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UNITED STATES POLITICAL ADVISER  
FOR JAPAN

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RECEIVED  
DEPARTMENT OF STATE

003736

Tokyo, March 1, 1947

1947 MAR 27 PM 2 30

No. 887

DC/M  
FACILITIES BRANCH

SUBJECT: Transmission of General Order No. 1, issued by  
General Headquarters, Supreme Commander for the  
Allied Powers, dated February 13, 1947.

The Counselor of Mission has the honor to transmit copies  
of General Order No. 1, issued by General Headquarters, Supreme  
Commander for the Allied Powers, dated February 13, 1947. This  
order establishes the functions and duties of the Government  
Section of General Headquarters.

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740.00119 CONTROL (JAPAN) /3-147

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DEPARTMENT OF STATE  
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Enclosure: *act*  
General Order No. 1

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(Japan)

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Department of State

Washington

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**CONFIDENTIAL**

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MAR 13 1947  
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Travel Order 7-7334 Mar 7, 1947 covers Jones

detail Dept for approximately six weeks. URTEL ~~XX~~

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*Jones replacing  
Zoyner*

*Acheson Acting  
(1021)*

740.00119 CONTROL (JAPAN) / 3-347

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TELEGRAPH  
RELEASE DESK

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DC/T

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*740.00119 Control  
(Japan) / 3-347*

CR CLEARANCE

3/3/47

Please return  
with inclosure  
to J.A. MacDunn  
as soon as possible  
unmailed.

CONFIDENTIAL

The Secretary of State presents his compliments to His Excellency the Ambassador of Australia and, with reference to a request from the British Commonwealth Occupation Forces in Japan to the Supreme Commander for the Allied Powers to withdraw the 7th Indian Cavalry Regiment from the occupation forces in Japan without relief, has the honor to inform him that the United States Government has no objection to the withdrawal of this regiment.

It is requested that this matter be treated as confidential until public announcement has been made by the Supreme Commander.

Department of State,  
Washington,

March 3 1947  
Dist. *cc*

JA:ALDunning/pm  
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FEB 28 1947

A true copy of the signed original

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740.00119 CONTROL (JAPAN) / 3-347

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(Japan) / 3-347

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Mar. 25.

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

JKE

Despatch contains some fairly interesting excerpts from the remarks of certain members in Commons regarding Japan and the Mandates Draft Agreement. While, as Drumright points out, the opinions expressed are shared only by a minority, they have sufficient basis in fact to lead one to believe that they would be more widely voiced if the average Briton's attention were not so fully occupied elsewhere.

Significant passages have been marked to aid reading.  
RAF:xa

American Embassy  
London, March 5, 1947

DIVISION OF  
NORTHEAST ASIAN AFFAIRS

MAY 28 1947

DEPARTMENT OF STATE

Division of Japan in Foreign Affairs Debate

Secretary of State,  
Washington

740.00119 CONTROL (JAPAN)  
/3-547

Sir:

1. I have the honor to refer to the Embassy's telegram no. 1123, February 19, 5 p.m. (repeated to USPOLAD, Tokyo, as telegram no. 2), in regard to the proposed debate in the House of Commons on Japanese policy.

2. Although, as stated in the Embassy's reference telegram, a debate on Japan was scheduled to take place in Commons on February 20, 1947, the momentous announcement made in Commons that day by the Prime Minister on India, and the ensuing debate, crowded the Japanese discussion from the calendar.

3. It is perhaps of some significance that in addressing the House of Commons on February 27, 1947, the Foreign Minister (Mr. Bevin) nowhere in his outline of British foreign policy referred to Japan. The reasons for this omission are doubtless (1) British preoccupation with more pressing problems, and (2) a British disposition to "allow the Americans to carry the ball in Japan," a mission which the Foreign Office feels the Americans are doing with considerable competence.

4. That the Foreign Office complacency toward the occupation of Japan is not shared in all British circles will have been evident from recent communications from this Embassy. There is complaint from British business interests who feel that they are being "frozen" out of the Japanese market. Then there are a few Labor party "doctrinaires" who voice objections to Allied occupation policy because Japan is not being molded into a replica of socialist Britain. Over and above the

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MAR 6 - 1947

DEPARTMENT OF STATE  
MAR 17 1947  
U.S. DEPARTMENT OF STATE  
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THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

American Embassy London, March 5, 1947

DIVISION OF NORTHEAST ASIAN AFFAIRS

MAY 28 1947

DEPARTMENT OF STATE

AIR MAIL

RESTRICTED

No. 4122

C

Subject: Discussion of Japan in Foreign Affairs Debate

RECEIVED DEPARTMENT OF STATE

MAR 12 1947

The Honorable The Secretary of State, Washington

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Despatch 4122  
March 5, 1947  
from London

Page 2.

foregoing groups, there is a minor but vocal Communist element which criticizes General MacArthur and the American occupation of Japan presumably as an echo to the Soviet refrain. None of these groups is powerful and their influence is not substantial, nor are they united in their motives. Yet they are able from time to time to make their voices heard - usually in the House of Commons.

5. Although Mr. Bevin did not see fit in his review of foreign affairs to dwell on Britain's Japanese policy, the main opposition speaker (Mr. R.A. Butler, Conservative M.P. for Saffron Walden), asked for some elucidation. He said in part:

"I would particularly draw the right hon. Gentleman's attention to the fact that while mentioning Germany and the German peace settlement, and while mentioning by name Japan, he gave us no indication of the Government's attitude towards the final settlement on Japan. I hope, therefore, that the Government will supplement this information before the Debate closes.

"Is it, in fact, our intention to withdraw the Commonwealth garrison? I know they have been very considerably reduced. Is it our intention to mix more, from the political angle, in the central administration of Japan; or is it, in fact, our policy to withdraw and not to let our opinion prevail in that region? There are arguments to be listened to, on all sides on this question, and we should be very much obliged if the hon. or right hon. Gentleman who is to reply would further elucidate these matters for us. From the point of view of the British garrison, we have never had an entirely satisfactory answer about their conditions. They are isolated; they have a dull and restricted life; and I do not think that in the course of this Debate we, here, should forget those of our troops, and those of our representatives of nationals who are serving their country in a more distant spot than any other. I should also like to hear further about the situation in Korea, which I have always regarded as perhaps the greatest danger spot for peace in the Far East."

6. Later in the course of the foreign affairs debate, Mr. Ronald Chamberlain, Labor M.P. for Norwich, adverted to the subject of Japan. He said:

"Although/

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"Although the Debate has ranged mainly around Europe and the Far East, with some diversions, I do not think any apology is needed if I call the attention of the House, for a brief time, to more distant fields such as Japan and the Pacific area. I rather shared the regret of the right hon. Member for Saffron Walden (Mr. R.A. Butler) that the Foreign Secretary did not find it possible to deal with that subject. But, of course, I fully appreciate he could not touch on all areas; and we quite understand that European matters are more in his mind at this time. Although the Pacific and Japan may seem more remote and less important, I suggest that in actual fact they are no longer remote in any real sense, and are certainly not remote from some of our most important Dominions. There can be no question about the great importance of that area.

"The important point to which I want to call attention at this juncture is the undoubted fact that we are very much starved for real information as to what is going on in that part of the world. We as Members of this House are starved, and so is the general public, and I suggest that it is important to have an informed public, on this as on all other matters, but they have very little chance of gaining any real information. On 27th November, I put a question to the Minister of State regarding the proceedings of the Allied Council for Japan, and in reply he said that the information was available quite freely. I searched in the Library of this House for some record of the proceedings of the Far Eastern Commission and the Allied Council for Japan, but found nothing whatever in regard to either of those bodies, to my surprise and regret. I should add that, through the courtesy of the Foreign Office, I have had access to the proceedings of the Allied Council for Japan, which are in a very voluminous and indigestible form, but I only mention this to show that we really have not got the proper information which should be available to us in regard to this highly important, and, indeed, highly explosive part of the world."

7. Mr. Chamberlain's complaint about the lack of information in Britain on Japanese developments stimulated the following exchanges among members of Commons:

Mr. R.A. Butler: "It is very interesting that the hon. Member should have access to this document. Is it a public document? I should like to see it myself."

Mr. Chamberlain/



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from London

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Mr. Chamberlain: "I understand that it is shortly to be published, and since I was expected to speak on the Adjournment on this subject the documents, which are not confidential and which are to be published, were made available to me by the courtesy of the Foreign Office."

Mr. R.A. Butler: "That is a very interesting point. One of our great difficulties, in the Opposition at any rate, is to obtain any documents at all. Would it be possible for us to obtain this document with the same facility as the hon. Member opposite?"

Mr. Pickthorn (Conservative M.P. for Cambridge University): "On a point of Order. Would it be in Order to move the Adjournment to ask the Government to explain when it will be possible for somebody with some responsibility for foreign affairs to be here?"

The Deputy Chairman (Mr. Hubert Beaumont): "I could not accept a Motion for the Adjournment."

Mr. Pickthorn: "It is outrageous that we should only have the Parliamentary Secretary to the Ministry of Civil Aviation present."

The Deputy Chairman: "Though I could not accept a Motion for the Adjournment, I could consider a Motion to report Progress."

Mr. R.A. Butler: "Then I should like to move that the Chairman do report Progress and ask leave to sit again, if I am in Order in doing so."

Mr. Pickthorn: "We should have some Minister here who is responsible."

The Deputy Chairman: "The right hon. Gentleman wishes to move to report Progress, but I think it would be undesirable to accept such a Motion. However, I have no doubt the intention and purport of that Motion will have been noted."

Mr. R.A. Butler: "Further to that point of Order. I am as interested in the point raised by the hon. Member for Norwood (Mr. Chamberlain) as I am in the question of the presence of a member of the Government. I understand, of course, that members of the Government have to go out for a little sustenance. What I am

interested/

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from London

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interested in is the point which has been raised about an hon. Member on the Government side referring to a document about affairs in the Far East which is said to be non-confidential but which has not been published. Is this an official document or is it not? If it is an official document and is quoted in our Debates, I maintain that it should be laid in the House, so that Members of the Opposition can see it."

Mr. Chamberlain: "It is a report of the proceedings of the Allied Council for Japan, which I understood was to be made available in the Library of the House, and which in due course is to be made available."

Mr. King (Labor M.P. for Penryn and Falmouth): "There is nothing whatever that is private about it. I have recently come back from Japan and have seen it published in the Japanese newspapers."

Mr. R.A. Butler: "That is all I want to know. I hope it will shortly be put in the Library of the House."

The Deputy Chairman: "Perhaps it would be useful if some succeeding speaker ventured to bring this matter before us again later."

Air Commodore Harvey (Conservative M.P. for Macclesfield): "Further to that Point of Order. I have not been to Japan, neither have I had the opportunity of seeing these documents, which is unfortunate because although I do not think I should have been fortunate enough to catch your eye, Mr. Beaumont, if I had, I was going to speak on Japan."

The Deputy Chairman: "I do not know why the hon. and gallant Gentleman should be optimistic or pessimistic about the possibility of catching my eye. I have not been to Japan, neither have I seen the documents."

Mr. Chamberlain: "The main points I wanted to make were these. First, do we know exactly what is happening in the Pacific and in Japan? Second, if we know what is happening, do we understand the implications both for the world and for this country, and third, if we do understand those implications are there not certain things which the Government should do and certain actions which they should take in regard to

these/

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from London

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these matters? I hope I am in no way an alarmist, though it seemed a month ago that I might have filled that role, but I do not think that it is an alarmist attitude to take when I say that America has been given her head in the Pacific, and in regard to Japan, to an extraordinary and indeed to an alarming extent.

"The Potsdam declaration very clearly laid it down that the future of Japan was the joint responsibility of all the Allied Powers, and that was confirmed later by the meeting of Foreign Ministers and still later by the Moscow Declaration in December of that year. I think it is appropriate and right that I should draw attention to what is happening in regard to the bases in the Pacific, a matter of which we have seen something in the Press. I am very glad it has been raised in the Press, so that public opinion can be informed. I noticed that America is applying to the United Nations under special procedure of the Security Council, and by reason of that special procedure special provisions will be attached to the trustee document, and I think these are rather alarming and regrettable conditions. There is to be only a very limited United Nations supervision of these bases, there are to be special rights of fortification, and apparently there is to be some special precedence for American nationals, companies, and business firms. I do not want to dilate on that, but I do want to call the attention of the House to the state of affairs. The matter is not yet decided, and I urge upon the Foreign Secretary that in my view he should definitely oppose that special trustee arrangement, particularly with a view to further and careful examination of the provision to which I have referred.

"I want to say a word on the special and I think privileged position of America in the Pacific and in Japan, with regard to trade and commercial matters. This is definitely, in my view, a serious and menacing thing for this country and for our trade and future. It is menacing to Lancashire, Yorkshire, Macclesfield, and indeed, to the whole country. On 20th October, my right hon. and learned Friend the President of the Board of Trade stated what were the instructions being given to our representative on the Far Eastern Commission. He said that Japan must be put again on her feet, commercially and economically, but he seemed to

take only/

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from London

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take only a lukewarm interest in what, I think, is the all-important matter of raising the standard of living of the Japanese workers. In the early days of the occupation, there was a good deal of talk about reducing Japan to an agricultural state.

"All that has been forgotten, I think quite rightly, but the particular factors which have risen in this connection are, first, that more and more industries are being classed as 'essential,' according to the Potsdam basis of reckoning; secondly, that the United States are very heavily backing the revival of the textile industries; thirdly, that the United States are themselves handling both the imports and the exports of Japan, the imports through the War Department and the exports through the United States Commercial Corporation, and are also handling the export of goods to other parts of South Eastern Asia; fourthly, that the United States are themselves shipping raw cotton to Japan, this taking the place very largely of Indian shipments before the war; and fifthly -- I consider it is very important to recognise this and bear it in mind -- the head of the textiles division of the Supreme Command has stated that the yarn production is now 30 million lb. per month and will shortly be doubled, 80 per cent being for export. I could give details with regard to the revival of the silk industry; suffice it to say that the same head of the textiles division has stated categorically that by 1951 Japan will have a world monopoly and will, in fact, be producing more than world requirements. One could refer similarly to the woollen industry and to rayon.

"I want also to say how very glad I am that a delegation of the World Federation of Trade Unions is to go to Japan next month. I hope they will do a good and thorough job of work, because even if a reasonable standard of living is established for the workers in Japan, Japan will still be a menace commercially to this country, and we have to bear that fact in mind when we think of our future. If the standards of living there are as they were in pre-war days, it will be practically fatal to this country.

To conclude/

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from London

Page 8.

"To conclude, I stress three points. First, I ask for much more publicity about what is going on in Japan and in the Pacific. There are not nearly enough Press correspondents there, and I believe I am right in saying that the representatives of the B.B.C. have been waiting many months to get General MacArthur's permission to go into Japan. We want also to have publication of all the records and documents, so that we may know what is happening. Secondly, I commend to the Foreign Secretary's attention the very important matter of the American bases, which I think are very menacing, and which I hope he will examine and oppose in their present form. Thirdly, there should be participation on a world basis, or in any case on an Allied basis, in the matter of the commercial control of Japan while that country is getting on to its feet. I think that recently we had to go virtually knocking at General MacArthur's door to ask if we could have some part in the trade of Japan, and I think he very obligingly said we could have some part in it. I do not think that is enough. If the Allied nations were able to collaborate during the war in defeating Japan, surely they should be able to collaborate on an equal footing in the reviving of trade in Japan and in shaping its direction. I think it is only in that way that, commercially, the future can be faced, and certainly only in that way can we be assured that the standards and levels of living of the Japanese people will be raised. I commend those three points to the attention of the Foreign Secretary."

8. It will be abundantly clear from the foregoing exchanges that even in the House of Commons there is an abysmal lack of information on the Allied occupation of Japan and the machinery evolved to carry out that occupation.

9. In concluding the debate for the Government, the Government spokesman (the Parliamentary Under-Secretary of State for Foreign Affairs, Mr. Mayhew) offered the following brief remarks in regard to British policy toward Japan and Korea:

"On the subject of the Japanese Treaty, we understand that Dr. Evatt and General MacArthur are in favour of an early Treaty, and we ourselves would not dissent from that view, provided, of course, the Powers concerned, and especially the Dominions, can work out the

basis/

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March 5, 1947  
from London

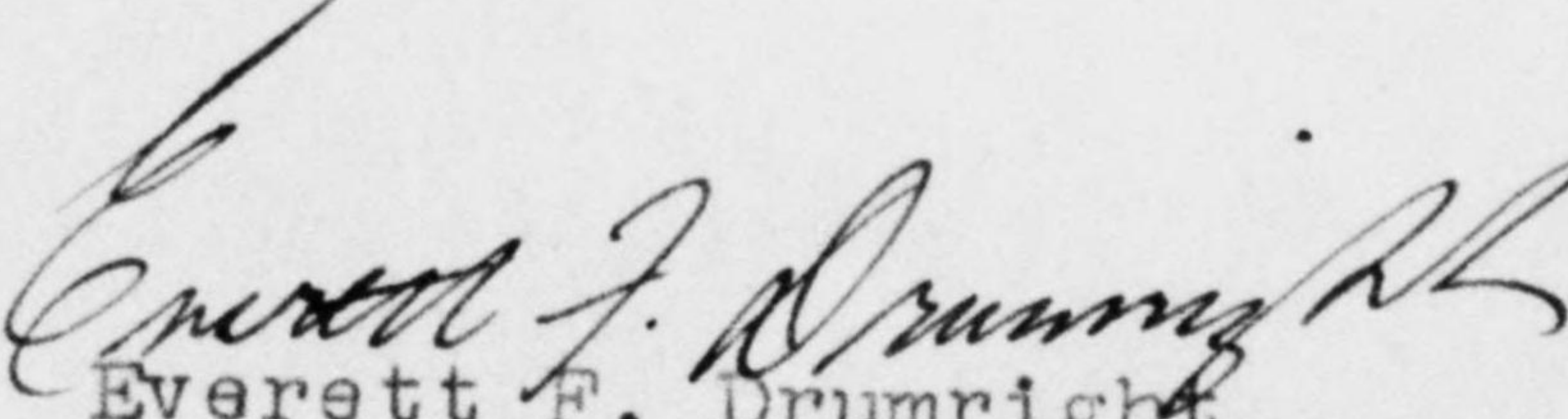
Page 9.

basis of such a Treaty. At the moment, as the right hon. Gentleman knows, the forces there are Commonwealth forces under an Australian leader. Recently we withdrew a brigade, so we still have a small force there. Any question of withdrawing the small force would, of course, have to be discussed with the Dominions and with the United States, and naturally we do not want those forces to be there for a day longer than is really necessary.

"The situation in Korea is very unsatisfactory. The deadlock between the United States and Soviet Russia about the establishment of a Joint Commission under the Moscow Declaration has still not been resolved. Korea is, in fact, partitioned, and it is not yet possible to make any progress towards the formation of an independent Government."

Respectfully yours,

For the Chargé d'Affaires ad interim:

  
Everett F. Drumright  
First Secretary of Embassy

✓  
Original and hectograph to  
the Department

Copy to U.S. Political Adviser,  
SCAP, Tokyo

EEFDrumright/wg

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FAR EASTERN COMMISSION  
2516 MASSACHUSETTS AVENUE, N. W.  
WASHINGTON 8, D. C.

6 March 1947

RESTRICTED

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

My dear Mr. Secretary:

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

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

At the forty-eighth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 6 March 1947, the enclosed policy decision relative to Interim Principles for Restitution of Identifiable Property Confiscated in Japan from Allied Nationals was unanimously approved.

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

Before the enclosed policy decision was formally approved by the Commission, the Chinese and French Representatives made statements setting forth the views of their Governments with regard to the expression "the outbreak of hostilities" in paragraph 1 of the enclosure. They recommended that these statements be recorded in the minutes and be transmitted to the Supreme Commander for his information. Excerpts from the draft minutes of the Commission's forty-eighth meeting, including these statements verbatim, are enclosed. The Commission has accordingly instructed me to ask that the United States Government in transmitting the appropriate directive based on the enclosed policy decision to the Supreme Commander, also forward the Chinese and French statements for the Supreme Commander's information.

In adopting the enclosed policy decision the Commission agreed that it should be released to the press after being received by the Supreme Com-

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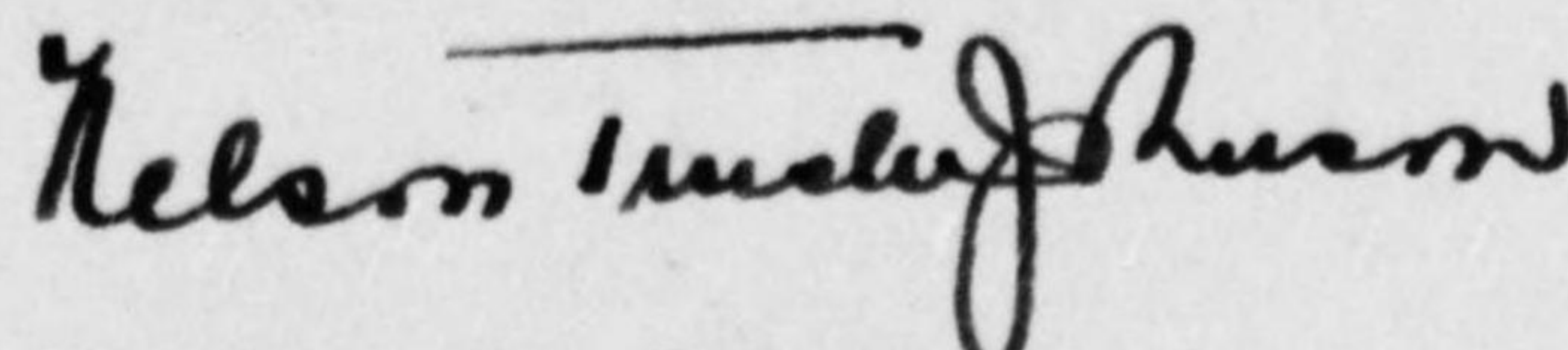
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DEPARTMENT OF STATE  
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mander. In accordance with our normal procedure I would appreciate it if you could make arrangements to notify me when the enclosed policy decision has been received in Tokyo.

Sincerely yours,



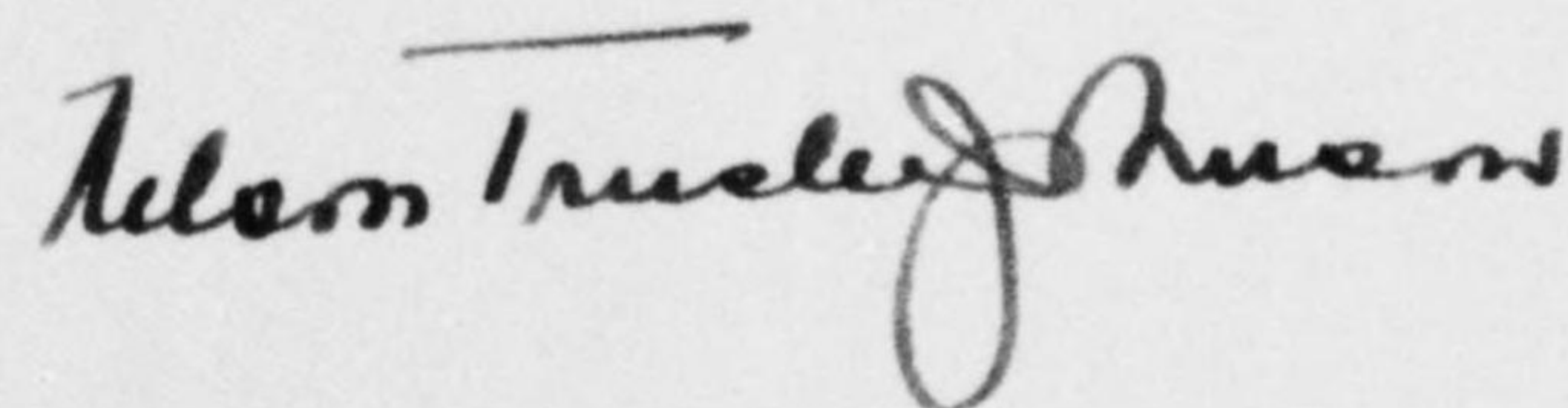
Nelson T. Johnson  
Secretary General

Enclosures



FAR EASTERN COMMISSION  
2516 MASSACHUSETTS AVENUE, N. W.  
WASHINGTON 8, D. C.

The attached copy of a document unanimously adopted at the forty-eighth meeting of the Far Eastern Commission, held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 6 March 1947, has been compared with the original text and is hereby certified to be correct.



Nelson T. Johnson  
Secretary General

Washington, D. C.  
6 March 1947

RESTRICTED

E N C L O S U R E

INTERIM PRINCIPLES FOR RESTITUTION OF IDENTIFIABLE PROPERTY CONFISCATED  
IN JAPAN FROM ALLIED NATIONALS

1. The Supreme Commander for the Allied Powers should be authorized to restore to nationals of any of the United Nations identifiable property, tangible or intangible, which was located in Japan prior to the outbreak of hostilities between their government and the government of Japan and owned by them at that time or lawfully acquired thereafter, and which was seized, confiscated, or sequestered, formally or otherwise, during the recent hostilities by the Japanese Government, members of its armed forces, or by official or private Japanese or other enemy individuals or groups; provided that:

a. subject to the discretion of the Supreme Commander, restitution should be made at this time only to:

(1) natural persons present in Japan;

(2) juridical persons where the holders of a controlling interest are nationals of Members of the United Nations now resident in Japan;

(3) charitable and religious institutions financed primarily by non-Japanese funds, where a duly authorized agent or properly qualified person is resident in Japan to receive title;

b. without in any way prejudging the definitive policy later to be adopted by the Far Eastern Commission with respect to the disposition of large-scale enterprises, only small-scale commercial and industrial enterprises should be restored at the present time;

c. though title to gold, other precious metals and foreign exchange may be restored to the United Nations owners, they should remain subject to the laws and regulations in force at any time governing the custody, control and transfer of such assets;

d. the Supreme Commander is satisfied as to the identification of such property.

2. The policy for restitution of similar property to nationals of Members of the United Nations who are not resident in Japan at present will be dealt with in a future paper.

3. For the purpose of determining whether property was in fact confiscated it should be assumed that all property taken by the Japanese or other

RESTRICTED

- 2 -

enemy Government, Armed Forces, or nationals during the recent hostilities from nationals of any of the United Nations was confiscated whether or not payment was made at the time of acquisition unless it can be definitely shown that no duress or fraud was involved.

4. The restitution of property should be made without expense for the owners and without prejudicing the claim of the original owners against the Japanese or other enemy Government and/or their nationals for damages to property, rent, depreciation, and other ascertainable losses. To facilitate the preparation and adjudication of claims, agreed statements as to the extent and condition of the property restored should be drawn up at the time of its return. The Japanese Government should be required to furnish to the owner a complete inventory of the property together with a report by the Japanese official administrator on the management of it and, in the case of industrial and commercial concerns, a closing balance sheet.

5. If payment to restorer was made at the time of confiscation the Supreme Commander for the Allied Powers should require persons repossessing the property to agree to remit such amounts to the Japanese Government as a prerequisite to restitution. However, actual payment of such amounts should be made only after settlement of claims as specified in paragraph 4 above.

6. If funds received in payment for confiscated property were blocked by the Japanese Government, such funds should be unblocked and the owner permitted to draw upon them on the same basis as depositors in general draw upon their bank funds, except that in the event that the confiscated property is returned such funds should be unblocked only in an amount sufficient to make the payment required in paragraph 5 above.

7. The right to restitution provided in the foregoing paragraphs and even the completion of restitution should not be considered as permission to operate properties where the Supreme Commander for the Allied Powers considers the operations of such property injurious to the occupying forces or to the purposes of the occupation. Similarly, the operation of properties considered by the Supreme Commander for the Allied Powers, upon consultation with the Allied Council for Japan in accordance with the Terms of Reference of the Allied Council for Japan, to be beneficial to the occupying forces and/or the accomplishment of the purposes of the occupation should not await restitution of title or the transfer of possession of such properties; but in such cases compensation for the use of the property should be paid for the account of the owner.

8. Japanese nationals injured by the provisions of the foregoing paragraphs should look to the Japanese Government for relief.

FEC-011/28

**FAR EASTERN COMMISSION**  
2516 MASSACHUSETTS AVENUE, N. W.  
WASHINGTON 8, D. C.

The attached copy of excerpts from the draft minutes of the forty-eighth meeting of the Far Eastern Commission, held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 6 March 1947, has been compared with the original text and is hereby certified to be correct.

*Nelson T. Johnson*

Nelson T. Johnson  
Secretary General

Washington, D. C.  
6 March 1947

EXCERPT FROM THE MINUTES OF THE FORTY-EIGHTH MEETING OF THE FAR EASTERN COMMISSION,  
6 MARCH 1947

ITEM 5 - INTERIM PRINCIPLES FOR RESTITUTION OF IDENTIFIABLE PROPERTY  
CONFISCATED IN JAPAN FROM ALLIED NATIONALS  
(FEC-011/28, FEC-011/24)

\* \* \* \* \*

GENERAL MCCOY noted that FEC-011/28 had been approved by the Steering Committee with the understanding that the following statement explaining the position of the Chinese Government would be included in the minutes of the Commission meeting at which the policy decision was approved and should be transmitted to the Supreme Commander for his information along with the policy directive:

"It is agreeable to the Chinese Delegation to eliminate paragraph 1. b. from the document FEC-011/27 if it is clearly understood that for the purpose of this paper the expression 'the outbreak of hostilities' in paragraph 1 should be regarded, insofar as China is concerned, as 7 July 1937. The Chinese Delegation desires to reserve its right to request of the Supreme Commander for the Allied Powers the restitution of Chinese property within the terms of this paper which was seized, confiscated, or sequestered before 7 July 1937.

"It is the understanding of the Chinese Delegation that the definition of 'the outbreak of hostilities' as indicated above is only for the purpose of this paper and will in no way affect policy statements to be adopted by the Far Eastern Commission relating to the question of restitution as a whole and the restitution of cultural objects removed from China by the Japanese Government, members of its armed forces, Japanese officials or nationals, or other enemy individuals or groups."

The French member of the Steering Committee had also expressed a desire to record the position of his Government with the understanding that the record of this position would be forwarded to the Supreme Commander in the same manner as the Chinese statement. MR. LACOSTE therefore presented the following formal statement:

"It is agreeable to the French Delegation to eliminate paragraph 1. b. from the document FEC-011/27 if it is clearly understood that for the purpose of this paper the expression 'the outbreak of hostilities' in paragraph 1 should be regarded, insofar as France is concerned, as 22 September 1940."

DO NOT DETACH THIS FORM!

RECORD COPY

THE ATTACHED COPY OF A DESPATCH HAS BEEN DESIGNATED THE RECORD COPY TO REPLACE THE ORIGINAL ACTION COPY WHICH WAS NOT RETURNED TO THE CENTRAL RECORDS BY THE ACTION OFFICE.

THIS COPY MUST BE RETURNED TO DC/R FOR FILING.

FILE NO.

740.00119 CONTROL (JAPAN) /3-647

TOKYO 893

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NOV 10 1947

FILED

FE

UNITED STATES POLITICAL ADVISOR  
FOR JAPAN

Tokyo, March 6, 1947

DECLASSIFIED

No. 893

*[Handwritten signature]*

APR 4 1947

CC-3936      SUBJECT: Brochure entitled "Summation of United States Army Military  
Rec'd DS/L      Government activities in the Ryukyu Islands".  
Mar. 27, 1947  
11:49 AM

ACTION:  
FE

The Counselor of Mission has the honor to forward five copies of brochure No. 1 for the months of July through November 1946, published by General Headquarters, Commander in Chief, United States Army Forces, Pacific, and entitled "Summation of United States Army Military Government Activities in the Ryukyu Islands."

INFO:  
DCR  
FR  
CCS-enc  
BIO-enc  
COM-enc

No-0-0-0      Enclosures:

Five copies of brochure No. 1,  
July-November, 1946.

*2 with orig*

Original and hectograph to Department

820.02  
allBashner:am

*440.00119 Control (Japan)/3-647*

STANDARD FORM NO. 64

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : JMA

DATE: March 6, 1947

FROM : RAF

SUBJECT: Technical Missions to Japan

*held today, March 11 (RAF)*

Since I will not be here Friday for your conversation with Mr. Green it may be helpful if I summarize the conclusions of the group which met on the subject last Tuesday, namely:

1) There is no need for concern regarding our legal right to acquire the desired information. Patented information is public knowledge outside the country where the patent is granted. Secret, unpatented information is of course private property, but we have the right to seize it for reparation, and seizures of information have already been carried out on a considerable scale. While the concern of individual giving up the information would normally be entitled to compensation from his government, a contrary precedent has been set in a recent SCAP order that the Japanese Government should not compensate owners of plants removed as reparations.

2) Japan would theoretically be entitled to reparation credit to the value of the secret, unpatented information acquired, but such credit would be meaningless considering the wide margin by which legitimate reparation claims against Japan will exceed its capacity to pay. Also it would be very difficult to set a fair value on the information, and to debit it against the respective countries' claims. Hence it would be better simply to take the information without regard to reparations.

3) Our Allies possess a theoretical right to share fully with us in the exploitation of Japanese technical information. This, however, would require a large number of missions from many countries conducting examinations throughout Japan, which is impossible. Hence our Allies for political reasons will have to be content with the right to examine material obtained and published by the U.S. If after examining this material some country wishes to examine further a particular piece of equipment or process mentioned therein it might be allowed to do so.

4) No FEC policy decision is necessary; the FEC is concerned with determining the policies and principles in accordance with which Japan will carry out its obligations under the

Potsdam

740.00119 Control (Japan) / 3-647



-2-

Potsdam Declaration, to which this project has no relation (except, very indirectly, under reparations). It was agreed it would merely attract unwelcome attention to the matter to give prior notice to FEC. However, since the project will almost certainly get out to the press here on in Japan, the U.S. Government should be prepared with a statement explaining how everything possible has or will be done to protect Allied interests.

5) It was felt, on the question of procedure, that a SWNCC paper would take too long and was not necessary. At the same time Judge Spencer considered that the War Department was at best apathetic and indifferent in the matter and could not be relied upon to take the initiative or to put the project up to SCAP in its best light. It was accordingly felt that the State Department should draft a telegram, for normal clearance through the War Department, to SCAP. It should be emphasized in this telegram, which Mr. Green might help to draft, that our Allies were to have access to the information; that the Commerce Department had positive reason to believe that valuable information did exist in Japan; that it was considered that specialists from the industries concerned were alone capable of finding, appreciating and exploiting the information; that only a very few persons need be sent, on a rotating basis; and that the investigators would be paid by their companies (or by the Commerce Department) but attached to SCAP's staff and under his supervision. It was believed also that through a reference to patent rights or by some other means the telegram should be so drawn as to cause it to be brought to General Tausey's attention because he, among those on General MacArthur's staff, was known to favor the project. The question of whether the investigators should be paid by their companies or, in whole or in part, from the \$200,000 appropriation was left undecided, although some advantage was perceived in the latter course to give the project more of an official air, and to avoid charges that the U.S. was in reality giving American private business advantages in Japan not accorded other nations' private business interests.

NA:RAFearey:mls

8



UNITED STATES POLITICAL ADVISER FOR JAPAN

001870

UNCLASSIFIED

Tokyo, March 6, 1947

No. 897

NA To SA/M DC/R

SUBJECT: Twenty-seventh Meeting of the Allied Council for Japan, March 5, 1947.

The Honorable The Secretary of State Washington

Sir:

RECEIVED DEPARTMENT OF STATE 1947 MAR 19 12 17 P.M. DIVISION OF JAPANESE AFFAIRS

DIVISION OF JAPANESE AFFAIRS File Set of enclosures retained in NA

I have the honor to refer to this Mission's despatch No. 876, February 22, 1947, and to previous correspondence in regard to meetings of the Allied Council for Japan, and to forward as an enclosure five copies each of the Agenda and Corrected Verbatim Minutes of the Twenty-seventh Meeting of the Allied Council, held on March 5, 1947.

1/ 2/

The Member for China placed upon the Agenda the subject "Policies and Programs for Repatriated and Demobilized Persons." General Chu read a statement, page 1 et seq. of the Minutes, in which he stated a twofold reason prompting him to raise this subject for discussion: its continued and increasing importance in the prevailing social and economic situation in Japan, and the magnitude of the problem of present general unemployment. General Chu went on to point out that with this twofold purpose in view he desired "to see today a thorough and profitable discussion on a matter of vital importance to the achievement of the Occupation objectives." General Chu declared that at times the Council had been labeled as "propaganda machinery" or "debating society" and asserted that such a state of affairs, unless corrected, could not be in the best interests of the Occupying Powers nor bring any good to the people of the occupied nation. In conclusion, he expressed the hope that any findings by the Council regarding this subject would be of assistance to the Supreme Commander for the Allied Powers in carrying out his arduous duties.

ACTION COPIES TO: FE BC EE NEA FC SPD ED FN CP OCD OIC DC/R OFD ITP PR SA/m

In reply to the question raised on the Agenda, I read a statement, page 4 et seq. of the Minutes, in which I endeavored to supply in full the information requested by the Chinese Member. The British Commonwealth Member stated that he wished to study my statement before commenting. The Soviet Member made no comment.

DEPARTMENT OF STATE Respectfully yours, Max W. Bishop

Enclosures: As Stated Original and Hectograph to Department 500 GAAbbey:cbk

CC to: Embassies in London, Nanking, Moscow, Canberra, New Delhi CC to: Legation in Wellington

740.00119 CONTROL (JAPAN)/3-647

APR 23 1947

FILED

MB

Encl. No. 1 to Despatch No. 897 from the U.S. Political Adviser, Tokyo, 6 March 1947, Subject: Twenty-seventh Meeting of the Allied Council for Japan, March 5, 1947.

27-305

AGENDA

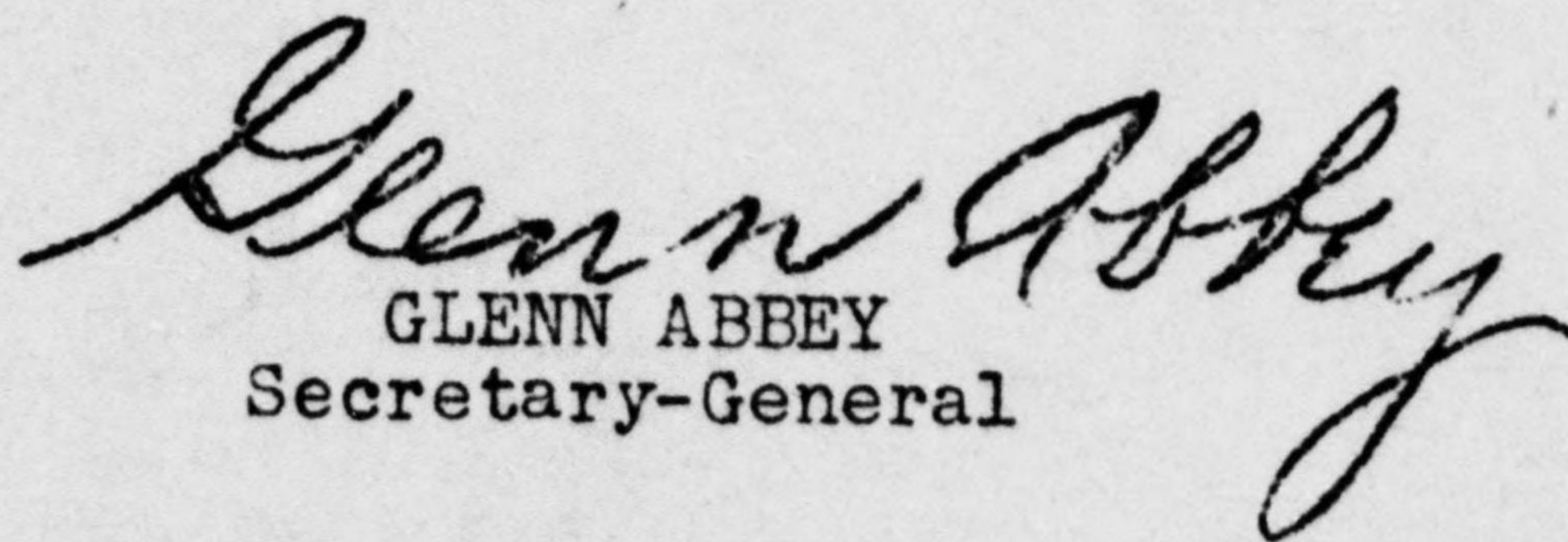
for the

TWENTY-SEVENTH MEETINGALLIED COUNCIL FOR JAPAN

To be held in the Meiji Building, Tokyo,  
Wednesday, 5 March 1947, at 1000 Hours

- I APPROVAL OF THE CORRECTED VERBATIM MINUTES OF THE TWENTY-SIXTH MEETING (1 Session, Numbered 26-219).
- II PROCEDURAL MATTERS  
None held over or submitted as subjects for this Agenda.
- III OFFICIAL MATTERS
  - 1. Policies and Programs for Repatriated and Demobilized Persons. (Inclosure #1)

By Direction of the Chairman pro tempore:

  
GLENN ABBEY  
Secretary-General

1 Incl: Agenda Item 27-305-1

28 February 1947

ALLIED COUNCIL FOR JAPANProposed Discussion Agenda

- I AGENDA ITEM NO. 27-305-1.
- II PROPOSED BY: LIEUTENANT GENERAL CHU SHIH-MING,  
Member for China.
- III SUBJECT FOR DISCUSSION: Policies and Programs for  
Repatriated and Demobilized Persons.
- IV DATE PROPOSED FOR DISCUSSION: Wednesday, 5 March 1947.
- V SCOPE OF INFORMATION DESIRED:
1. Responses of, and steps taken by, the Supreme Commander for Allied Powers towards those recommendations made by the Allied Members during previous Council Meetings pertaining to repatriation and demobilization (e.g., 8th; 9th; 16th; etc.).
  2. The program, if there is any, including such items as relief, welfare, employment, land resettlement, etc., drawn up by the Japanese Government concerning the integration of the repatriated and demobilized persons into the national life of Japan.
  3. Organizations, personnel and budget involved to carry out the above-mentioned program by the Japanese Government.
  4. Progress to date and status of repatriation; approximate date scheduled for the completion of repatriation.
  5. Progress to date and status of demobilization.
  6. Statistics to date, if available, for the repatriated and demobilized persons such as:
    - (a) Number of Japanese repatriated by area to Japan.
    - (b) Number of Japanese demobilized by locality in Japan, and classified by Army, Navy, and Air Force.
    - (c) Number of such persons gainfully employed and unemployed; if possible, classified by such factors as locality, occupation or profession, age, sex, and status (military or civilian).
    - (d) Number of persons under public and government care, indicating especially the number of war orphans and widows involved.
    - (e) Number of Japanese repatriated from China, including those from Manchuria and Taiwan, and indicating

those gainfully employed, unemployed and under public charge.

- (f) Percentage of unemployed repatriates and demobilized persons in the total number of unemployed in Japan at a given period of time.
7. Relief and welfare of the family members of those Japanese remaining in the Allied controlled areas by the Japanese Government.
  8. Attitude of GHQ, SCAP towards the organizations and activities of those repatriates in Japan for the promotion of their interests. For instance, it has been reported that the National Congress of Repatriates held its fourth meeting on 2 December 1946.

VI SPECIFIC INFORMATION DESIRED ON PROGRESS TO DATE:

1. At the conclusion of the Eighth Council Meeting recommendation was made that the Japanese Government be asked to draw up a repatriation program so that the repatriates can be integrated into the national life of Japan. What steps have been taken by the Supreme Commander for the Allied Powers since this recommendation was made? If the Japanese Government was directed to draw up such a program, what is the program? What progress to date has been made by the Japanese Government to carry it out?
2. At the conclusion of the Ninth Council Meeting, Mr. Ball made eight recommendations to serve as guiding principles for the Japanese Government to work out a definite program for repatriates. What use has been made by GHQ, SCAP with regard to these eight recommendations, particularly the following points directly related to the subject under discussion?
  - (a) Register of unemployed people;
  - (b) Survey of labor requirements in all industries;
  - (c) Vocational training;
  - (d) Public works.
3. In what manner and to what extent the organization, personnel and budget of the Demobilization Board, including local agencies, have been correspondingly reduced in reference to the degree of progress of the program for repatriation and demobilization? (The question was discussed at the Sixteenth Council Meeting). How are these displaced personnel reemployed?
4. Is there any over-all public works program worked out by the Japanese Government? What are the essential features of this program? How large is the budget involved? How many repatriated and demobilized persons are employed for this purpose?

## VII REFERENCES:

1. Memorandum from General Headquarters, Supreme Commander for the Allied Powers to the Imperial Japanese Government, file AG 370.05 (10 Feb 47) GC, (SCAPIN 927/12), dated 10 February 1947, Subject: "Repatriation."
2. Memorandum from General Headquarters, Supreme Commander for the Allied Powers to the Imperial Japanese Government, file AG 370.05 (7 May 46)GC, (SCAPIN 927), dated 7 May 1946, Subject: "Repatriation." (Annexes I, II, III, IV, V, VI, VIII).
3. Agenda Item No. 3a-430-1.
4. Agenda Item No. 6a-612-2.
5. Agenda Item No. 14-904-2.
6. Agenda Item No. 14-904-2 (revised 27 Sept 46).
7. Minutes of Fourth Meeting, 15 May 1946.
8. Minutes of Sixth Meeting, 12 June 1946.
9. Minutes of Eighth Meeting, 26 June 1946.
10. Minutes of Ninth Meeting, 10 July 1946.
11. Minutes of Sixteenth Meeting, 2 October 1946.

Encl. No. 1 to Despatch No. 897 from the U.S. Political Adviser,  
Tokyo, 6 March 1947, Subject: Twenty-seventh Meeting of the  
Allied Council for Japan, March 5, 1947.

27-305

AGENDA

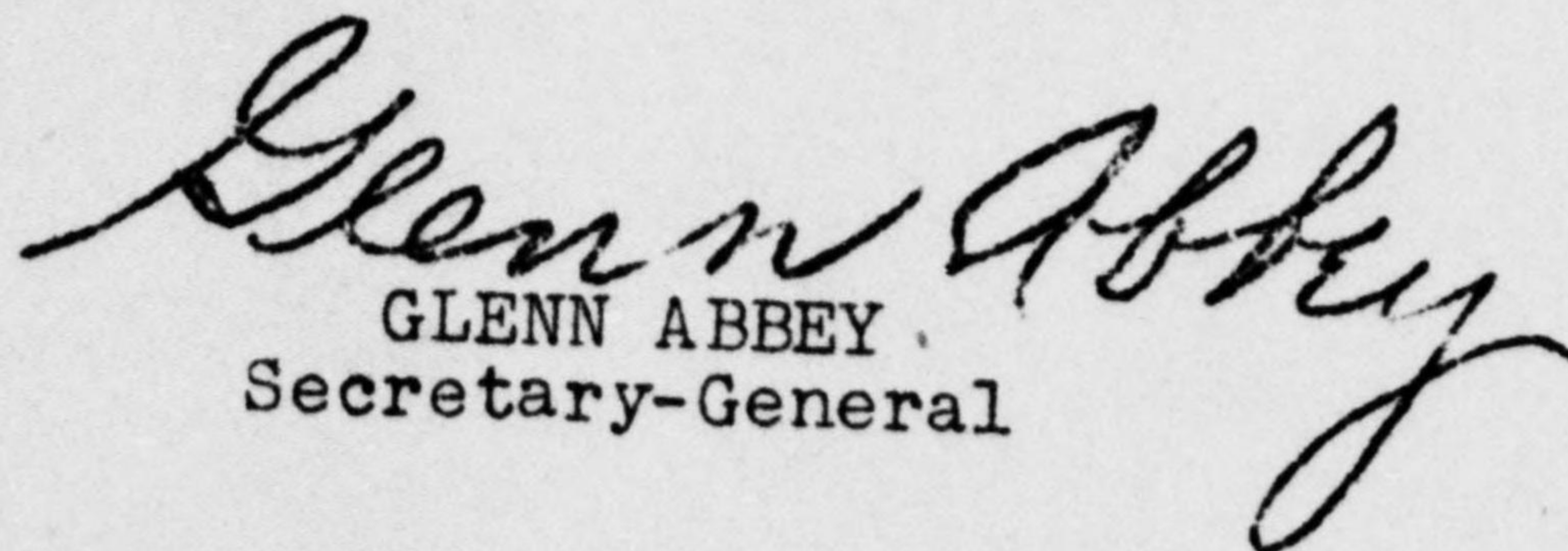
for the

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To be held in the Meiji Building, Tokyo,  
Wednesday, 5 March 1947, at 1000 Hours

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- II PROCEDURAL MATTERS  
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  - 1. Policies and Programs for Repatriated and Demobilized Persons. (Inclosure #1)

By Direction of the Chairman pro tempore:

  
GLENN ABBEY  
Secretary-General

1 Incl: Agenda Item 27-305-1

28 February 1947

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    - (c) Number of such persons gainfully employed and unemployed; if possible, classified by such factors as locality, occupation or profession, age, sex, and status (military or civilian).
    - (d) Number of persons under public and government care, indicating especially the number of war orphans and widows involved.
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4. Is there any over-all public works program worked out by the Japanese Government? What are the essential features of this program? How large is the budget involved? How many repatriated and demobilized persons are employed for this purpose?

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4. Agenda Item No. 6a-612-2.
5. Agenda Item No. 14-904-2.
6. Agenda Item No. 14-904-2 (revised 27 Sept 46).
7. Minutes of Fourth Meeting, 15 May 1946.
8. Minutes of Sixth Meeting, 12 June 1946.
9. Minutes of Eighth Meeting, 26 June 1946.
10. Minutes of Ninth Meeting, 10 July 1946.
11. Minutes of Sixteenth Meeting, 2 October 1946.

Encl. No. 2 to Despatch No. 897 from the U.S. Political Adviser, Tokyo, 6 March 1947, Subject: Twenty-seventh Meeting of the Allied Council for Japan, March 5, 1947.

27-305

CORRECTED  
VERBATIM MINUTES  
of the  
TWENTY-SEVENTH MEETING  
ALLIED COUNCIL FOR JAPAN

Meiji Building, Tokyo, Wednesday, 5 March 1947 at 1000 Hours

MEMBERS PRESENT

Mr. Max W. Bishop, Chairman pro tempore and representative of the Member for the United States

His Excellency 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

Mr. Glenn Abbey

Office of the Secretariat  
Allied Council for Japan  
7 March 1947

THE CHAIRMAN: The meeting will please come to order.

The Verbatim Minutes of the Twenty-sixth Meeting have been circulated among the Members for correction. In the absence of any objection they will be recorded as approved. (Pause)

Are there any Procedural Matters? (Pause)

(None indicated).

Under Official Matters, we have the subject "Policies and Programs for Repatriated and Demobilized Persons." The subject was presented by the Member for China. In accordance with our usual procedure, I shall ask the Member for China if he has any initial remarks to make to the Council.

LIEUTENANT GENERAL CHU: Thank you, MR. CHAIRMAN. I will just make a few very brief remarks. The subject I propose to discuss today was mentioned in a recent list of matters for possible discussion introduced by MR. ATCHESON at the Nineteenth Council Meeting dated 13 November 1946. Item 9 of the said list bears the title "Policies and Programs for Repatriated Persons." Since the problem of repatriates is closely related to that of demobilized persons and I notice in an earlier list which was introduced before the Fifth Meeting, dated 29 May 1946, there was an Item Number 11, under Group "B", entitled "Policies and Programs for Demobilized Persons and Other Elements in Japan," so I deem it proper that we should discuss them together in the light of the latest progress of the execution of both repatriation and demobilization programs. The reasons that prompted me to raise this question are twofold; first, its continued and perhaps increasing importance in the present social and economic situation of Japan. You will recall that the Supreme Commander for the Allied Powers very early and fully foresaw the magnitude and the seriousness of the problem, so that the subject of "Integration of Repatriates into the National Life of Japan" was first proposed for discussion as early as at the Sixth Meeting dated 12 June 1946. The purport of the subject

is explicitly and cogently stated in a memorandum from GHQ, SCAP, to the Allied Council for Japan, dated the 5th of June, 1946. I can do no better than to quote a passage from the said memorandum and let it serve as a reminder to us before our discussion starts. Our advice was then sought on the matter of repatriates in order that--here I quote the last part of the passage under Paragraph 1, "they may be self-supporting and the danger precluded that as underprivileged or discontented elements of the population they may constitute a menace to the achievement of the objectives of the Occupation." As the mass repatriation program, ever since its start, has been so successfully carried out by GHQ, SCAP, that the very success itself is becoming a contributory factor to the aggravated state of general unemployment and the recent nationwide spread of mass unrest "may constitute a menace to the achievement of the objectives of the Occupation." And I am conscious of China's part of responsibility as one Member of the Allied Powers agreed to the Potsdam Declaration which states in part, "The Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives."

Secondly, the magnitude of the problem of general unemployment as it exists in Japan today and the apparent ineffectiveness of the Japanese Government to cope with the mounting difficulties of the situation, despite the fact that some progress has been made since the inauguration of the public works program, sufficiently warrant a renewed discussion of the subject. It is my opinion that a review of this important matter at this time will focus the attention of the intelligent public in Japan to the urgency of the problem of mass unemployment which itself is a cause of economic crisis and social unrest. It is hoped that the Japanese Government in response to the demand of public opinion, will see to it that an all-around welfare program, long-term as well as short-term will

be systematically worked out and that the present public works program is so expanded in its scope as to make its maximum contribution to the welfare of the greatest number of repatriates and demobilized persons remaining unemployed. Furthermore, I am under the impression that untiring efforts have been made by GHQ, SCAP, to urge and to help the Japanese Government in adopting necessary measures which will insure the appropriate integration into the economic life of Japan of the large number of repatriates and demobilized persons and in general, will hasten the process of economic rehabilitation and reconstruction of the country. I, for one, would like to be informed of such work now in progress and I am sure it is the concern of all of us, that those Japanese repatriates along with other demobilized persons remaining unemployed should be permitted to have the earliest possible opportunity to work and to lead peaceful lives.

It is with the above-mentioned twofold purpose in view that I desire to see today a thorough and profitable discussion on a matter of vital importance to the achievement of the Occupation objectives. You may notice from the Agenda that we did not bring this matter up without having made some previous study of the subject. I hope the discussion will follow as closely as possible the outline as stated in the Agenda so that definite conclusions may be arrived at. If opinions are offered, I hope they will be offered in a constructive and cooperative manner rather than critical or faultfinding. This Council has at times been labeled as "propaganda machinery" or "debating society." Such a state of things, unless corrected, cannot be to the best interests of the occupying powers, nor will it bring any good to the peoples of the occupied nation. It is therefore my sincerest wish that in introducing this subject today, it may serve a useful purpose and whatever conclusions are arrived at, it may be of assistance to the Supreme Commander for the Allied Powers in the carrying out

of his arduous duties.

I thank you.

THE CHAIRMAN: Thank you, GENERAL CHU.

The subject before us today is an important one, and it is obvious that the Member for China has given it exhaustive study. I may add that I, myself, have been called upon in turn to give it many "man hours" of attention.

From the earliest days of the Occupation the question of rehabilitation and welfare of repatriated and demobilized persons has received careful attention from General Headquarters, Supreme Commander for the Allied Powers, and as the Member for China has mentioned, it will be recalled that the Supreme Commander placed the subject before this Council at an earlier meeting. In development of General Headquarters' policy, the problems of repatriated and demobilized persons have now almost entirely been absorbed into general welfare problems of the Japanese people. However, in the light of the large number yet to be repatriated the problem of these persons remains important, particularly because this group will necessarily continue to add to the magnitude of the overall problem of rehabilitation and relief confronting Japan's broken economy. I feel confident that we can all agree that in final analysis the reorientation of the Japanese people and the general success of Allied policies for the Occupation will in measure depend upon Japan's ability to meet adequately its great relief problem.

In discussing the questions on the Agenda, I shall attempt to confine my remarks in so far as possible to the specific problem of policies and programs for repatriated and demobilized persons, except as these policies form part of the general rehabilitation and unemployment relief programs.

From the viewpoint of relief and welfare, it is highly

undesirable to attempt to segregate any particular group or class in administering a program of this nature and it is established policy that repatriated and demobilized Japanese, after initial processing upon their return, are not accorded special treatment in segregation from others.

In handling repatriates, demobilized persons, and others on relief, despite almost overwhelming difficulties, the accomplishments of the Japanese authorities and the progress which has been, and is being made in the direction of social welfare and relief are gratifying.

SOVIET INTERPRETER: Would you mind repeating that, sir?

(Repeating)--the progress which has been, and is being made in the direction of social welfare and relief are gratifying.

(Continuing) The Supreme Commander has, therefore, not been called upon to intervene directly to any large extent, and activities of the Occupation authorities have in general been limited to encouragement, guidance, and helpfulness to the Japanese in handling this extremely difficult problem. This assistance toward improvement and expansion of the Japanese program will continue.

I shall turn now to the Agenda under Section V, "Scope of Information Desired." In the first paragraph, information concerning steps taken by the Supreme Commander with respect to recommendations made by the Members during previous Council meetings, is requested.

Fortunately, in handling the question of policies and programs for repatriated and demobilized persons, the Japanese authorities have shown initiative and interest and have themselves in most cases taken the necessary action. It has therefore, to repeat, not been necessary for the Supreme Commander to take direct action to any great extent. Such positive and direct action as has been taken was based upon a multitude of factors--



such as recommendations and views of Members of the Council, continuing studies by appropriate staff officers, and evolving conditions within Japan.

In evaluating the pros and cons of a suggested solution of any particular problem, the Supreme Commander gives due weight and every appropriate consideration to any recommendation by Members of the Council. All of the expressed views and recommendations of the Members are carefully studied, considered and given due weight by the Supreme Commander and the appropriate officers of the staff sections of his General Headquarters. At the same time, there are in process of formulation for presentation to the Supreme Commander studies and recommendations by experts closely associated with any particular problem at hand. There is much grist which goes into the mill in the evolvment of decisions taken by the General Headquarters, Supreme Commander for the Allied Powers, of decisions taken by the Japanese Government, or for that matter, by any government.

It will thus be seen that it would be impossible for me to attempt to evaluate separately or to differentiate between that part played by the recommendations of the Members of the Council and that part played by other studies and recommendations bearing on a particular problem. In discussing the next question, I shall endeavor to give briefly some indication of the more important aspects of the broad accomplishments in relief and welfare toward which the Members' recommendations may have made contribution.

In paragraph 2 of Section V, information is requested regarding the plan of the Japanese Government for repatriated and demobilized persons.

For reasons of general policy which I have already mentioned, Japanese governmental plans specifically for repatriates are designed to meet the immediate problems of the repatriate upon his return. Thereafter his position becomes the same as that of

any Japanese. I shall attempt briefly to summarize the more important aspects of this program.

Japanese governmental programs for "War Sufferers and Repatriates" include a number of projects designed to meet the need of not only those made homeless by the war and its attendant destruction, but also for the millions of returning civilians, many of whom are coming to Japan for the first time in their lives.

Already more than 5,200,000 persons have been returned from South Korea, the Philippines, China, Netherlands East Indies, Formosa, the United States, Canada, Australia and the islands of the South Pacific and from other areas. Even under normal conditions this would pose a gigantic relief, rehabilitation and welfare problem. I am sure that, with the broad knowledge which the Members have of conditions in Japan, I need not elaborate on the magnitude of this problem in the face of Japan's economic situation which makes absorption of these unfortunates difficult in the extreme. Japanese reports of their program include the following activities:

At reception centers located in Hakodate, Uraga, Maizuru, Ujina, Otaka, Nagoya, Hakata, Sasebo, and Kagoshima, money is exchanged in the sum not to exceed ¥1,000.

SOVIET INTERPRETER: I missed that. Would you mind repeating that, sir?

THE CHAIRMAN: Certainly. (Repeating) At reception centers located in Hakodate, Uraga, Maizuru, Ujina, Otaka, Nagoya, Hakata, Sasebo, and Kagoshima, money is exchanged in the sum not to exceed ¥1,000.

(Continuing) I may mention that with the major part of repatriation completed, Uraga, Nagoya, Otaka and Kagoshima are not at present being used. They are closed. A certificate of repatriation is issued. There are given to the repatriates at

the center a free ticket to destination and five days' food thereafter, clothing and bedding if needed, plus a gratis issue of ¥500 if the repatriate is without funds. The authorities also provide free medical care including hospitalization at a national hospital as indicated by the physicians at the reception center.

En route from reception centers to place of destination, usually the official residence of the respective families, the national and local governments provide places of rest and feeding, and medical treatment in main stations along the route.

After the repatriate has reached the selected place of residence, he either secures work in his profession or trade through the local employment bureau or through his family. If no opportunity for work is available locally, he may be advised of the location of work and assisted in reaching it.

If the repatriate is unable to find employment or otherwise to care for himself and his family, he receives care under the provisions of the "Daily Life Security Act" and also receives necessary funds to purchase food, and a free but limited issue of clothing. Distribution varies from prefecture to prefecture and is dependent in part upon local resources. Through the local Social Affairs offices, housing may be provided by the utilization of former factories, barracks, warehouses and similar large unused structures. It is estimated, however, that by the end of 1947 only 15% of the repatriates will be so housed, and that the remainder will have secured shelter through their own resources or by "doubling up" with relatives and friends.

GENERAL CHU: By the end of this year?

THE CHAIRMAN: Yes, by the end of 1947.

(Continuing) Business loans not in excess of ¥5,000 are available through the Peoples' Banks for use in establishing small business enterprises or in purchase of small tools. These loans draw no interest for one year, 6% for the next four years

and are due at the end of five years. Applications have exceeded the original ¥1,000,000,000 fund and the total loan fund has now been raised to ¥1,660,000,000. Efforts are being made to secure additional funds, a larger loan limit figure and a longer term for the individual loans.

Repatriates wishing to settle on the land may purchase land through the Agriculture and Forestry Ministry and may borrow up to ¥10,000 for this purpose, or may rent land from others and borrow from the Ministry for farm tools, equipment, seed and fertilizers. This permits a total of ¥15,000 in loans from the Agriculture and Forestry Ministry and from the Peoples' Banks.

A repatriate upon returning to his place of residence presents his certificate of repatriation and is accorded all rights of Japanese citizenship. Certain residence laws will not permit voting until he has lived in his ward or ku, for six months, although this law has been suspended from time to time to permit large groups of repatriates to exercise their franchise. However, a repatriate who wishes to stand for office may do so the day he returns by filing his candidacy.

Special attention is given to the repatriate upon his return through the activities of licensing officials who may give priorities to the repatriate who wishes to open a barber shop, restaurant, or other small business. In the initial period following return of the repatriates there are many other small ways in which the Japanese Government has shown its concern for them.

In paragraph 3, of Section V, information is requested regarding the pertinent organizations, personnel and budgets.

There are two important organizations dealing with the program of the Japanese Government: The Health and Welfare Ministry and its Repatriation and Relief Board. At the same time, certain important aspects of the welfare program naturally come

under the jurisdiction of the Economic Stabilization Board. The welfare budget for direct relief is ¥3,000,000,000 for the fiscal year ending March 31, 1947. There is in addition a work relief program which includes certain aspects of land reclamation and a resettlement program and which is budgeted at ¥6,000,000,000 for the same period. Local administration of these programs falls upon the appropriate authorities of the prefectural governments. The Health and Welfare Ministry has allocated for the same fiscal year a budget of ¥1,849,030,989 to its Repatriation and Relief Board.

In paragraph 4, Section V, information is requested concerning progress and status of repatriation.

The repatriation program has been completed for, and all repatriates have been returned from the following areas: South Korea, Philippines, Pacific Ocean Areas, Ryukyus, Nearby Islands, New Zealand, North Indo-China, Hong Kong, Continental United States and Hawaii. There are a few alleged war criminals remaining in the Philippines and in the Pacific Ocean Areas, a handful of technicians in Korea, 797 Japanese in Australian areas, of whom 450 are to be returned to Japan about the end of March, leaving only alleged war criminals in Australia--

MR. BALL: Apart from the Australians, you mean?

THE CHAIRMAN: Yes, the Japanese remaining.

(Continuing)--There are approximately 11,947 Japanese remaining in China south of the Great Wall and Formosa and approximately 95,000 Japanese in the Northeastern Provinces, often called Manchuria. The Chinese Government has accepted responsibility for repatriation of these Japanese. There remain in Southeast Asia areas some 76,714 Japanese whose repatriation is to be completed by the end of 1947. There are some 7,725 Japanese in the Netherlands East Indies whose repatriation will be completed by

about May 1, 1947. In North Korea, Dairen, Port Arthur, Kuriles, Sakhalin and Siberia or other areas under the control of Soviet Russia there remain approximately 1,197,000 Japanese. It is expected that through March of this year some 117,000 will have been repatriated from Dairen, leaving an estimated 1,080,000 Japanese in Soviet-controlled areas as of April 1, 1947. The present rate of repatriation varies but at the minimum rate which the Soviet Government has agreed to repatriate Japanese, that is 50,000 per month, it would require about one year and ten months from April 1 to complete repatriation. However, the rate varies, and as I have stated, it is not possible to give an accurate estimate of the time required for the completion of this project.

I have before me a table showing the total number of Japanese repatriated through February 23, 1947 broken down into the various areas from which they were repatriated. With the approval of the Members, I shall have this table read into the Minutes.

\* \* \* \* \*

NUMBER OF JAPANESE REPATRIATED TO JAPAN

<u>Area</u>	<u>Total</u>	<u>Remaining</u>
South Korea	591,856	0
Philippines	132,401	0
Pacific Ocean Area	130,795	0
Ryukyus	65,157	0
Nearby Islands	62,389	0
Australian Areas	138,186	797
New Zealand	797	0
China	1,492,568	8,100
Formosa	474,953	3,847
North Indo-China	31,583	0
Hong Kong	19,197	0
Manchuria	1,010,837	95,000
North Korea	314,505	590
Dairen-Port Arthur	103,876	146,124
Kuriles and Sakhalin	11,714	360,302
Siberia	10,009	689,991
Southeast Asia	628,134	76,714
Netherlands East Indies	5,775	7,725
Hawaii	3,411	0
Totals	<u>5,228,143</u>	<u>1,389,190</u>

\* \* \* \* \*

THE CHAIRMAN: (Continuing) In paragraph 5 of Section V, information is requested of the progress and status of demobilization.

All Japanese armed forces under the control of the Occupation authorities were demobilized months ago. Those repatriated from areas outside of Japan have been demobilized and returned to civilian status within roughly 48 hours after return to Japan. Under this program there have been demobilized some 4,292,000 army personnel, some 553,000 air force personnel, and some 1,580,000 navy personnel, making a total demobilized of about 6,420,000. The question of the completion of demobilization depends entirely upon the return of remaining Japanese armed forces from abroad. It has already been pointed out that it is impossible to estimate accurately the date of completion of repatriation. General Headquarters, Supreme Commander for the Allied Powers, does not have complete

statistics regarding Japanese armed forces yet to be repatriated and it is therefore impossible to answer more fully the question of the status of demobilization or to give accurate percentages regarding personnel already demobilized.

In paragraph 6 of Section V, certain statistics are requested. In so far as available, I shall give these statistics as requested in the various subparagraphs.

a. This question has already been answered in the table of statistics which has been given to the Secretary-General for incorporation in the Minutes.

b. I have before me another table listing the total number of army personnel demobilized by prefecture and a second table listing the total number of naval personnel demobilized by naval district. For the various prefectures and naval districts, the Japanese air forces were not carried separately and local statistics for air force demobilization are not available, the naval air force being a part of naval personnel and the army air force being a part of army personnel. With the approval of the Members, I shall have these tables read into the Minutes.

\* \* \* \* \*

NUMBER OF PERSONNEL DEMOBILIZED BY PREFECTURE

<u>Local Assistance Bureau</u>	<u>Total</u>
Asahikawa	32,740
Sapporo	72,712
Hakodate	51,943
Kushiro	7,184
Aomori	56,655
Akita	76,849
Yamagata	83,851
Miyagi	95,334
Fukushima	105,805
Iwate	68,351
Ibaragi	105,823
Tochigi	85,890
Gunma	99,315
Tokyo	233,385
Yamanashi	54,734
Kanagawa	102,034
Saitama	110,792
Chiba	128,959



NUMBER OF PERSONNEL DEMOBILIZED BY PREFECTURE

(Continued)

Local Assistance Bureau

	<u>Total</u>
Niigata	138,002
Nagano	149,584
Aichi	153,798
Gifu	176,033
Shizuoka	158,505
Mie	88,385
Ishikawa	88,814
Toyama	90,058
Fukui	50,100
Kyoto	142,245
Shiga	82,055
Osaka	181,970
Nara	54,728
Wakayama	81,640
Hyogo	197,681
Okayama	109,300
Hiroshima	131,000
Tottori	39,300
Shimane	59,900
Yamaguchi	84,200
Kagawa	72,891
Tokushima	66,248
Ehime	94,713
Kochi	65,633
Kumamoto	107,700
Oita	68,100
Miyazaki	64,000
Kagoshima	107,300
Fukuoka	239,192
Saga	52,332
Nagasaki	80,231
Total	<u>4,847,991</u>

DEMOBILIZED PERSONNEL BY NAVAL DISTRICTS

Sasebo	370,328
Kure	424,791
Maizuru	194,663
Yokosuka	590,218
Total	<u>1,580,000</u>

\* \* \* \* \*

c. There are no Japanese military personnel in Japan. Under the previously stated policy of avoiding segregation of any particular group in the treatment of welfare cases, statistics are not available for the number of repatriates or demobilized

personnel who may be gainfully employed or unemployed as distinct from other Japanese nationals.

d. This same situation applies to the questions raised under subparagraphs d, e, and f.

The following over-all statistics may be of interest:

The April 26, 1946 census, the latest census giving unemployed, indicated 1,600,000 totally unemployed in Japan. After taking into account the partially unemployed, the figure was 5,600,000 estimated unemployed on any given day in April, 1946. These figures compare to a total labor force of 29,700,000 persons, 44% of which was engaged in nonagricultural pursuits. As a result of repatriation, the unemployment figure has in all likelihood been increased.

Current statistics released by the Health and Welfare Ministry indicate that 2,837,207 persons received public assistance during the month of December, 1946, of which total 92,778 persons received care in public institutions.

In paragraph 7, Section V, information is requested regarding relief for families of Japanese not yet repatriated.

Here again the principle of nonsegregation of any group of sufferers in treatment of general welfare problems makes such statistics unavailable.

In paragraph 8 of Section V, information is requested concerning certain organizations and activities of, or pertaining to, repatriates.

As toward any organization in Japan, General Headquarters, Supreme Commander for the Allied Powers, maintains an attitude of careful surveillance. Such organizations as are not inimical to the objectives of the Occupation and as are not engaged in activities undesirable from the standpoint of the Allied objectives, are not interfered with by the Occupation authorities. Such organizations as may be benevolent or helpful may expect to receive encouragement and, where appropriate, guidance from the Occupation

authorities. There has been no activity or organization in connection with repatriates which has been found to be undesirable from the standpoint of the Occupation.

In paragraph 1 under Section VI, "Information Desired on Progress To Date," information is requested concerning steps taken following recommendations made at the Eighth Meeting of the Council and covering the progress of the Japanese Government's program.

As I recall, during the Eighth Meeting of the Council, a recommendation was made that the Japanese Government be directed to draw up a program for the integration of repatriates into the national life of Japan. I cannot help but feel that in making that recommendation, the Members may not have been fully aware, or may not have taken fully into account, the fact that from the outset of the program of repatriation there was necessarily put into operation a plan for the reception of repatriates and their return to homes in Japan. The very magnitude of the program and its rapidly increasing scope made it impossible to anticipate all of the many problems and difficulties which would arise. Accordingly, the initial plan has been under a constant process of evolution and improvement. Conformably with the Supreme Commander's wise policy of noninterference with the Japanese Government in its discharge of local responsibilities, except in cases of necessity, steps taken by his General Headquarters have for the most part been limited to those necessary for proper surveillance and helpful guidance and encouragement in the development and improvement of this program. It has fortunately been unnecessary to issue a specific directive to the Japanese to draw up a program. I have already given in broad outline the important aspects of Japanese official activities in this regard.

In paragraph 2 under Section VI, information is requested concerning development following and pertaining to specific recommendations made by the Member representing jointly four nations of the British Commonwealth.

The remarks which I made earlier in replying to the first question under Section V, about "grist for the mill" apply equally to this question. All appropriate use has been made by General Headquarters of the recommendations made at that meeting of the Council as of those made at any meeting.

To turn to the specific items listed under (a), (b), (c), and (d), I should like to mention briefly some results which have been accomplished along these lines.

(a) Register of Unemployed People: The natural reluctance of a Japanese to come forward and register himself as an "unemployed person," makes it impracticable to attempt to establish a register of unemployed persons. However, through the National Employment Exchange service, comprising more than 600 local employment exchanges, a register is maintained of those Japanese who are seeking employment.

(b) Survey of Labor Requirements in All Industries: Under the guidance of General Headquarters, Supreme Commander for the Allied Powers, the Japanese have been encouraged and helped in the introduction of modern scientific labor market analyses. An initial pilot survey has already been completed for Saitama Prefecture and is being used as a guide for similar surveys which are being developed in other areas in Japan. The still uncertain future of Japanese industries makes it futile to attempt at this time an industry by industry survey.

(c) Vocational Training: There is an expanding vocational program of the Japanese Government designed to add to scarce-skill categories of labor for a postwar peacetime economy as a part of the Japanese public works program. In all, about 180,000 persons were being trained in one way or another in January 1947.

SOVIET INTERPRETER: 1,000,000?

THE CHAIRMAN: 180,000 persons in January 1947.

(Continuing) This program, which has full encouragement from the appropriate authorities of General Headquarters, is being administered by the Japanese Health and Welfare Ministry.

(d) Public Works: The public works program will be considered in discussing the last question under this section.

In paragraph 3 under Section VI, information is requested regarding the gradual reduction of the personnel and budget of the Demobilization Boards.

The personnel and budget of the Demobilization Boards, including local agencies, have been and continue to be progressively reduced pari passu with the accomplishment of repatriation and demobilization. These Boards are under the surveillance and direction of General Headquarters, Supreme Commander for the Allied Powers. As rapidly as practicable, even those civilian members of the Boards who were formerly military personnel are being replaced and steps taken for the final absorption of these organizations by regular civilian government ministries or other governmental agencies.

By the question, "How are these displaced personnel reemployed?", I assume that information is desired regarding the occupations taken up by persons who are dropped from the Demobilization Boards. In that case, there are no statistics available, and no special provisions separate from general employment programs are provided. In all likelihood, they are reemployed in various occupations, as any other Japanese national.

In paragraph 4 under Section VI, information is requested regarding the over-all public works program.

As the policies and programs for repatriated and demobilized persons are dovetailed into general relief and welfare problems, I have endeavored to prepare an adequate but necessarily brief outline of the over-all public works program of the Japanese Government. The program, which was initiated pursuant to the

Supreme Commander's Directive of May 18, 1946, places primary emphasis on projects which increase or facilitate the production or distribution of basic necessities so far as practicable within a year. This includes food, clothing, fuel, shelter, and minimum community services. Any unemployed employable person is eligible for a job on the project and when hired is paid a wage equivalent to that prevailing for similar work in the community. The budget as indicated previously, is ¥6,000,000,000 for the present fiscal year. As of November 1946 approximately 1,350,000 workers were employed daily. The Japanese Government aims to raise that figure to 2,650,000 workers during the fiscal year 1947-48. Typical projects are the reclamation of farm land, flood control, repairing and rebuilding of fishing ports, construction of access roads to lumber reserves and coal stock piles, construction of houses and essential government buildings and reconstruction and restoration of minimum railway and communication services. The principal difficulty in expanding the program is the shortage of basic materials prevailing in Japan today. Another major difficulty is the problem of transporting or providing shelter for unemployed urban workers on rural land reclamation, flood control, or other nonurban projects.

There are no separate statistics available regarding the number of repatriated and demobilized persons employed in the public works program.

Any other comments?

MR. BALL: I think we all want to thank you, MR. CHAIRMAN, for the very careful and clear answer you have given. For myself I would prefer to have some chance to study the statement you have made before making any comment.

THE CHAIRMAN: GENERAL CHU?

LIEUTENANT GENERAL CHU: I agree entirely with MR. BALL that we are all thankful for the businesslike way you have answered the

questions. I did not realize how much work I put you into.

THE CHAIRMAN: That is why I mentioned the many "man hours."

LIEUTENANT GENERAL CHU: Well, I hope it's profitable and not too unpleasant.

In your reply, you mentioned the fact that there still remains in northeastern part of China, commonly called Manchuria, a large number of Japanese still waiting for repatriation. You also mentioned that the Chinese Government has assumed responsibility for the repatriation. Perhaps I can make it a little bit clearer if I say the reason why there are still persons remaining to be repatriated is because of the unfortunate fact that certain areas in Manchuria are not under the direct control of the Chinese Government. In the areas where we have absolute control, my Government has faithfully carried out our obligation in every case.

THE CHAIRMAN: I realize that, GENERAL CHU. I was merely trying to be brief without offering explanation.

LIEUTENANT GENERAL CHU: That is quite all right.

THE CHAIRMAN: Any other comments? If there are--do you have any further comment, GENERAL CHU?

LIEUTENANT GENERAL CHU: I have drawn up during my preliminary studies certain recommendations; however, some of the points I raised have been answered already and I see no need of bringing them up again. There might be a few other points that are still worth mentioning. If the CHAIRMAN wants them, I am ready to present them, but if the CHAIRMAN would rather wait until the other Members have had a chance to study more on the subject, I can withhold it until the next meeting or some other time.

MR. BALL: Might I suggest, MR. CHAIRMAN, that GENERAL CHU might like to place this subject on the Agenda again before the next meeting.

LIEUTENANT GENERAL CHU: I wouldn't exactly put it on the Agenda of the next meeting. I would perhaps make it more flexible

by saying I will bring it up again at some later date, but not necessarily at the next meeting.

THE CHAIRMAN: Whatever you wish, GENERAL, we can do. (Pause)

If there are no further comments, then we shall adjourn.

(The meeting adjourned at 1128 hours).



Encl. No. 2 to Despatch No. 897 from the U.S. Political Adviser, Tokyo, 6 March 1947, Subject: Twenty-seventh Meeting of the Allied Council for Japan, March 5, 1947.

27-305

CORRECTED  
VERBATIM MINUTES  
of the  
TWENTY-SEVENTH MEETING  
ALLIED COUNCIL FOR JAPAN

Meiji Building, Tokyo, Wednesday, 5 March 1947 at 1000 Hours

MEMBERS PRESENT

Mr. Max W. Bishop, Chairman pro tempore and representative of the Member for the United States

His Excellency 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

Mr. Glenn Abbey

Office of the Secretariat  
Allied Council for Japan  
7 March 1947

THE CHAIRMAN: The meeting will please come to order.

The Verbatim Minutes of the Twenty-sixth Meeting have been circulated among the Members for correction. In the absence of any objection they will be recorded as approved. (Pause)

Are there any Procedural Matters? (Pause)

(None indicated).

Under Official Matters, we have the subject "Policies and Programs for Repatriated and Demobilized Persons." The subject was presented by the Member for China. In accordance with our usual procedure, I shall ask the Member for China if he has any initial remarks to make to the Council.

LIEUTENANT GENERAL CHU: Thank you, MR. CHAIRMAN. I will just make a few very brief remarks. The subject I propose to discuss today was mentioned in a recent list of matters for possible discussion introduced by MR. ATCHESON at the Nineteenth Council Meeting dated 13 November 1946. Item 9 of the said list bears the title "Policies and Programs for Repatriated Persons." Since the problem of repatriates is closely related to that of demobilized persons and I notice in an earlier list which was introduced before the Fifth Meeting, dated 29 May 1946, there was an Item Number 11, under Group "B", entitled "Policies and Programs for Demobilized Persons and Other Elements in Japan," so I deem it proper that we should discuss them together in the light of the latest progress of the execution of both repatriation and demobilization programs. The reasons that prompted me to raise this question are twofold; first, its continued and perhaps increasing importance in the present social and economic situation of Japan. You will recall that the Supreme Commander for the Allied Powers very early and fully foresaw the magnitude and the seriousness of the problem, so that the subject of "Integration of Repatriates into the National Life of Japan" was first proposed for discussion as early as at the Sixth Meeting dated 12 June 1946. The purport of the subject

is explicitly and cogently stated in a memorandum from GHQ, SCAP, to the Allied Council for Japan, dated the 5th of June, 1946. I can do no better than to quote a passage from the said memorandum and let it serve as a reminder to us before our discussion starts. Our advice was then sought on the matter of repatriates in order that--here I quote the last part of the passage under Paragraph 1, "they may be self-supporting and the danger precluded that as underprivileged or discontented elements of the population they may constitute a menace to the achievement of the objectives of the Occupation." As the mass repatriation program, ever since its start, has been so successfully carried out by GHQ, SCAP, that the very success itself is becoming a contributory factor to the aggravated state of general unemployment and the recent nationwide spread of mass unrest "may constitute a menace to the achievement of the objectives of the Occupation." And I am conscious of China's part of responsibility as one Member of the Allied Powers agreed to the Potsdam Declaration which states in part, "The Japanese military forces, after being completely disarmed, shall be permitted to return to their homes with the opportunity to lead peaceful and productive lives."

Secondly, the magnitude of the problem of general unemployment as it exists in Japan today and the apparent ineffectiveness of the Japanese Government to cope with the mounting difficulties of the situation, despite the fact that some progress has been made since the inauguration of the public works program, sufficiently warrant a renewed discussion of the subject. It is my opinion that a review of this important matter at this time will focus the attention of the intelligent public in Japan to the urgency of the problem of mass unemployment which itself is a cause of economic crisis and social unrest. It is hoped that the Japanese Government in response to the demand of public opinion, will see to it that an all-around welfare program, long-term as well as short-term will

be systematically worked out and that the present public works program is so expanded in its scope as to make its maximum contribution to the welfare of the greatest number of repatriates and demobilized persons remaining unemployed. Furthermore, I am under the impression that untiring efforts have been made by GHQ, SCAP, to urge and to help the Japanese Government in adopting necessary measures which will insure the appropriate integration into the economic life of Japan of the large number of repatriates and demobilized persons and in general, will hasten the process of economic rehabilitation and reconstruction of the country. I, for one, would like to be informed of such work now in progress and I am sure it is the concern of all of us, that those Japanese repatriates along with other demobilized persons remaining unemployed should be permitted to have the earliest possible opportunity to work and to lead peaceful lives.

It is with the above-mentioned twofold purpose in view that I desire to see today a thorough and profitable discussion on a matter of vital importance to the achievement of the Occupation objectives. You may notice from the Agenda that we did not bring this matter up without having made some previous study of the subject. I hope the discussion will follow as closely as possible the outline as stated in the Agenda so that definite conclusions may be arrived at. If opinions are offered, I hope they will be offered in a constructive and cooperative manner rather than critical or faultfinding. This Council has at times been labeled as "propaganda machinery" or "debating society." Such a state of things, unless corrected, cannot be to the best interests of the occupying powers, nor will it bring any good to the peoples of the occupied nation. It is therefore my sincerest wish that in introducing this subject today, it may serve a useful purpose and whatever conclusions are arrived at, it may be of assistance to the Supreme Commander for the Allied Powers in the carrying out

of his arduous duties.

I thank you.

THE CHAIRMAN: Thank you, GENERAL CHU.

The subject before us today is an important one, and it is obvious that the Member for China has given it exhaustive study. I may add that I, myself, have been called upon in turn to give it many "man hours" of attention.

From the earliest days of the Occupation the question of rehabilitation and welfare of repatriated and demobilized persons has received careful attention from General Headquarters, Supreme Commander for the Allied Powers, and as the Member for China has mentioned, it will be recalled that the Supreme Commander placed the subject before this Council at an earlier meeting. In development of General Headquarters' policy, the problems of repatriated and demobilized persons have now almost entirely been absorbed into general welfare problems of the Japanese people. However, in the light of the large number yet to be repatriated the problem of these persons remains important, particularly because this group will necessarily continue to add to the magnitude of the overall problem of rehabilitation and relief confronting Japan's broken economy. I feel confident that we can all agree that in final analysis the reorientation of the Japanese people and the general success of Allied policies for the Occupation will in measure depend upon Japan's ability to meet adequately its great relief problem.

In discussing the questions on the Agenda, I shall attempt to confine my remarks in so far as possible to the specific problem of policies and programs for repatriated and demobilized persons, except as these policies form part of the general rehabilitation and unemployment relief programs.

From the viewpoint of relief and welfare, it is highly

undesirable to attempt to segregate any particular group or class in administering a program of this nature and it is established policy that repatriated and demobilized Japanese, after initial processing upon their return, are not accorded special treatment in segregation from others.

In handling repatriates, demobilized persons, and others on relief, despite almost overwhelming difficulties, the accomplishments of the Japanese authorities and the progress which has been, and is being made in the direction of social welfare and relief are gratifying.

SOVIET INTERPRETER: Would you mind repeating that, sir?

(Repeating)--the progress which has been, and is being made in the direction of social welfare and relief are gratifying.

(Continuing) The Supreme Commander has, therefore, not been called upon to intervene directly to any large extent, and activities of the Occupation authorities have in general been limited to encouragement, guidance, and helpfulness to the Japanese in handling this extremely difficult problem. This assistance toward improvement and expansion of the Japanese program will continue.

I shall turn now to the Agenda under Section V, "Scope of Information Desired." In the first paragraph, information concerning steps taken by the Supreme Commander with respect to recommendations made by the Members during previous Council meetings, is requested.

Fortunately, in handling the question of policies and programs for repatriated and demobilized persons, the Japanese authorities have shown initiative and interest and have themselves in most cases taken the necessary action. It has therefore, to repeat, not been necessary for the Supreme Commander to take direct action to any great extent. Such positive and direct action as has been taken was based upon a multitude of factors--

such as recommendations and views of Members of the Council, continuing studies by appropriate staff officers, and evolving conditions within Japan.

In evaluating the pros and cons of a suggested solution of any particular problem, the Supreme Commander gives due weight and every appropriate consideration to any recommendation by Members of the Council. All of the expressed views and recommendations of the Members are carefully studied, considered and given due weight by the Supreme Commander and the appropriate officers of the staff sections of his General Headquarters. At the same time, there are in process of formulation for presentation to the Supreme Commander studies and recommendations by experts closely associated with any particular problem at hand. There is much grist which goes into the mill in the evolvment of decisions taken by the General Headquarters, Supreme Commander for the Allied Powers, of decisions taken by the Japanese Government, ~~or~~ for that matter, by any government.

It will thus be seen that it would be impossible for me to attempt to evaluate separately or to differentiate between that part played by the recommendations of the Members of the Council and that part played by other studies and recommendations bearing on a particular problem. In discussing the next question, I shall endeavor to give briefly some indication of the more important aspects of the broad accomplishments in relief and welfare toward which the Members' recommendations may have made contribution.

In paragraph 2 of Section V, information is requested regarding the plan of the Japanese Government for repatriated and demobilized persons.

For reasons of general policy which I have already mentioned, Japanese governmental plans specifically for repatriates are designed to meet the immediate problems of the repatriate upon his return. Thereafter his position becomes the same as that of

any Japanese. I shall attempt briefly to summarize the more important aspects of this program.

Japanese governmental programs for "War Sufferers and Repatriates" include a number of projects designed to meet the need of not only those made homeless by the war and its attendant destruction, but also for the millions of returning civilians, many of whom are coming to Japan for the first time in their lives.

Already more than 5,200,000 persons have been returned from South Korea, the Philippines, China, Netherlands East Indies, Formosa, the United States, Canada, Australia and the islands of the South Pacific and from other areas. Even under normal conditions this would pose a gigantic relief, rehabilitation and welfare problem. I am sure that, with the broad knowledge which the Members have of conditions in Japan, I need not elaborate on the magnitude of this problem in the face of Japan's economic situation which makes absorption of these unfortunates difficult in the extreme. Japanese reports of their program include the following activities:

At reception centers located in Hakodate, Uraga, Maizuru, Ujina, Otaka, Nagoya, Hakata, Sasebo, and Kagoshima, money is exchanged in the sum not to exceed ¥1,000.

SOVIET INTERPRETER: I missed that. Would you mind repeating that, sir?

THE CHAIRMAN: Certainly. (Repeating) At reception centers located in Hakodate, Uraga, Maizuru, Ujina, Otaka, Nagoya, Hakata, Sasebo, and Kagoshima, money is exchanged in the sum not to exceed ¥1,000.

(Continuing) I may mention that with the major part of repatriation completed, Uraga, Nagoya, Otaka and Kagoshima are not at present being used. They are closed. A certificate of repatriation is issued. There are given to the repatriates at



the center a free ticket to destination and five days' food thereafter, clothing and bedding if needed, plus a gratis issue of ¥500 if the repatriate is without funds. The authorities also provide free medical care including hospitalization at a national hospital as indicated by the physicians at the reception center.

En route from reception centers to place of destination, usually the official residence of the respective families, the national and local governments provide places of rest and feeding, and medical treatment in main stations along the route.

After the repatriate has reached the selected place of residence, he either secures work in his profession or trade through the local employment bureau or through his family. If no opportunity for work is available locally, he may be advised of the location of work and assisted in reaching it.

If the repatriate is unable to find employment or otherwise to care for himself and his family, he receives care under the provisions of the "Daily Life Security Act" and also receives necessary funds to purchase food, and a free but limited issue of clothing. Distribution varies from prefecture to prefecture and is dependent in part upon local resources. Through the local Social Affairs offices, housing may be provided by the utilization of former factories, barracks, warehouses and similar large unused structures. It is estimated, however, that by the end of 1947 only 15% of the repatriates will be so housed, and that the remainder will have secured shelter through their own resources or by "doubling up" with relatives and friends.

GENERAL CHU: By the end of this year?

THE CHAIRMAN: Yes, by the end of 1947.

(Continuing) Business loans not in excess of ¥5,000 are available through the Peoples' Banks for use in establishing small business enterprises or in purchase of small tools. These loans draw no interest for one year, 6% for the next four years

and are due at the end of five years. Applications have exceeded the original ¥1,000,000,000 fund and the total loan fund has now been raised to ¥1,660,000,000. Efforts are being made to secure additional funds, a larger loan limit figure and a longer term for the individual loans.

Repatriates wishing to settle on the land may purchase land through the Agriculture and Forestry Ministry and may borrow up to ¥10,000 for this purpose, or may rent land from others and borrow from the Ministry for farm tools, equipment, seed and fertilizers. This permits a total of ¥15,000 in loans from the Agriculture and Forestry Ministry and from the Peoples' Banks.

A repatriate upon returning to his place of residence presents his certificate of repatriation and is accorded all rights of Japanese citizenship. Certain residence laws will not permit voting until he has lived in his ward or ku, for six months, although this law has been suspended from time to time to permit large groups of repatriates to exercise their franchise. However, a repatriate who wishes to stand for office may do so the day he returns by filing his candidacy.

Special attention is given to the repatriate upon his return through the activities of licensing officials who may give priorities to the repatriate who wishes to open a barber shop, restaurant, or other small business. In the initial period following return of the repatriates there are many other small ways in which the Japanese Government has shown its concern for them.

In paragraph 3, of Section V, information is requested regarding the pertinent organizations, personnel and budgets.

There are two important organizations dealing with the program of the Japanese Government: The Health and Welfare Ministry and its Repatriation and Relief Board. At the same time, certain important aspects of the welfare program naturally come

under the jurisdiction of the Economic Stabilization Board. The welfare budget for direct relief is ¥3,000,000,000 for the fiscal year ending March 31, 1947. There is in addition a work relief program which includes certain aspects of land reclamation and a resettlement program and which is budgeted at ¥6,000,000,000 for the same period. Local administration of these programs falls upon the appropriate authorities of the prefectural governments. The Health and Welfare Ministry has allocated for the same fiscal year a budget of ¥1,849,030,989 to its Repatriation and Relief Board.

In paragraph 4, Section V, information is requested concerning progress and status of repatriation.

The repatriation program has been completed for, and all repatriates have been returned from the following areas: South Korea, Philippines, Pacific Ocean Areas, Ryukyus, Nearby Islands, New Zealand, North Indo-China, Hong Kong, Continental United States and Hawaii. There are a few alleged war criminals remaining in the Philippines and in the Pacific Ocean Areas, a handful of technicians in Korea, 797 Japanese in Australian areas, of whom 450 are to be returned to Japan about the end of March, leaving only alleged war criminals in Australia--

MR. BALL: Apart from the Australians, you mean?

THE CHAIRMAN: Yes, the Japanese remaining.

(Continuing)--There are approximately 11,947 Japanese remaining in China south of the Great Wall and Formosa and approximately 95,000 Japanese in the Northeastern Provinces, often called Manchuria. The Chinese Government has accepted responsibility for repatriation of these Japanese. There remain in Southeast Asia areas some 76,714 Japanese whose repatriation is to be completed by the end of 1947. There are some 7,725 Japanese in the Netherlands East Indies whose repatriation will be completed by

about May 1, 1947. In North Korea, Dairen, Port Arthur, Kuriles, Sakhalin and Siberia or other areas under the control of Soviet Russia there remain approximately 1,197,000 Japanese. It is expected that through March of this year some 117,000 will have been repatriated from Dairen, leaving an estimated 1,080,000 Japanese in Soviet-controlled areas as of April 1, 1947. The present rate of repatriation varies but at the minimum rate which the Soviet Government has agreed to repatriate Japanese, that is 50,000 per month, it would require about one year and ten months from April 1 to complete repatriation. However, the rate varies, and as I have stated, it is not possible to give an accurate estimate of the time required for the completion of this project.

I have before me a table showing the total number of Japanese repatriated through February 23, 1947 broken down into the various areas from which they were repatriated. With the approval of the Members, I shall have this table read into the Minutes.

\* \* \* \* \*

NUMBER OF JAPANESE REPATRIATED TO JAPAN

<u>Area</u>	<u>Total</u>	<u>Remaining</u>
South Korea	591,856	0
Philippines	132,401	0
Pacific Ocean Area	130,795	0
Ryukyus	65,157	0
Nearby Islands	62,389	0
Australian Areas	138,186	0
New Zealand	797	797
China	1,492,568	0
Formosa	474,953	8,100
North Indo-China	31,583	3,847
Hong Kong	19,197	0
Manchuria	1,010,837	0
North Korea	314,505	95,000
Dairen-Port Arthur	103,876	590
Kuriles and Sakhalin	11,714	146,124
Siberia	10,009	360,302
Southeast Asia	628,134	689,991
Netherlands East Indies	5,775	76,714
Hawaii	3,411	7,725
		0
Totals	<u>5,228,143</u>	<u>1,389,190</u>

\* \* \* \* \*

THE CHAIRMAN: (Continuing) In paragraph 5 of Section V, information is requested of the progress and status of demobilization.

All Japanese armed forces under the control of the Occupation authorities were demobilized months ago. Those repatriated from areas outside of Japan have been demobilized and returned to civilian status within roughly 48 hours after return to Japan. Under this program there have been demobilized some 4,292,000 army personnel, some 553,000 air force personnel, and some 1,580,000 navy personnel, making a total demobilized of about 6,420,000. The question of the completion of demobilization depends entirely upon the return of remaining Japanese armed forces from abroad. It has already been pointed out that it is impossible to estimate accurately the date of completion of repatriation. General Headquarters, Supreme Commander for the Allied Powers, does not have complete

statistics regarding Japanese armed forces yet to be repatriated and it is therefore impossible to answer more fully the question of the status of demobilization or to give accurate percentages regarding personnel already demobilized.

In paragraph 6 of Section V, certain statistics are requested. In so far as available, I shall give these statistics as requested in the various subparagraphs.

a. This question has already been answered in the table of statistics which has been given to the Secretary-General for incorporation in the Minutes.

b. I have before me another table listing the total number of army personnel demobilized by prefecture and a second table listing the total number of naval personnel demobilized by naval district. For the various prefectures and naval districts, the Japanese air forces were not carried separately and local statistics for air force demobilization are not available, the naval air force being a part of naval personnel and the army air force being a part of army personnel. With the approval of the Members, I shall have these tables read into the Minutes.

\* \* \* \* \*

NUMBER OF PERSONNEL DEMOBILIZED BY PREFECTURE

<u>Local Assistance Bureau</u>	<u>Total</u>
Asahikawa	32,740
Sapporo	72,712
Hakodate	51,943
Kushiro	7,184
Aomori	56,655
Akita	76,849
Yamagata	83,851
Miyagi	95,334
Fukushima	105,805
Iwate	68,351
Ibaragi	105,823
Tochigi	85,890
Gunma	99,315
Tokyo	233,385
Yamanashi	54,734
Kanagawa	102,034
Saitama	110,792
Chiba	128,959

NUMBER OF PERSONNEL DEMOBILIZED BY PREFECTURE

(Continued)

<u>Local Assistance Bureau</u>	<u>Total</u>
Niigata	138,002
Nagano	149,584
Aichi	153,798
Gifu	176,033
Shizuoka	158,505
Mie	88,385
Ishikawa	88,814
Toyama	90,058
Fukui	50,100
Kyoto	142,245
Shiga	82,055
Osaka	181,970
Nara	54,728
Wakayama	81,640
Hyogo	197,681
Okayama	109,300
Hiroshima	131,000
Tottori	39,300
Shimane	59,900
Yamaguchi	84,200
Kagawa	72,891
Tokushima	66,248
Ehime	94,710
Kochi	65,633
Kumamoto	107,700
Oita	68,100
Miyazaki	64,000
Kagoshima	107,300
Fukuoka	239,192
Saga	52,332
Nagasaki	80,231
Total	<u>4,847,991</u>

DEMOBILIZED PERSONNEL BY NAVAL DISTRICTS

Sasebo	370,328
Kure	424,791
Maizuru	194,663
Yokosuka	590,218
Total	<u>1,580,000</u>

\* \* \* \* \*

c. There are no Japanese military personnel in Japan. Under the previously stated policy of avoiding segregation of any particular group in the treatment of welfare cases, statistics are not available for the number of repatriates or demobilized

personnel who may be gainfully employed or unemployed as distinct from other Japanese nationals.

d. This same situation applies to the questions raised under subparagraphs d, e, and f.

The following over-all statistics may be of interest:

The April 26, 1946 census, the latest census giving unemployed, indicated 1,600,000 totally unemployed in Japan. After taking into account the partially unemployed, the figure was 5,600,000 estimated unemployed on any given day in April, 1946. These figures compare to a total labor force of 29,700,000 persons, 44% of which was engaged in nonagricultural pursuits. As a result of repatriation, the unemployment figure has in all likelihood been increased.

Current statistics released by the Health and Welfare Ministry indicate that 2,837,207 persons received public assistance during the month of December, 1946, of which total 92,778 persons received care in public institutions.

In paragraph 7, Section V, information is requested regarding relief for families of Japanese not yet repatriated.

Here again the principle of nonsegregation of any group of sufferers in treatment of general welfare problems makes such statistics unavailable.

In paragraph 8 of Section V, information is requested concerning certain organizations and activities of, or pertaining to, repatriates.

As toward any organization in Japan, General Headquarters, Supreme Commander for the Allied Powers, maintains an attitude of careful surveillance. Such organizations as are not inimical to the objectives of the Occupation and as are not engaged in activities undesirable from the standpoint of the Allied objectives, are not interfered with by the Occupation authorities. Such organizations as may be benevolent or helpful may expect to receive encouragement and, where appropriate, guidance from the Occupation



authorities. There has been no activity or organization in connection with repatriates which has been found to be undesirable from the standpoint of the Occupation.

In paragraph 1 under Section VI, "Information Desired on Progress To Date," information is requested concerning steps taken following recommendations made at the Eighth Meeting of the Council and covering the progress of the Japanese Government's program.

As I recall, during the Eighth Meeting of the Council, a recommendation was made that the Japanese Government be directed to draw up a program for the integration of repatriates into the national life of Japan. I cannot help but feel that in making that recommendation, the Members may not have been fully aware, or may not have taken fully into account, the fact that from the outset of the program of repatriation there was necessarily put into operation a plan for the reception of repatriates and their return to homes in Japan. The very magnitude of the program and its rapidly increasing scope made it impossible to anticipate all of the many problems and difficulties which would arise. Accordingly, the initial plan has been under a constant process of evolution and improvement. Conformably with the Supreme Commander's wise policy of noninterference with the Japanese Government in its discharge of local responsibilities, except in cases of necessity, steps taken by his General Headquarters have for the most part been limited to those necessary for proper surveillance and helpful guidance and encouragement in the development and improvement of this program. It has fortunately been unnecessary to issue a specific directive to the Japanese to draw up a program. I have already given in broad outline the important aspects of Japanese official activities in this regard.

In paragraph 2 under Section VI, information is requested concerning development following and pertaining to specific recommendations made by the Member representing jointly four nations of the British Commonwealth.

The remarks which I made earlier in replying to the first question under Section V, about "grist for the mill" apply equally to this question. All appropriate use has been made by General Headquarters of the recommendations made at that meeting of the Council as of those made at any meeting.

To turn to the specific items listed under (a), (b), (c), and (d), I should like to mention briefly some results which have been accomplished along these lines.

(a) Register of Unemployed People: The natural reluctance of a Japanese to come forward and register himself as an "unemployed person," makes it impracticable to attempt to establish a register of unemployed persons. However, through the National Employment Exchange service, comprising more than 600 local employment exchanges, a register is maintained of those Japanese who are seeking employment.

(b) Survey of Labor Requirements in All Industries: Under the guidance of General Headquarters, Supreme Commander for the Allied Powers, the Japanese have been encouraged and helped in the introduction of modern scientific labor market analyses. An initial pilot survey has already been completed for Saitama Prefecture and is being used as a guide for similar surveys which are being developed in other areas in Japan. The still uncertain future of Japanese industries makes it futile to attempt at this time an industry by industry survey.

(c) Vocational Training: There is an expanding vocational program of the Japanese Government designed to add to scarce-skill categories of labor for a postwar peacetime economy as a part of the Japanese public works program. In all, about 180,000 persons were being trained in one way or another in January 1947.

SOVIET INTERPRETER: 1,000,000?

THE CHAIRMAN: 180,000 persons in January 1947.

(Continuing) This program, which has full encouragement from the appropriate authorities of General Headquarters, is being administered by the Japanese Health and Welfare Ministry.

(d) Public Works: The public works program will be considered in discussing the last question under this section.

In paragraph 3 under Section VI, information is requested regarding the gradual reduction of the personnel and budget of the Demobilization Boards.

The personnel and budget of the Demobilization Boards, including local agencies, have been and continue to be progressively reduced pari passu with the accomplishment of repatriation and demobilization. These Boards are under the surveillance and direction of General Headquarters, Supreme Commander for the Allied Powers. As rapidly as practicable, even those civilian members of the Boards who were formerly military personnel are being replaced and steps taken for the final absorption of these organizations by regular civilian government ministries or other governmental agencies.

By the question, "How are these displaced personnel reemployed?", I assume that information is desired regarding the occupations taken up by persons who are dropped from the Demobilization Boards. In that case, there are no statistics available, and no special provisions separate from general employment programs are provided. In all likelihood, they are reemployed in various occupations, as any other Japanese national.

In paragraph 4 under Section VI, information is requested regarding the over-all public works program.

As the policies and programs for repatriated and demobilized persons are dovetailed into general relief and welfare problems, I have endeavored to prepare an adequate but necessarily brief outline of the over-all public works program of the Japanese Government. The program, which was initiated pursuant to the

Supreme Commander's Directive of May 18, 1946, places primary emphasis on projects which increase or facilitate the production or distribution of basic necessities so far as practicable within a year. This includes food, clothing, fuel, shelter, and minimum community services. Any unemployed employable person is eligible for a job on the project and when hired is paid a wage equivalent to that prevailing for similar work in the community. The budget as indicated previously, is ¥6,000,000,000 for the present fiscal year. As of November 1946 approximately 1,350,000 workers were employed daily. The Japanese Government aims to raise that figure to 2,650,000 workers during the fiscal year 1947-48. Typical projects are the reclamation of farm land, flood control, repairing and rebuilding of fishing ports, construction of access roads to lumber reserves and coal stock piles, construction of houses and essential government buildings and reconstruction and restoration of minimum railway and communication services. The principal difficulty in expanding the program is the shortage of basic materials prevailing in Japan today. Another major difficulty is the problem of transporting or providing shelter for unemployed urban workers on rural land reclamation, flood control, or other nonurban projects.

There are no separate statistics available regarding the number of repatriated and demobilized persons employed in the public works program.

Any other comments?

MR. BALL: I think we all want to thank you, MR. CHAIRMAN, for the very careful and clear answer you have given. For myself I would prefer to have some chance to study the statement you have made before making any comment.

THE CHAIRMAN: GENERAL CHU?

LIEUTENANT GENERAL CHU: I agree entirely with MR. BALL that we are all thankful for the businesslike way you have answered the

questions. I did not realize how much work I put you into.

THE CHAIRMAN: That is why I mentioned the many "man hours."

LIEUTENANT GENERAL CHU: Well, I hope it's profitable and not too unpleasant.

In your reply, you mentioned the fact that there still remains in northeastern part of China, commonly called Manchuria, a large number of Japanese still waiting for repatriation. You also mentioned that the Chinese Government has assumed responsibility for the repatriation. Perhaps I can make it a little bit clearer if I say the reason why there are still persons remaining to be repatriated is because of the unfortunate fact that certain areas in Manchuria are not under the direct control of the Chinese Government. In the areas where we have absolute control, my Government has faithfully carried out our obligation in every case.

THE CHAIRMAN: I realize that, GENERAL CHU. I was merely trying to be brief without offering explanation.

LIEUTENANT GENERAL CHU: That is quite all right.

THE CHAIRMAN: Any other comments? If there are--do you have any further comment, GENERAL CHU?

LIEUTENANT GENERAL CHU: I have drawn up during my preliminary studies certain recommendations; however, some of the points I raised have been answered already and I see no need of bringing them up again. There might be a few other points that are still worth mentioning. If the CHAIRMAN wants them, I am ready to present them, but if the CHAIRMAN would rather wait until the other Members have had a chance to study more on the subject, I can withhold it until the next meeting or some other time.

MR. BALL: Might I suggest, MR. CHAIRMAN, that GENERAL CHU might like to place this subject on the Agenda again before the next meeting.

LIEUTENANT GENERAL CHU: I wouldn't exactly put it on the Agenda of the next meeting. I would perhaps make it more flexible

by saying I will bring it up again at some later date, but not necessarily at the next meeting.

THE CHAIRMAN: Whatever you wish, GENERAL, we can do. (Pause)

If there are no further comments, then we shall adjourn.

(The meeting adjourned at 1128 hours).

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Rec'd March 7, 1947  
5:51 p.m.

FROM: Yokohama

TO: Secretary of State

NO: 36, March 7

US URGENT

HEMYTEL 192, December 23, 1946.

Request favorable advisory opinion for 3 (2) visas for Kay Sugano, Japanese national, managing director Toppan Printing Company, Tokyo, for purpose of attending meeting in New York regarding publication of Colliers International Magazine. All expenses guaranteed by Colliers. SCAP has approved departure from Japan, and is facilitating travel by air departing about March 12. War Dept informed by radio C-50584 to WDSOA from SCAP.

JOHNSON

SMD:RJM

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*Sugano, Kay*  
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