENANT GENERAL DEREVYANKO (as interpreted): I propose that the Maritime Quarantine problem be left on the Agenda of the Council and discussed at the next meeting of the Council and would like to have additional opportunity of studying this problem.

THE CHAIRMAN: I am afraid there are at least two Members of the Council who are opposed to discussing this question. We should be glad to leave it on the Agenda if the GENERAL would like to study it further.

LIEUTENANT GENERAL DEREVYANKO: I repeat that I don't object to leaving this problem on the Agenda of the Allied Council.

THE CHAIRMAN: We will leave this Number 2 question on the Agenda, unless there are serious objections from the other two Members

In turning to the next subject, I was in error. I mentioned Number 4, instead of Number 3. Number 3, Measures for the Prevention of Disease in Japan, placed on the Agenda by the Supreme Commander. The Members have before them the scope of information desired and reference papers. Does the Soviet Member wish to make any comment?

LIEUTENANT GENERAL DEREVYANKO: I believe that the advice



requested by the Supreme Commander for the Allied Powers as to the practical measures to be taken against venereal diseases, communicable diseases, and insects and rodents, as well as on the problem of vaccination and sera, could be best of all given by competent specialists, epidemiologists, and bacteriologists, rather than by Members of the Allied Council for Japan. Members of the Allied Council for Japan will name technical men or other specialists available to them who would get in touch with the appropriate section of Headquarters of the Supreme Commander for the Allied Powers if he desires so, and who would be authorized to give all necessary and competent advices as to the practical measures to prevent disease in Japan. That is my recommendation. I feel it is quite inappropriate to consider this highly technical question in detail at the meeting of the Allied Council for Japan.

THE CHAIRMAN: MR. MINISTER, do you have any comment?

MR. BALL: Well, MR. CHAIRMAN, the sort of thing we are asked for our views on is this: investigations have disclosed serious defects in vaccine techniques; the strength of alcohol being used for cleaning the skin prior to vaccination, thus destroying active bacteria; and the entire vaccination procedure, the use of alcohol and phenol solution for cleansing the skin and so on. Now surely, MR. CHAIRMAN, there are medical officers in SCAP who know the right way to vaccinate and inoculate. Surely the thing to do is to issue instructions to the Japanese Government to vaccinate and inoculate people correctly. Despite our anxiety to help, I am really in no position to express an expert view as to what the skin should be cleansed with. I have no recommendations, MR. CHAIRMAN.

THE CHAIRMAN: The Supreme Commander is not seeking technical information. He is seeking advice regarding the handling of the problem. GENERAL CHU?

LIEUTENANT GENERAL CHU: Well, I have nothing to say beyond my statement that I will try my best to furnish such experts as SCAP may want from my country, although as you all know, we do not have



enough of them for our own use, but we shall be very happy to do anything to assist SCAP if that is necessary.

MR. BALL: MR. CHAIRMAN, I notice you say you want our advice on additional measures that should be adopted to insure satisfactory public health conditions in Japan with particular reference to venereal disease control, communicable disease reporting, control of insects and rodents and production of vaccines and sera. Now surely, they are highly technical questions.

THE CHAIRMAN: Yes, in a sense they are certainly technical questions, but one of the problems is how far should the Supreme Commander and General Headquarters go in directing and supervising the Japanese in matters of this sort. How important is it?

Now we have two further items of public health on the Agenda, Standardization of Laws regarding Food Handlers and Food Distributing Agencies, and the Pure Food and Drug Legislation. There are some international aspects to some of these problems. They are questions as I say, of general principles--how much effort we want the Japanese to expend in regard to them, how much organization should be developed to do it. Do the Members wish to discuss these two questions?

MR. BALL: No, sir.

THE CHAIRMAN: GENERAL CHU?

LIEUTENANT GENERAL CHU: I am afraid that they are all of a similar nature, so I have nothing more to add.

THE CHAIRMAN: Does the Soviet Member wish to discuss these two public health questions?

LIEUTENANT GENERAL DEREVYANKO: I think that Items 5 and 4 of the Agenda involve the question of the execution of functions of the administrative control over Japan, which is not within the purview of the Allied Council. The formulation of recommendations on these items will mean extreme interference with the administrative affairs against which we have been repeatedly warned by MR. CHAIRMAN.

THE CHAIRMAN: GENERAL CHU, do you have any further comment?



LIEUTENANT GENERAL CHU: No, sir.

THE CHAIRMAN: Any further comment, MR. BALL?

MR. BALL: No.



THE CHAIRMAN: The 6th item on the Agenda under Official Matters, Japanese Commission on the Investigation of the Causes which led Japan to War and to Defeat. This subject was proposed by the Member for the Soviet Union. Scope of information desired is set forth as follows:

"It is desirable that the Headquarters of the Supreme Commander for the Allied Powers inform the Allied Council about the motives of the creation and appointment of such Commission on the investigation of the causes which led Japan to war and to defeat."

Specific information desired:

- a. The structure of the Commission.
- b. Members on the staff of this Commission.
- c. Purposes of the Commission.
- d. The concrete tasks before this Commission.

In response to the Soviet Member's request, the matter of this Commission has been investigated by General Headquarters. My information is to the effect that the Commission is a semi-official body. It was established by Baron Shidehara in October 1945 at the time he was Prime Minister and was established then to include members of his cabinet. The immediate objective is stated to be to investigate (1) the causes why Japan started the war and (2) the reasons why Japan lost the war. The ultimate purpose is stated to be the prevention of any such occurrence in the future, thereby insuring permanent peace and happiness to the Japanese people. According to my information, the Commission has only had two meetings. At its first session, Baron Shidehara stated, "The Council is charged with the mission of probing into the causes and other aspects of the war, but not with exposing individual war guilt," and "it is obligatory for contemporary Japanese to probe into the war and leave records for posterity in order that the folly committed by contemporary Japanese may not be repeated." The Commission is organized into a number of departments for study purposes: Department of Politics



and Diplomacy, Department of Military Affairs, Department of Finance and Economy, Department of Thoughts and Culture, Department of Science and Technology, etc. The members of it include various vice-Ministers in the Government and a number of other persons. There are some eighteen listed here. (To Soviet Member) Do you wish their names?

LIEUTENANT GENERAL DEREVYANKO: I have no objections.

THE CHAIRMAN: My Japanese pronunciation is not perfect. There is Yagi Hidetsugu, Shibata Yuji, Ouchi Hyoei, Tomitsuka Kiyoshi, Takagi Yasaka, Watsuju Tetsuro, Arisawa Hiromi, Okochi Kiko, Matsumura Giichi, Abe Shinnosuke, Baba Tsunego, Saito Takao, Nakamura Takaya (Koya), Watanabe Tetsuzo, Katayama Tetsu, Kimura Sukeji, Watanabe Ikujiro, Yamauro Sobun, Suzuko Bunshiro.

On June 14, the following were added to the list of members: Ashida Hitoshi, Tobata Seiichi, Ikawa Tadao, Terazaki Taro, Iinuma Kazumi, Kusumi Yoshio.

The Council or Commission so far has held two meetings, the first was held in March. Now, I should say, from what we know of this matter, it does not seem that there is any ground for objection to the formation of this Commission or to its purposes or to its activities. If the Japanese wish to institute inquiry into the causes of the war, it is my opinion that to stifle such inquiry would be a violation of the fundamental freedoms for the preservation of which the war was fought and which our victory and our policies have given to the Japanese. I may say for my part, that I have not obtained any impression that the Japanese people have followed the example of some other defeated peoples and sought to find excuses for their past aggressions. I think that most Japanese realize that they were misguided by evil leaders who brought them into war and disaster.

If the Commission should continue its inquiries, I do not think there is any probability that it will reach any but the correct



conclusion. Certainly one would not judge otherwise from the editorial comment which has been appearing in the vernacular press or from the general tenor of Japanese public opinion. Certainly, the Japanese Government is under no illusions as to the causes of the war--otherwise it would not support the draft Constitution provisions for renunciation of war and for Japan's dependence upon the peaceful intentions and good faith of other countries.

SOVIET INTERPRETER: The GENERAL would like to ask a few questions.

THE CHAIRMAN: Surely.

LIEUTENANT GENERAL DEREVYANKO: MR. CHAIRMAN in his statement mentioned the tasks and purposes of this Commission and I would like to know whether it is MR. CHAIRMAN's private opinion or were these tasks set by the leaders of the Commission.

THE CHAIRMAN: I do not know. The statement of the purposes and tasks of the Commission are the statements made by the Japanese concerned.

LIEUTENANT GENERAL DEREVYANKO: Do I understand correctly that the tasks and purposes mentioned by you are the ones which were put forward by those people who head this Commission.

THE CHAIRMAN: I assume so. It is a Japanese organization. The Commission was organized, as I understand it, by Baron Shidehara and members of his cabinet. I think Baron Shidehara is still the head--the chairman of the Commission, although he is out of the Premier's office, now.

LIEUTENANT GENERAL DEREVYANKO: The second question. I don't understand how it is possible for a Commission to be a semi-official body as this Commission is headed by the former Prime Minister, and the Members of this Commission are Members of the present cabinet.

THE CHAIRMAN: Some of the members of the Commission are vice-ministers.

LIEUTENANT GENERAL DEREVYANKO: In that case, I have one more



question to ask. Is it possible to obtain the characteristics of former activity as well as of the present activity of the main members of the Commission?

THE CHAIRMAN: You mean their past record in politics?

LIEUTENANT GENERAL DEREVYANKO: I mean the record of their former record and their present activity in general in a brief form, if possible.

THE CHAIRMAN: If it is worth while to go into all that detail --some of them are people who have been in public life. I am not sure that all of them are. Some of them are professors, aren't they?

LIEUTENANT GENERAL DEREVYANKO: I would like to know if possible how many members of the Commission are former military men.

THE CHAIRMAN: It can be looked into if you consider it is worthwhile to take that trouble.

LIEUTENANT GENERAL DEREVYANKO: I consider it very important.

THE CHAIRMAN: We shall endeavor to obtain the information the GENERAL desires.

LIEUTENANT GENERAL DEREVYANKO: I would like to ask MR. CHAIRMAN if it is possible to provide all Members of the Allied Council with records of former and present activities of the members of this Commission.

THE CHAIRMAN: We shall endeavor to do so.

LIEUTENANT GENERAL DEREVYANKO: Even if these records are given in a brief form.

THE CHAIRMAN: We shall endeavor to do so.

LIEUTENANT GENERAL DEREVYANKO: Along with this I would like to receive the detailed plan of work of this Commission, the plan which we will be able to study.

THE CHAIRMAN: GENERAL CHU, do you have any comment?

LIEUTENANT GENERAL CHU: I have no objections to the establishment of such a Commission, in fact, I think it might be a good



thing. If there is any tendency to whitewash some of the war criminals, I think it is a rather easy thing for SCAP to put a stop to that.

THE CHAIRMAN: Yes.

LIEUTENANT GENERAL CHU: I have no objections to this Commission.

THE CHAIRMAN: MR. MINISTER?

MR. BALL: I think there are some difficulties about it, MR. CHAIRMAN, particularly if it is going to be a semi-official commission. I notice there is a kind of disarming ambiguity about the purpose of the Commission as stated. It is not quite clear whether the primary purpose is to make an inquiry that will save the Japanese from another war or save them from defeat in another war. I suppose that this is to be a free inquiry, an inquiry in which Allies do not interfere at all. Suppose that the findings of that Commission are inconsistent with pronouncements made by the Allies on the causes of this war.

THE CHAIRMAN: I think GENERAL CHU covered that question.

MR. BALL: Supposing they're inconsistent with the findings of the Allied Military Tribunal. Are the findings going to be censored by SCAP? It seems to me that it would be impossible for the Allies to tolerate findings inconsistent with Allied pronouncements about the causes of the war. And in that sense, any findings would perhaps seem to be a bit phoney. If we are quite certain that the findings of this Commission will be in accord with our findings, well, then, of course, there is no harm in going on; but if we are already certain of that, the activities of the Commission don't seem to be very real. Although I am not acquainted with the individuals whose names you have mentioned, my impression is that a number of members of this Commission, while not themselves militarists in the strictest sense, were associated with the people who conducted this war. If such people bring out findings that we approve of completely, they will be unreal. If they bring out



findings that are inconsistent with ours, they will be unacceptable. For that reason, I seriously doubt the wisdom of approving the work of this Commission.

THE CHAIRMAN: I don't think there is any question of approving the work of the Commission. The question, as I understand it, raised by the Soviet Member in regard to the Commission is whether or not the Commission should be permitted to function. I could not, of course, be certain as to what conclusion the Commission will reach in its investigations.

MR. BALL: Well, do you think, MR. CHAIRMAN, that its conclusions will be accepted by SCAP?

THE CHAIRMAN: I stated that I felt there was no probability that the Commission would not reach a correct conclusion. GENERAL CHU raised the question whether action could be taken in case of necessity or desirability; of course in case of necessity or desirability, action could be taken by the Supreme Commander. It seems to me there is no harm in having the Japanese think about the past, the cause of the war, the causes of defeat. I concur in GENERAL CHU's view that it probably would be a good thing. I don't see any proper ground at present on which we could at this moment object or interfere with free thinking or investigation by any interested Japanese in such a subject. As regards the question of the ambiguity of the statements which you raised, there is this statement which I read previously: "The ultimate purpose is to prevent any such occurrence in the future, thereby assuring permanent peace." The Commission was announced, I think, in October, 1945. Is there any further comment?

LIEUTENANT GENERAL DEREVYANKO: I would like to make a recommendation.

(LIEUTENANT GENERAL DEREVYANKO addresses the Council in Russian.)

LIEUTENANT GENERAL DEREVYANKO (as interpreted): As I stated



at the previous meeting of the Council, the task of investigating the causes which led to the aggressive war, as well as that of exposing and punishing the main instigators of this war, rests with the International Military Tribunal for the Far East. In this, likewise, is the reason for doubting the necessity of forming under the Japanese Government a special commission with such objectives. Now, when we have already heard the information, although given in a brief form, concerning the structure, objectives, and personnel of this Commission, my belief has grown stronger that the existence of this Commission is not at all expedient. I think that regardless of all plausible excuses by which the formation of such a Commission might be motivated, it is clear that its establishment is really nothing but an attempt on the part of certain Japanese circles to summarize legally the experience of war. Having this in mind, I deem it necessary to recommend the Supreme Commander for the Allied Powers to direct the Japanese Government to dissolve the above-mentioned Commission.

THE CHAIRMAN: As regards the question of the functions of the Commission, and functions of the War Crimes Tribunal, it is my understanding that the Tribunal is not looking into the causes of the war, but is investigating the question of the war guilt of individuals. As regards the Commission, Baron Shidehara stated the Council is charged--

LIEUTENANT GENERAL DEREVYANKO: I am sorry, sir.

THE CHAIRMAN: The Commission is charged with the mission of probing into the causes and other aspects of the war, but not with exposing individual war guilt.

LIEUTENANT GENERAL DEREVYANKO: Would you mind repeating this statement, sir?

THE CHAIRMAN: I think the GENERAL has come into some confusion as regards the respective functions of this semi-official Commission and the War Crimes Tribunal. As I understand it, this Commission has been set up by the Japanese to investigate the causes of the



war, and the Tribunal is investigating the war guilt of individual persons.

LIEUTENANT GENERAL DEREVYANKO: I would like to call your attention to the fact that the Military Tribunal for the Far East also investigates the causes of the war because without doing this, it is impossible to determine the guilt of the accused.

THE CHAIRMAN: There still in my mind seems to be no conflict between these two organizations. GENERAL CHU, do I take it that you do not concur in the recommendation of the Soviet Member?

LIEUTENANT GENERAL CHU: My previous statement on the subject still stands.

THE CHAIRMAN: MR. MINISTER?

MR. BALL: I wouldn't go so far as to recommend that it be immediately dissolved. I would simply say that I think that it needs to be very carefully reconsidered. I can't see that its activity can have any real use, and I can see considerable danger that might develop.

THE CHAIRMAN: As United States Member, I do not concur in the Soviet Member's recommendation.

Number 7, under Official Matters, "Labor Legislation in Japan," proposed by the Member for the Soviet Union. Under the heading, "Scope of Information Desired," it is stated, "It is desirable to receive information from the representative of the Headquarters of the Supreme Commander for the Allied Powers concerning labor legislation which is now in force in Japan, and in particular, concerning the rights of the trade unions, as well as concerning existing suppositions for the improvement widening, and amendment of this legislation. References are Japanese Legislation which is now in force. I think some memoranda have been furnished Members in regard to that.

By way of introduction, I might say that, as Members are aware, it has been the policy from the beginning of the Occupation to encourage labor in Japan, to organize in a democratic way, for the



purpose of establishing what are now generally recognized as the rights of workers in any democratic country. In addition, the complete operation of unions and other labor organizations, during and before the war years, notwithstanding lack of experience because of that suppression and because of amateur developments of the labor movement in Japan, considerable progress has already been made toward the attainment of the goals of the initial American policy which has since received Allied approval. The achievements form a record in which both the Occupation Authorities and the Japanese may, I think, take just pride. Unions have been organized in industry, commerce, and the professions, and their members now total more than three million, a figure which is seven times the pre-war membership of such organizations as formerly existed.

At the time of the surrender there were no genuine democratic workers' organizations in existence in Japan. As the result of a system of oppressive legislation and police and military repression perfected under the authority of the "Dangerous Thought" and the National Mobilization Acts, there were no means for Japanese laborers to express their needs or wishes on matters which intimately affected them. They were effectively denied the rights of assembly, speech, unionization, protest, collective bargaining and strike. All pre-war labor leaders had been killed, imprisoned, exiled, or otherwise silenced. The so-called "labor front" or "patriotic" organizations effectively included and controlled all industrial and casual labor.

The general post-surrender policy for labor organizations was announced as follows:

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



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

On October 11, 1945, the Supreme Commander in a communication to Premier Shidehara stated more in detail the obligations of the Japanese Government with regard to the treatment of workers' organizations in part as follows:

"I expect you to institute the following reforms in the social order of Japan as rapidly as they can be assimilated..."

The second of these reforms named "the encouragement of the unionization of labor... that it may be clothed with such dignity as will permit it an influential voice in safeguarding the working man from exploitation and abuse and raising his living standards to a higher level..."

We are, in the General Headquarters, aware that much remains to be accomplished, that the laborers and their leaders need experience and further development of their understanding of their rights and their responsibilities. But they and the Japanese Government have already accomplished much.

I should like to introduce MR. COHEN of the Labor Division of the Economic and Scientific Section of the General Headquarters, and ask him to give further explanation in detail and also to answer any questions which Members may wish to ask him.

LIEUTENANT GENERAL DEREVYANKO: MR. CHAIRMAN, I would like to say a few words before we hear the representative of GHQ, SCAP.

THE CHAIRMAN: Surely.

(LIEUTENANT GENERAL DEREVYANKO addresses the Council in Russian.)

LIEUTENANT GENERAL DEREVYANKO (as interpreted): MR. CHAIRMAN, Gentlemen. In submitting into the Agenda of the meeting of the



Allied Council, the subject of Labor Legislation in Japan, I would like to point out that this subject is not less important than the draft of Rural Land Reform which was recently discussed by us. Quite recently, the Japanese workers were completely deprived of their elementary rights and their standard of living was several times worse than that of workers in other industrial countries. Since the surrender of Japan, the situation has changed to a certain extent, but still it requires further serious reforms. The guarantee of vital rights of the Japanese workers, the guarantee for them of rights for the proper organization is just as important for the democratization of Japan as the rise of general standard of living and the improvement of economic conditions of the Japanese peasantry. There is certain labor legislation in Japan. However, judging by newspaper reports, this legislation does not satisfy even the Japanese Government itself, which is reportedly preparing to make certain changes in it. I would like to ask that a GHQ SCAP representative tell the Allied Council about the general condition of labor legislation in Japan and proposed improvements in this respect. It would be especially interesting to hear the information concerning the existing rights of the Japanese labor organizations and how these rights are being preserved. I, myself, as well as probably other Members of the Council, the other day had a chance of getting acquainted with a copy of the document addressed to the Supreme Commander in which the representatives of one of the labor unions show a sad picture of the brutal treatment of the workers and employees in the office of the Yomiuri Newspaper by the Japanese police. I am not inclined to suggest the investigation of this particular case. I have mentioned it only because of the fact that the development of sharp conflicts, such as was seen in the office of the metropolitan newspaper testifies to the fact that the regulation of labor relations in Japan is far from being satisfactory.



THE CHAIRMAN: MR. COHEN--

MR. COHEN: I should like to present my discussion in three parts. First, how labor legislation has been changed in the course of the Occupation. Secondly, an outline of the major pieces of legislation now in force; and third, I should like to go into some detail on the particular question of rights of trade unions under existing legislation.

Legislation affecting labor in Japan has been altered considerably during the Occupation. Changes have been of three types. Undesirable legislation has been abrogated, desirable legislation which was suspended has been reinstated, and new legislation has been placed on the books. In the first place, repressive laws and other regulations which prevented or had the effect of preventing the further organization of labor unions and legitimate activities of labor unions for the purpose of improving wages, hours, and working conditions, and lending mutual assistance, have been abrogated. Basically, this has been achieved through the Supreme Commander's Memorandum to the Imperial Japanese Government on the subject of Removal of Restrictions of Political, Civil, and Religious Liberties, dated 4 October 1945, which in effect, directed the removal of all laws designed to prevent free organization of trade unions. As a result of this, the following laws were abrogated: The Peace Preservation Law of 1941 was abrogated on 15 October 1945 by Imperial Ordinance Order 575. The Protective Surveynance for Thought Offenses Law, and the regulations relative thereto, both of 1936, were abrogated on the same day by the same ordinance. Articles 4, 6 and 7 of the National Mobilization Law which provided authority for wartime conscription were abrogated on 1 April 1946. The control of wages and prices which stem from those Articles will go out of effect on 1 October 1946, in accordance with the grace period for the establishment of such controls as may be necessary. The National Labor Mobilization Ordinance, which was promulgated pursuant to the law and which provided for labor conscription, was



abrogated by an ordinance of the Ministry of Public Health and Welfare on 11 October 1945. Articles 3 and 8 of the Public Peace Police Law of 1900, which permitted dissolution of unions, union meetings, and labor parades, were abrogated on 21 November 1945. Certain paragraphs of the Police Crimes and Punishment Ordinance, particularly paragraphs 3 and 4 of Article 1 and paragraphs 5 and 31 of Article 2, which were used to hamper picketing and continuance of strikes have been nullified in their application to labor disputes and labor organizations by Article 1 of the Trade Union Law, and also by severe restriction of police activity in labor disputes as provided in the Home Ministry instructions to the police on 6 November 1945, 8 February 1946, and 22 June 1946, the Factory and Work Shop Supervision Ordinance of March 1944, which instituted a system of military discipline among workers in war plants, was abrogated by Ministerial Ordinance of the Ministry of Public Health and Welfare on 11 October 1945. At the same time that this mass of repressive legislation was abrogated, those portions of labor protective legislation, particularly the mining and factory acts which had been suspended during the war have been reinstated. The types of protection which have been again afforded cover safety, health, maximum hours, and child labor. By way of example, one can point specifically at the 13th March Ordinance of the Welfare Ministry which reinstated the prohibition against women and children working underground in coal mines. More than 13,000 women are leaving the pits pursuant to this ordinance, and by the end of February 1947, that is the end of the grace period allowed to prevent interruption in critical coal production, all of these women will be completely out of the coal mines. Many of them are already out. By this ordinance also, night work for women and children has been banned as of 1 April 1946 in the mines, covering thereby 43,000 women and 20,000 children in all. One major piece of new legislation has come into effect, that is the Trade Union Law of December 1945.



I should like to go into detail on that Law a little farther on.

Having outlined the changes in labor organization which had taken place in the last ten months, I should like to outline the legislation on the books at present. This legislation consists of eight major laws and two ordinances.

First, the Trade Union Law of December 1945, and allied ordinances, which I will discuss later.

Second, Labor Disputes Adjustment Law of 1926. This law mediation machinery is for all practical purposes a dead letter, there having been only three cases of mediation under the law in a period of twenty years.

Third, the Factory Act of 1911, amended in 1923 and 1929, together with allied ordinances and regulations. This law regulates safety and health conditions in all factories in Japan with ten or more employees, and in all establishments where the work is unusually hazardous. The law also limits hours of work for women and children, as well as making special provision for maternity cases. Allied ordinances include the regulation of factory dormitories and accident prevention measures.

Fourth, the Mining Act of 1905, together with its allied ordinances such as the Ordinance for the Employment and Compensation of Miners, provide substantially the same sort of protection as the Factory Act for the Miners of Japan.

Fifth, the Minimum Age Law of 1923 which, with certain exceptions, prevents the industrial employment of persons under 14 years of age.

Sixth, the Labor Exchange Law of 1922, under which a system of some six hundred public employment exchanges have been set up throughout the country.

Seventh, the Seamen's Act of 1937, which provides safety and health regulations, and the Seamen's Employment Exchange Act of



1922, which sets up public employment exchanges for seamen.

Eighth, compensation for industrial accidents, which is provided under a number of different laws. Workers in the larger factories and mines receive medical benefits and cash allowances under the factory insurance system. In smaller factories, the Factory Act imposes direct liability on the employer for compensation for accidents. Finally, the two Acts of 1931 dealing with workmen's relief, accidents, and employees' liabilities for accidents, and covers workers in construction, engineering, and forestry.

In addition, there are two important ordinances which should be mentioned. One issued pursuant to the Factory Act of 1924 regulates recruiting by private agents of workers for industrial employment. The other, the Wage Control Ordinance, was issued pursuant to the National Mobilization Law and is substantially not in force at present. It will expire on the First of October.

These constitute the legislation generally covering the field of labor in Japan. In answer to the specific question of the Soviet Member, I should like to add some words about the rights of trade unions under existing legislation. There have been made available to you copies of Basic Japanese Labor Union Legislation, which includes the Trade Union Law and the Enforcement Ordinances. Article 1 of the Trade Union Law guarantees the rights of organization and collective bargaining. Article 2 deprives employer dominated unions of legal status. Article 11 prohibits an employer from discharging a worker or inflicting disadvantages on him on account of his membership in a union and provides further that no employer shall make it a condition of employment that the worker must not join or must withdraw from a trade union. Article 12 of the same law provides that no employer shall claim indemnity from a trade union or members or officers of the same for damages received through a strike or other acts of dispute which are proper acts. By Article 10 of the law, representatives of trade unions are



empowered to negotiate with an employer on behalf of members of the union for conclusion of trade agreement or other matters, while Articles 19 to 25 give legal status to trade agreements arrived at by such collective bargaining.

I should add that the Japanese Government has in preparation and approved by the Cabinet yesterday morning, a Labor Relations Adjustment Bill which, if passed by the Diet, will supplant the dead-letter Labor Disputes Adjustment Act of 1926. This bill provides, among other things, that a worker may not be discharged by an employer for striking or for other act of dispute. It is expected that the bill will be introduced in the Diet in the next few days.

I should also add that there is now in progress in the Welfare Ministry a study of the Factory and Mining Acts, and first drafts have been shown to us which extend coverage considerably both for workers and for safety and health provisions.

THE CHAIRMAN: Thank you, MR. COHEN. Any questions? GENERAL CHU?

LIEUTENANT GENERAL CHU: I move for a recess. Isn't it rather late?

THE CHAIRMAN: What are the wishes of the Members?

LIEUTENANT GENERAL DEREVYANKO: I would like to make a proposal on the subject, and after that I have no objection to having a recess.

(LIEUTENANT GENERAL DEREVYANKO addresses the Council in Russian.)

LIEUTENANT GENERAL DEREVYANKO (as interpreted): Taking into consideration the necessity of eliminating one of the most serious obstacles on the road to the democratization of Japan, that is to say, the absence of proper guarantees of the rights of the Japanese workers who were practically deprived of all rights under the conditions of aggressive and militaristic Japan, and deeming it



necessary to decisively change such a situation in accordance with the basic principles of the Potsdam Declaration, I would like to suggest that the Supreme Commander for the Allied Powers direct the Japanese Government to take necessary measures for the revision and essential improvement of the existing labor legislation. The following principles should be taken as a foundation:

1. It is necessary that the labor legislation should be extended to all categories of workers and employees.

2. The freedom of labor unions should be guaranteed. The discrimination of members of labor unions should be prohibited and the procedure of registration of labor unions should be simplified, bringing to a minimum all necessary formalities. Respective Article of the Labor Union Law approved on February 27, should be abrogated.

3. It is necessary to categorically prohibit any reprisals against or dismissals of workers and employees for their participation in strikes. In case the employer closes down his enterprise, and as a result of this occurs a mass dismissal of the workers and employees who took part in the strike, the law should provide that either the owner of the enterprise is obliged to pay these persons a proper allowance fixed by an agreement with the labor union, or the workers and employees are given the right to establish their own business control and management of the said enterprise.

4. Written collective agreements concluded on behalf of the workers by the labor unions and employers should constitute the basis of relations between workers and employees on the one hand and employers on the other. These collective agreements concluded for the period of not less than one year's duration should define the procedure of hiring the workers and their dismissal and pay, working hours, medical insurance fund, as well as all other questions requiring settlement. The employers should bear financial responsibility for the fulfillment of collective agreements.



5. Collective agreements should be automatically registered by local branches of the Ministry of Labor. Provisions of the collective agreement should be extended to all workers and employees of the said enterprise regardless of their labor union membership.

6. The amount of wages and salaries provided for by the collective agreement should not be lower than the minimum pay fixed by special committees composed of representatives of the Ministry of Labor and labor unions for each branch of industry.

7. Women and men of equal skill should be paid equally for their labor.

8. Working hours for adult workers and employees should be fixed as 8 hours a day or 48 hours a week.

9. Workers and employees of the establishments, the work in which is harmful for their health, should have a shortened working day (5--6 hours a day).

10. Overtime work in excess of an 8-hour working day may be allowed only with the consent of the labor union and should be paid one and a half or twice as much as regular work.

11. Days off should be Sundays and all national holidays. Any work on these days is to be considered overtime work.

12. Once a year all workers and employees should be allowed a fortnight vacation with pay at the expense of their employer.

13. All expenses connected with illness, medical treatment and the purchase of medicines should be paid out of medical insurance fund, 75% of which is especially contributed by the employer and 25% by the workers, but the workers' donations should not exceed half percent of a monthly pay of a worker or an employee. The labor unions are in charge of the medical insurance fund.

14. In case the employer dismisses a worker or an employee, he must give a fortnight's notice to the person subject to dismissal and should pay him or her an allowance amounting to his or her fortnight pay. In case of dismissal without any notice, the



employer must pay to the dismissed a month's wages.

15. Juvenile labor of children under 14 must be prohibited. Persons of 14 to 16 years of age should have a shortened working day not exceeding four hours and those of 16 to 18 years of age, not exceeding six hours. All of the above-mentioned persons, whether they are workers or employees, should receive wages or salaries in accordance with their skills as if they worked a full working day.

16. Night work for persons under 18 years of age should be categorically prohibited.

17. Pregnant women should be given a thirty-five day vacation with a pay retained prior to the delivery and forty-two days vacation with a pay retained after the delivery. The payment for the vacation should be at the expense of the employer and at the rate of an average pay.

18. Under-ground work of women and persons under 18 years of age, as well as work detrimental to health in all other branches of industry, should be prohibited.

19. Temporary disability (for the period not exceeding six months) which is a result of an injury sustained during work, should be compensated at the expense of the employer and the sum covering the cost of medical treatment and 75% of average annual wages or salaries for the whole period of temporary disability. In case of invalidity of a worker or an employee as a result of an injury sustained during work, the employer should pay him or her a life annuity at the rate of from 50 to 25 percent of wages or salary, depending upon the extent of the inability for work and on the basis of average pay during the past year.

20. In case a worker or an employee dies due to an accident which occurred while he or she was working, the family of the deceased should receive an allowance which should be determined by an agreement with the labor union. If there are disabled members



or children in the family, an annuity from the rate of 50 to 25 percent of average pay should also be paid, depending upon the number of persons in the family.

21. Allowances to unemployed and annuities to aged persons should be paid by the State out of budget sums.

22. The Ministry of Labor, with the participation of labor unions should take care that the employers secure adequate measures for the safety of labor at their establishment. Those employers who violate this, should be subject to criminal procedure.

From the information submitted to the Council by the representative of the Labor Division of GHQ SCAP, it is clear that there are special directives, ordinances, and instructions as regards the adjustment of labor. However, I believe that it might be useful to reduce all of these to a uniform labor legislation. This measure will facilitate the realization of labor legislation and in this way, would considerably increase its efficiency.

THE CHAIRMAN: If the Members will care to bear with me for a moment before we recess, I believe that a number of aspects of these recommendations which were given to the press last evening by the Soviet Member for advance release, require some immediate clarification. In glancing over the list of recommendations, it is clear that many of them are already substantially or in part, in practice or in law. This applies to Number 2, to the first part of Number 4, Number 5, Number 14, Number 15, Number 16 and Number 18. That being the case, there would seem to be no desirable purpose to be served by placing them before the Council in the guise of something that is new and needed.

MR. BALL: Have you got a copy of that, MR. CHAIRMAN? Could the Council Members have a copy?

THE CHAIRMAN: Of the general recommendations?

MR. BALL: Do you have a copy of them?

THE CHAIRMAN: I have a copy, yes.



MR. BALL: Thank you.

THE CHAIRMAN: I submit that our purpose here should be to establish democratic principles with respect to labor, and to let the play of forces--because employers, as well as employees are concerned and both have rights--decide the rules in accordance with those principles. To attempt to dictate rules in minute detail would reflect what does not exist here--an entirely arbitrary and dictatorial Government of Japan by the Allies in direct contravention of the Potsdam Declaration. The Supreme Commander has no intention of setting up any bayonet rule of military occupancy which would be the antithesis of the liberties we are giving the Japanese.

In the light of all the circumstances surrounding them, these recommendations have a color which we have seen before. I regret to have to say it, but there is readily discernible here the familiar signmarks of propaganda. I very much regret that any issue involving Communism or Communist influence in Japan has again risen before us. But it has--and we might as well face it with candor. I do not cavil with Communism in its home country. The form of government under which a nation lives is its own affair, but we are not pledged to further Communism in Japan. On the contrary, we are pledged to further democratic principles and processes in this country--and the Japanese are pledged to pursue and achieve for themselves the benefits of democracy.

The labor movement in Japan has enjoyed a favorable initial development. There have been efforts, as we know, by an aggressive minority to mislead the labor unions and to regiment the workers into obedient minions of a militant party. The great danger to the labor movement in this country is that it might fall under the influence of extremist and self-seeking elements. Regimentation is no friend of labor. The term "regimentation" includes Communist regimentation and Fascist regimentation. It includes the repressions and controls of the extreme right which Japanese labor suffered



during the war years and before the war. It includes control by elements of the extreme left. Neither Communism nor Fascism has any rightful claim to the leadership of labor. They do not lead labor; they destroy labor.

As I have mentioned, some of these recommendations before us have already been translated into practices of labor organizations in Japan. These are practices, some of them along liberal lines, which are in effect in a number of countries but which, so far as I know, are foreign to others. In connection with them, I should like, with all respect, to raise with the Soviet Member certain questions.

Are industrial strikes permitted in his country?

Is the full freedom of labor unions guaranteed?

Are reprisals against workers for participating in strikes forbidden by law or practice?

Do collective agreements freely arrived at between labor unions and management constitute the basis of relations between workers and employers?

Under the five-year plans, have the working hours for employees been fixed at eight hours a day or forty-eight hours a week?

These are examples only. If these practices are not universally observed in his country, why does he as a Member of this Council, support them for Japan?

As I say, I deeply regret that these issues have been raised. But they have been, and they are before us. There is again the issue whether Members of the Council are to further the purposes of the Communist Party in Japan to impose its will upon the Japanese or whether Members of the Council are to further the Potsdam Declaration in its purpose to seek the self-democratization of Japan through the freely expressed will of the people. These issues have created still another issue for the Council--the issue whether the Members are intent or otherwise in collaborating with the Supreme



Commander in implementing the Potsdam Declaration and the other basic policy statements for the Occupation.

We are all pledged to the same goal. I earnestly bespeak the cooperation of the other Members toward the attainment of our announced and agreed upon objectives.

Do you wish to recess, say until two o'clock?

LIEUTENANT GENERAL CHU: If that is agreeable to the other Members.

THE CHAIRMAN: Is that agreeable to the GENERAL--two o'clock?

LIEUTENANT GENERAL DEREVYANKO: No objections, sir.

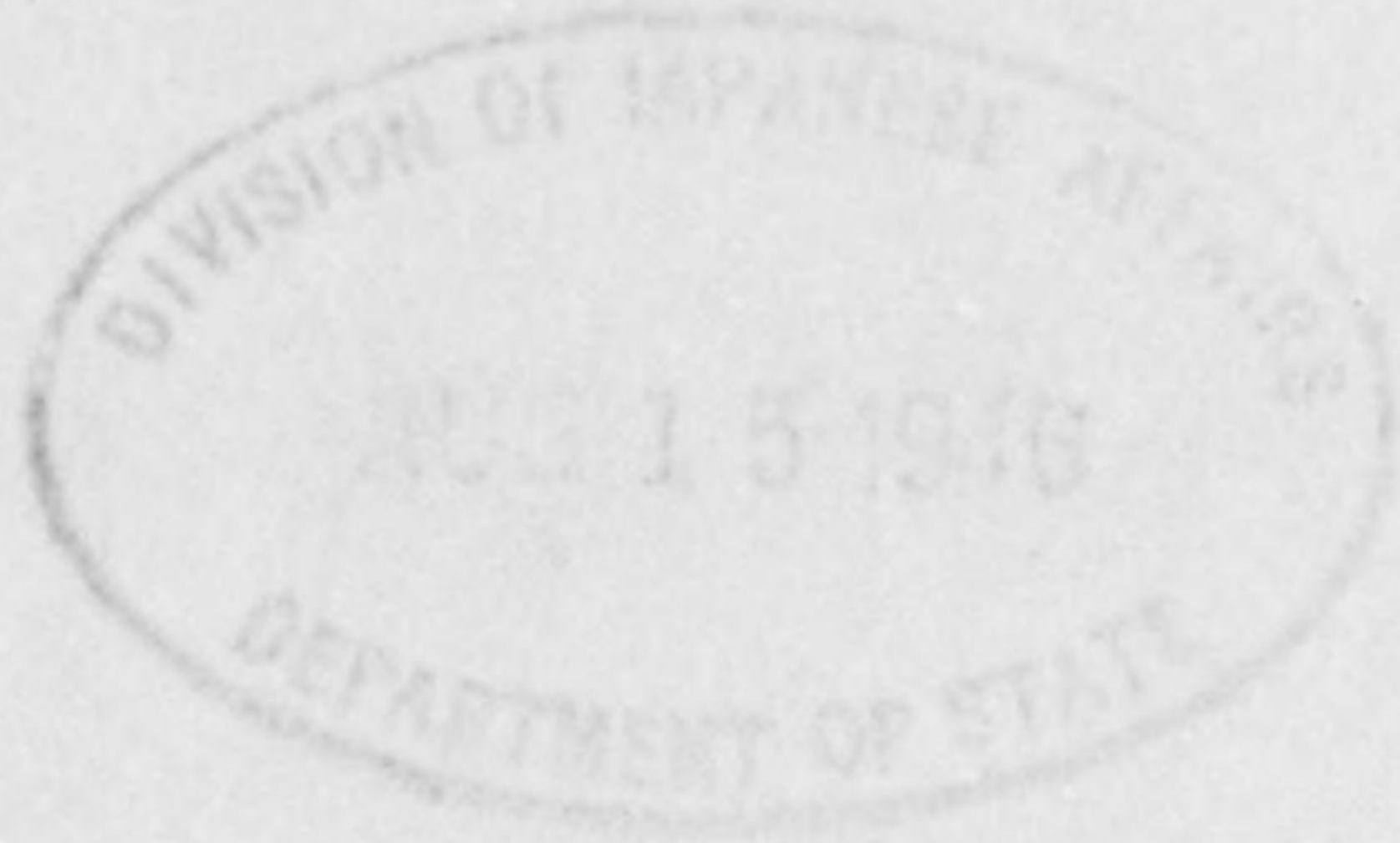
THE CHAIRMAN: MR. BALL?

MR. BALL: No.

THE CHAIRMAN: Let's recess until two o'clock.

(The meeting recessed at 1220 Hours.)





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VERBATIM MINUTES  
of the  
NINTH MEETING  
ALLIED COUNCIL FOR JAPAN  
(Afternoon Session)

Meiji Building, Tokyo, Wednesday, 10 July 1946 at 2:00 P.M.

MEMBERS PRESENT

Ambassador George Atcheson, Jr., Deputy for the Supreme Commander,  
Chairman, and Member for the United States

Lieutenant General Chu Shih-Ming, Member for China

The Honorable W. Macmahon Ball, Member representing jointly the  
United Kingdom, Australia, New Zealand and India

Lieutenant General Kuzma N. Derevyanko, Member for the Union of  
Soviet Socialist Republics

SECRETARY-GENERAL

Colonel Bonner F. Fellers

Office of the Secretariat  
Allied Council for Japan  
12 July 1946



THE CHAIRMAN: Gentlemen, shall we reconvene? MR. COHEN has not yet returned. There has been some transportation difficulty. Should we wait for him or do Members wish to offer any discussion in regard to this labor question, or should we pass to Number 8 and then return to this question when MR. COHEN arrives?

LIEUTENANT GENERAL DEREVYANKO: I think it is better to proceed with discussing the question that was under discussion at the moment of recess.

THE CHAIRMAN: MR. MINISTER, do you have any comment to offer on the question of labor legislation?

MR. BALL: Well, MR. CHAIRMAN, I only saw the proposals of GENERAL DEREVYANKO before lunch when they were presented the first time, and there were twenty-two of them and naturally I wouldn't want to underwrite them word for word without further deliberation. But I was very interested in them and in your reply because during lunch I have been reading them through, trying to find signs of Communist propaganda in them. I just can't find any signs, in comparison, say with the Beveridge report, this strikes me as being quite a conservative document, and I think it would be unfortunate if when the Member of the Council puts forward proposals for protecting the social welfare of the industrial workers of Japan if such proposals were automatically to be stigmatized as Communist propoganda. With you, I deplore the introduction of political propaganda, or ideological aspects into this Council, but I do not think such irrelevant issues were introduced by GENERAL DEREVYANKO's proposal.

THE CHAIRMAN: Thank you, MR. BALL. GENERAL CHU, do you have any comment?

LIEUTENANT GENERAL CHU: I have a few questions here. I



do not know whether I should wait for MR. COHEN.

THE CHAIRMAN: He should be here in a few minutes. I am sorry he has been delayed.

LIEUTENANT GENERAL CHU: I think I would rather wait. The questions are really more or less addressed to him.

LIEUTENANT GENERAL DEREVYANKO: I would like to make a statement.

(LIEUTENANT GENERAL DEREVYANKO addresses the Council in Russian.)

LIEUTENANT GENERAL DEREVYANKO (as interpreted): I must state that MR. CHAIRMAN's speech with regard to my proposals is of intentionally propagandist character. As I do not consider it possible to dwell on all of the particulars of this speech, I reserve the right to return to it in the future, and now I confine myself to the following absolutely urgent comments. I'm sorry that MR. CHAIRMAN attempts, not for the first time, to force his understanding of the Potsdam Declaration and to make use of the Allied Council for propaganda of his political conceptions.

I categorically deny MR. ATCHESON's assertion to the effect that the recommendations made by me are not of constructive nature but are dictated by some other consideration, and I categorically protest against such a statement.

I believe that the best method of collaboration with the Supreme Commander is a formulation of concrete proposals on the most important matters of Occupation policy directed to strengthening of democratic foundation in Japan in strict accordance with the Potsdam Declaration.

As to the propaganda questions of MR. CHAIRMAN directed to me, though I'm under no obligation to answer such questions, which in no way have any connection with the purview of the Allied Council, nevertheless I am ready to recommend MR. ATCHESON to



get acquainted with the basic law of the Union of Soviet Socialist Republics, as well as with the labor legislation of my country. If MR. CHAIRMAN so desires, I am able to provide him with these documents.

If even this proves to be insufficient, then I have only to give a piece of advice to MR. ATCHESON to make a trip to the Soviet Union in order to get acquainted personally with practice of labor legislation in the USSR regarding which he has such partial opinion.

THE CHAIRMAN: I suppose that some of these questions relating to propaganda might be considered as matters of individual opinion, and it is unfortunate that the GENERAL and I are not in agreement in regard to them.

LIEUTENANT GENERAL DEREVYANKO: Then, am I correct in interpreting your statement as the expression of your private opinion?

THE CHAIRMAN: My statement was an expression of my opinion, and purported to be no more than that. And as for the documents which the GENERAL mentions, I would be very glad, indeed, to have them. Also, I have, for a number of years, wanted very much to visit the Soviet Union, and I hope very much, indeed, that I shall have the opportunity and pleasure of doing so.

LIEUTENANT GENERAL DEREVYANKO: We shall be glad to see you, sir. I repeat that I reserve the right to refer to your today's statement at the earliest convenience in the future.

THE CHAIRMAN: Note has been taken of that reservation. MR. COHEN has arrived. I think GENERAL CHU has some questions that he wishes to ask.

LIEUTENANT GENERAL CHU: There are a couple of questions--I hope MR. COHEN could enlighten me. Question Number 1: Labor legislation in present-day Japan does not seem to follow a logical plan of priority. Take, for instance, Trade Union Laws have already been promulgated, and "Legislation for the Adjustment of



Labor Relations" has also been drafted and would be presented, as press indicates, to the Diet this week for discussion. But fundamental labor laws (as indicated by the general principles embodied in the draft Constitution) have not yet been formulated. I would like to know whether MR. COHEN has any information on that.

MR. COHEN: In considering labor legislation, we had to take the question of priority first into consideration in the circumstances. The most important thing first was to assure the freedom of organization. That could not possibly be postponed and so the SCAP October 4 Directive was based--it was directed the earliest moment, December 21, Trade Union Law was passed and thus guaranteed those fundamental rights. Now at the same time, the Japanese had some very good legislation on their books up to a point. It was incomplete, but it was pretty good because it followed along the lines of the International Labor Organizations conventions which had been reached by many countries, and so we then asked the Japanese Government to reinstate that legislation, which they did. That, of course, did not get much publicity because it did not require much of an action. All the succeeding questions are taken up as they come up in that order of priority, and many things are now under consideration. When all these legislative changes will have been made, many of which by the Japanese, there will be a fairly wide and well-integrated system of labor legislation.

LIEUTENANT GENERAL CHU: In other words, most of the old labor laws are still in effect then.

MR. COHEN: The old labor legislation consisted of protective legislation which was not good because it was not enforced--not because the laws themselves were bad. The labor laws generally on labor relations were supplanted by such laws as the Peace Preservation Act which, through police action, made it unnecessary to have labor repressive legislation. I pointed out the various



laws and ordinances which have been abrogated and in very large measure. That is, a very large measure on the laws in labor relations, I think practically all.

LIEUTENANT GENERAL CHU: Thank you. I have another question. There is already in existence, the so-called Central Labor Commission. This commission is supposed to perform certain functions and is given certain powers. What appears to us is that this commission has been invested with perhaps too much power to be in line with the democratic trend we are all trying to foster in Japan. For instance, in the proposed draft "legislation for the adjustment of labor relations," the Central Labor Commission is given the following powers:

a. With the exception of such matters as transport, postal service, tele-communications, waterways, electricity, gas, medical cure and public sanitation, this commission in order to curb labor disputes has the power to define the scope of what constitutes the public welfare.

b. This commission has the power to designate the entire personnel for the so-called Adjustment Committee for Labor Disputes whose recommendations are final and binding on the disputants, and--

c. This commission has the power to decide which disputes are illegitimate. Labor disputes, once so decided, are not permitted to be taken up for adjustment.

And the final point. Although employers are not permitted to discharge labor during or because of a dispute, this commission has the power to decide upon a recommendation of discharge. That appears to us as giving the Central Labor Commission more power than any similar government agency of other democratic countries. I would like to hear your opinion about it.

MR. COHEN: I should first like to talk about the composition



of the Central Labor Relations Committee and then about the points one by one. The Central Labor Relations Committee is only one district of the Central Committee, but it deals only with cases that involve or are of a scope transcending prefectural boundaries. There are also some 46 prefectural labor relations committees, and any labor dispute which does not transcend prefectural boundaries the Central Labor Relations Committee would normally not be involved, so that its scope is quite limited right there. The labor relations committees are tripartite in composition. That means there are an equal number of employer, labor and public members. In the ordinance enforcing the trade union law, there is a very specific procedure for appointing these members, requiring invitations to labor organizations and employer organizations six weeks in advance, and notification of the appointments three weeks in advance, so that there is a very strong check right within the committee. There is a further check on the first point which you raised, that is naming works Public Welfare Works. According to the draft of the law which the Japanese Government has made available to us, it says for the decision of the preceding paragraph that is naming something in public welfare work. The agreement of the majority in each instance of the representatives of the employers, workers, and neutrals shall be required. In other words, in the Central Labor Relations Committee, there are 15 members. That means there will have to be at least three employer members, three neutral members, and three labor members agreeing. You need a minimum majority of nine. Secondly, they may decide that these are public welfare works only if the work, the stoppage of which will possibly affect the national economy or seriously endanger the daily life of the general public. In other words, they cannot pick any industry at random and designate it as public welfare work and thus fall within these categories. In addition, this designation may be only for a specified period of time not



exceeding one year and that means that it has to be renewed every year and when the composition of the Labor Relations Committee is also for a year, that means that there will always be new blood and new pressure of public opinion on the committee if it makes poor decisions. Now I have forgotten your second point, sir.

LIEUTENANT GENERAL CHU: It is about the Adjustment Committee for Labor Disputes.

MR. COHEN: I see, yes. It is very easy to confuse in this bill mediation and arbitration. Arbitration means that the award is final and binding on both parties. Mediation means that the settlement is merely recommended to the parties and that if either party reasons, it cannot be bound. The only weapon there is is public opinion. Now, the only cases which go up for arbitration are cases in which both parties agree in advance to accept the award, or where they have signed a trade agreement committing them to accept the award in advance, so that no party by this law must accept an award by an adjustment committee unless it has agreed in advance to do so.

LIEUTENANT GENERAL CHU: In other words, the decisions of this committee are not final?

MR. COHEN: Unless both parties agree in advance to accept the decision. Yes, sir. Aside from that, the decisions are merely settlements which are recommended, and if the parties refuse the settlement, there is no one or no government agency to force to abide by that settlement. Now may I be refreshed on the third point?

LIEUTENANT GENERAL CHU: Yes. The third point is the power of the commission to decide which disputes are illegitimate.

MR. COHEN: There again, that is not a power of the committee, as much as it is a check; that is, the law defines which acts are illegitimate. It says, for example, no act which hampers, which



causes the stoppage or maintenance or movement or operation of safety accommodations may take place. It says that no acts of dispute between parties in public welfare works may take place more than thirty days after mediation has taken place. It says that police officers, firemen, those engaged in prisons and officials engaged in actual administrative work, the work of government administration, may not resort to acts of dispute. In all these cases, the law already provides which cases are illegitimate and punishment must be carried out by a court, but as a further safeguard, the clause has been inserted making the Labor Relations Committee a check. In other words, the Labor Relations Committee must approve of this before the committee may be brought to a court for prosecution, so that rather than giving them power, it actually weakens the court power by making the Labor Relations Committee a sort of bottle-neck through which it must go. Now, there again, the same thing applies to discharge of employees. The employer may not discharge a worker for having performed an act of dispute. However, it may very well be that an employee may go beyond whatever activities are decided upon by the union of his own volition. For example, he might wreck a train or do something less serious. He may do something which goes beyond a normal act of dispute, and which would be sufficient and sufficiently impede or endanger the work of the company, to merit discharge, not because it is an act of dispute, but because of the particular character of the act of dispute. Now and again the Labor Relations Committee is a check. In other words, an employer may not fire him for such an act unless the Labor Relations Committee would. Again, I must remind you as this tripartite composition approves it.

LIEUTENANT GENERAL CHU: Thank you.

LIEUTENANT GENERAL DEREVYANKO: Is there a certain limit where, when a worker can go beyond a certain order and power and then strike?



MR. COHEN: Certainly, if a worker murders a man in the course of a strike, he is subject to criminal prosecution just as though--of course, I should say that applies equally to the employer.

THE CHAIRMAN: Do you have any further questions, GENERAL CHU ?

LIEUTENANT GENERAL CHU: No, I haven't.

THE CHAIRMAN: MR. BALL?

MR. BALL: No.

THE CHAIRMAN: Does the GENERAL have any further questions?

SOVIET INTERPRETER: No.



THE CHAIRMAN: Thank you very much, indeed, MR. COHEN. You have been very enlightening. The final item on the Agenda for today, Number 8, under Official Matters, Government Compensation for the Former Companies of War Industries. This subject was placed on the Agenda by the Member for the USSR. The Scope of Information Desired is set forth as follows:

It is desirable to know the total sum of all pecuniary claims which were submitted by the former companies of the war industry to the Japanese Government under pretext of the compensation of damages, caused during the war.

"Total compensation which has been paid by the Japanese Government to the companies of the war industry up to the present date with breakdown to various kinds of compensation and showing at the expense of what means this compensation has been paid."

Under Scope of Information Desired, it is stated: "1. It is desirable to get acquainted with data regarding the sums which are claimed by the companies of the war industry with subdivision to various kinds of compensations. (Losses connected with carrying out of the orders under directions of the Government, losses connected with extension of the industrial equipments, losses connected with transfer of the enterprises to the safe places, the war insurance, the foreign funds, compensation for the equipment, which is subject to the reparations and other kinds of compensations.)"

Does the Soviet Member, who introduced this subject, wish to make any supplementary remarks.

LIEUTENANT GENERAL DEREVYANKO: Yes, sir.

THE CHAIRMAN: Please.

(LIEUTENANT GENERAL DEREVYANKO addresses the Council in Russian.)

LIEUTENANT GENERAL DEREVYANKO (as interpreted): MR. CHAIRMAN,



Gentlemen, The question of compensations to the companies of the former war industries of Japan, submitted by me for discussion by the Allied Council, is very important, both from the point of view of general principles of occupation policy of the Allied Powers and from the point of view of settlement of concrete problems connected with the reconstruction of post war economy of Japan.

It is well known that since 1931, that is to say, since the time when Japan started active realization of aggressive policy toward neighboring nations, the war industry companies were under special patronage of and were receiving special subsidies from the Japanese Government and in fact, they were the bulwark of the militaristic clique of Japan in the cause of the preparation of Japanese economy for war. I do not wish to stress that these war industry companies either are the Zaibatsu themselves or are their subsidiaries or are directly or indirectly connected with the Zaibatsu by any visible or invisible ties.

The patronizing policy of the Japanese militarists resulted in the fact that the war industry companies as well as the financial institutions that finance various fields of war industries, were receiving enormous profits during the pre-war period as well as in the course of the war.

Thus payment of any special compensations to the companies of the former war industries, may mean objectively only the continuation of the former financial policy which was being realized by the militarists before, in the interest of the war and now is being realized in the interest of those people who made money and profited by the aggressive war.

In the light of the stated above, there arises a question on what ground the Japanese Government accepts and satisfies claims of the companies of the former war industry connected with various losses caused by the military defeat of Japan.

As reported by the Japanese press, some portion and rather



a substantial one of this groundless claims had been already granted. I would be very much obliged if the representative of GHQ SCAP presented a detailed information regarding this question.

THE CHAIRMAN: Well, I should like to ask COMMANDER AKIN, a frequent and welcome visitor, and MR. SHAVELL, both of the Economic and Scientific Section of General Headquarters, to present to the Members pertinent information in response to these requests and also to endeavor to answer any further questions which the Members might have. COMMANDER AKIN.

LIEUTENANT COMMANDER AKIN: I have here a memorandum which takes up these questions in the same order in which they were submitted. I would like to stress before going into the memorandum itself, that it is based entirely upon Japanese figures and reports furnished us by the Japanese and that we have not had an opportunity to audit or to evaluate them ourselves.

Under Section VI--Specific Information Desired on Progress to Date of the Proposed Discussion Agenda. Four major points of information were requested. This information is given below, in the order requested.

Part 1 of Section VI: "It is desirable to get acquainted with data regarding the sums which are claimed by the companies of the war industry with subdivision of the various compensations." Based on the estimates of the Ministry of Finance, the following claims and indemnities against the government were filed as of 1 April 1946:

Industrial Claims:

War Damage Insurance Claims--that is War Risk Insurance--is 23,752,000,000 yen.

Contract Cancellation Claims is 10,620,000,000 yen.

Direct Government Indemnity for Commandeered ships is 3,007,000,000 yen.

Claims against the Industrial Equipment Corporation--this



is for Industrial Equipment privately constructed upon condition that it would be re-purchased by the government Industrial Equipment Corporation--900 million yen.

General Industrial Indemnity Claims, arising from plant construction and enlargement guaranteed to be purchased by the Government but which have not been purchased, evacuation of plants, depreciation and obsolescence guarantees, dividends and miscellaneous guarantees, 15 billion, 641 million yen. So that the industrial claims total 53 billion 920 million yen.

Now, the individual claims for War Damage Insurance for household damage and destruction, 19 billion 46 million yen.

Government Indemnity for Private Individual Evacuation, 1 billion 988 million yen.

Or a total of 21 billion, 034 million yen for individual claims.

Now, the total Industrial and Individual Claims against the Government--and this excludes claims arising from loss of overseas assets--is 74 billion 954 million yen.

It should be noted that no estimate can be given for claims that will arise from loss of overseas assets or from loss of domestic plants and equipment to be taken as reparations.

Then part 2 of Section VI: "The methods of the calculation of these claims." All data given herein under paragraphs 2 and 5 were supplied by the Ministry of Finance of the Imperial Japanese Government. To obtain the estimates of war damage insurance claims, the Ministry requested the various insurance companies to make an estimate of claims adjudicated, distinguishing those paid on private homes, household fixtures, and goods and claims on corporations, including individuals operating large businesses. The results of this survey as of 1 April 1946 indicated that the average amount of claim by individual (out of 1,747,934 cases) was 10,101 yen whereas, of the 430,000 industrial claims paid, the



average payment amounted to 43,543 yen. With reference to non-insurance--that is indemnity claims of industry, the Ministry aggregated the amounts of all such claims filed with the Government prior to 1 April 1946 and these amounts are shown under paragraphs 2 and 5.

Then part 3 of Section VI: "The claims of concerns which are under schedule of restricted companies." In compliance with the directive of 23 February 1946--that is SCAPIN 767--245 restricted concerns that are controlled by the 22 largest Zaibatsu holding companies, reported war damage and government indemnity claims in excess of 21 billion yen.

Now, the War Damage and Indemnity Claims of these 245 Restricted Concerns is given here: The total amount paid since 1 July 1945 is, for War Damage Claims, 1 billion 305 million yen, and for General Indemnity Claims, 237 million yen, or a total of 1 billion 542 million yen. Claims filed and not paid is, for War Damage Claims, 3 billion 978 million yen, and for General Indemnity Claims it is 11 billion, 241 million yen or a total of 15 billion 219 million yen.

Claims that are expected to file or in process of filing are: for War Damage Claims, 211 million yen; for General Indemnity Claims, 4 billion 112 million yen; or a total of 4 billion 323 million yen. Therefore the total for War Damage Claims is 5 billion 494 million yen, and for General Indemnity Claims 15 billion 590 million, or a total of 21 billion--of 21 billion 084 million yen.

It will be noted that the claims of 245 restricted concerns account for five and one-half billion out of the total of 23.8 billion yen of war damage industrial claims or 23% and for 15.6 billion out of the total of 30.2 billion yen of industrial indemnity claims, or 52%. The number of companies under the schedule of restricted concerns is now in excess of 1200.

Number 5, part 4 of Section VI: "What are the sums of each



kind of compensation which have been paid to the companies of the war industry at the expense of what means and the method of payment." There is a table attached to the memorandum which serves to outline this information.

Industrial Wartime Claims Against the Government (Estimated as of 1 April 1946). With regard to claims paid. In cash or released from blocked accounts: War Risk Non-Life Insurance (War Damaged Plants) Claims, 4 billion 671 million yen.

Contract Cancellation Claims, 6 billion yen.

Direct Government Indemnity for Commandeered Ships, 1 billion 664 million yen.

General Industrial Claims of Industry -- none.

So that we have a total of industrial claims paid in cash or released from Blocked Accounts, 12 billion 335 million yen.

I should remark at this point that the Contract Cancellation Claims which account for practically half of this amount were settled principally by offset against cash, materials and equipment which had been previously advanced by the Government to the enterprises concerned. Now, with respect to payments in Blocked Accounts,

War Risk Non-Life Insurance, 15 billion 760 million.

Contract Cancellation Claims, none.

Direct Government Indemnity for Commandeered Ships, 1 billion 64 million yen.

General Industrial Claims of Industry, none.

Or a total of 16 billion 824 million yen that have been paid into Blocked Accounts.

For amounts paid in Special Debt Certificates, which are in effect the same as paid into Blocked Accounts,

War Risk Non-Life Insurance, none.

Contract Cancellation Claims 870 million yen.

Direct Government Indemnity for Commandeered Ships, 259



million yen.

General Industrial Claims of Industry, none.

Or a total of 1 billion 129 million yen.

With respect to Claims Unpaid, War Risk Non-Life Insurance,  
3 billion, 321 million yen.

Contract Cancellation Claims, 3 billion 750 million.

Direct Government Indemnity for Commandeered Ships, 20 million.

General Industrial Claims of Industry, 16 billion 541 million  
yen.

Or a total of 23 billion 632 million yen of the claims that  
are unpaid.

THE CHAIRMAN: Those are very impressive figures as to the  
cost of the war to the Japanese. Do you have any questions, MR.  
MINISTER?

MR. BALL: I can't take in the figures so quickly, MR. CHAIR-  
man. I would have to take time to deliberate. I might suggest  
that it be left on the Agenda for the next meeting.

THE CHAIRMAN: Does the Member for China have any comment  
or questions?

LIEUTENANT GENERAL CHU: I support MR. BALL's recommendation  
to have it on the Agenda for the next meeting.

THE CHAIRMAN: GENERAL DEREVYANKO?

LIEUTENANT GENERAL DEREVYANKO: I would like to make a  
proposal.

THE CHAIRMAN: Yes?

LIEUTENANT GENERAL DEREVYANKO: First of all I would like to  
thank the GHQ SCAP representative for his very detailed information  
given to the Members of the Allied Council.

I consider that the payment of compensations to the companies  
of the former war industry of Japan is harmful and inadmissible  
on the following grounds:

- (1) The payment of any compensation to the companies the