

FEC-088 - FEC-100/4

FEC-088

23 August 1946

FAR EASTERN COMMISSION

ALLIED TRADE REPRESENTATIVE IN JAPAN

(Reference: C2-001/3, /6, /8)

Note by the Secretary General

1. The enclosure, a statement by the United States representative relative to areas approved by the Supreme Commander for the Allied Powers for the appointment of trade representatives to Japan, is circulated herewith for the information of the FAR EASTERN COMMISSION.

2. The subject has been discussed in detail by Committee No. 2: Economic and Financial Affairs and at the 21st meeting, 13 August 1946, the U. S. member was requested to circulate a statement on their position for the information of the Commission.

NELSON T. JOHNSON
Secretary General

E N C L O S U R EDepartment of State
Washington

August 20, 1946

My dear Mr. Johnson:

It is requested that you inform the Far Eastern Commission of arrangements now approved by the Supreme Commander for the Allied Powers with regard to the appointment of Trade Representatives in Tokyo to represent the trading interests of the countries concerned. This has been a matter of considerable informal discussion with the Far Eastern Commission Members and it now seems desirable that the outcome of such discussions be communicated formally to the Far Eastern Commission. The pertinent material is as follows.

The Supreme Commander for the Allied Powers has agreed that members of the Far Eastern Commission and other countries having substantial trading interests with Japan may appoint Trade Representatives in Tokyo to have general responsibility for conducting trade between Japan and the areas they represent. The functions of such Trade Representatives are to be as follows:

1. To know what items are desired by their governments for import from Japan and for export to Japan.
2. To keep Supreme Commander for the Allied Powers currently informed as to progress of import and export programs, and items requested or suggested by their governments.
3. To accept for their government terms of sale, with Japanese selling agencies, agreed to by Supreme Commander for the Allied Powers.
4. To accept delivery of Japanese exports F.O.B. Japanese port, and to handle details of ocean shipping and insurance just as U.S. Commercial Company does in case of exports to United States.
5. To deliver to Supreme Commander for Allied Powers all documents from their governments covering imports, and to facilitate such importation and delivery.
6. To supply Supreme Commander for Allied Powers with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.
7. To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communications.

Trade Representatives are to be attached to the Allied missions in Tokyo or will be separately accredited to the Supreme Commander for the Allied Powers. They will have the right of confidential communications to and from their governments, provided however that all contracts or communications between the Trade Representatives and the Japanese Government or agencies are limited to those authorized by the Supreme Commander.

The appointment of the Trade Representative should be taken up with the Supreme Commander by the head of each country's liaison mission in Tokyo. If the government concerned has no such liaison mission it should request the Department of State to take up the accrediting of a Trade Representative in Tokyo with the Supreme Commander.

Sincerely yours,

The Honorable
Nelson T. Johnson
Sec.Gen., Far Eastern Commission./s/ E. A. Gross
Special Assistant to the Asst. Sec.

FEC-088/1RESTRICTEDFEC-088/14 March 1947FAR EASTERN COMMISSIONALLIED TRADE REPRESENTATIVES IN JAPAN

(References: FEC-088; SC-044 Series: C2-001/3, /6, /8, /9, /10, /11)

Note by the Secretary General

1. The enclosure, a proposed policy regarding the functions of Allied Trade Representatives in Japan, as amended and unanimously approved by the Steering Committee at its fifty-fourth meeting, 4 March 1947, is forwarded herewith for the consideration of the Far Eastern Commission.

2. In accordance with paragraph 3 of FEC-067/3 the Steering Committee recommended that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON
Secretary General

FEC-088/1

RESTRICTEDENCLOSUREALLIED TRADE REPRESENTATIVES IN JAPAN

1. The Far Eastern Commission establishes as a policy decision the following status for the Allied trade representatives in Japan.
2. The trade representatives shall represent their governments and for the time being exercise the following functions:
 - a. To know what items are desired by their governments for import from Japan and for export to Japan.
 - b. To keep the Supreme Commander for the Allied Powers currently informed as to progress of import and export programs, and items requested or suggested by their governments.
 - c. To accept for their governments terms of sale, with Japanese selling agencies, agreed to by the Supreme Commander for the Allied Powers.
 - d. To accept delivery of Japanese exports F.O.B. Japanese port, and to handle details of ocean shipping and insurance.
 - e. To deliver to the Supreme Commander for Allied Powers all documents from their governments covering imports, and to facilitate such importation and delivery.
 - f. To supply the Supreme Commander for the Allied Powers with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.
 - g. To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communication.
 - h. The trade representatives may use secret code for communication with their governments through the Missions of their governments in Japan.
3. The function of the Allied trade representatives defined in this interim document may subsequently be reviewed by the Far Eastern Commission in the light of experience.

FEC-088/2

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY OF	<u>FEC-088/14</u>
DATE	<u>3/24/47</u>
BY	-----

~~RESTRICTED~~FEC-088/213 March 1947FAR EASTERN COMMISSION

ALLIED TRADE REPRESENTATIVES IN JAPAN
(References: FEC-088, FEC-088/1; SC-044 Series; C2-001/3, /6, /8, /9, /10, /11)

Note by the Secretary General

1. Enclosure "A", a policy decision relative to Allied trade representatives in Japan, was unanimously approved by the Far Eastern Commission at its forty-ninth meeting, 13 March 1947.
2. Enclosure "B" is the letter of transmittal of the Secretary General, forwarding this decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference.

NELSON T. JOHNSON
Secretary General

FEC-088/2

RESTRICTEDENCLOSURE "A"ALLIED TRADE REPRESENTATIVES IN JAPAN

1. The Far Eastern Commission establishes as a policy decision the following status for the Allied trade representatives in Japan.
2. The trade representatives shall represent their governments and for the time being exercise the following functions:
 - a. To know what items are desired by their governments for import from Japan and for export to Japan.
 - b. To keep the Supreme Commander for the Allied Powers currently informed as to progress of import and export programs, and items requested or suggested by their governments.
 - c. To accept for their governments terms of sale, with Japanese selling agencies, agreed to by the Supreme Commander for the Allied Powers.
 - d. To accept delivery of Japanese exports F. O. B. Japanese port, and to handle details of ocean shipping and insurance.
 - e. To deliver to the Supreme Commander for the Allied Powers all documents from their governments covering imports and to facilitate such importation and delivery.
 - f. To supply the Supreme Commander for the Allied Powers with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.
 - g. To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communication.
 - h. The trade representatives may use secret code for communication with their governments through the Missions of their governments in Japan.
3. The functions of the Allied trade representatives defined in this interim document may subsequently be reviewed by the Far Eastern Commission in the light of experience.

FEC-088/2

RESTRICTEDENCLOSURE "B"LETTER OF TRANSMITTAL

13 March 1947

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-ninth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 13 March 1947, the enclosed policy decision relative to Allied Trade Representatives in Japan 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.

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

Enclosure

FEC-088/2

FEC-088/3

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY OF	<u>FEC-088/4</u>
DATE	<u>4/24/57</u>
BY	-----

~~RESTRICTED~~FEC-088/328 March 1947FAR EASTERN COMMISSIONALLIED TRADE REPRESENTATIVES IN JAPAN
(Reference: FEC-088/2)Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on allied trade trade representatives in Japan, is circulated herewith for the information of the Far Eastern Commission.

2. This directive was forwarded to the Supreme Commander on 19 March 1947.

3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, Paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON
Secretary General

FEC-088/3

RESTRICTEDSerial No. 7219 March 1947E N C L O S U R EDIRECTIVE TO THE SUPREME COMMANDER FOR THE ALLIED POWERSALLIED TRADE REPRESENTATIVES IN JAPAN

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on March 13, 1947, under the provisions of paragraph II, A, 1, of its terms of reference has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with paragraph III, 1, of those terms of reference:

"1. The Far Eastern Commission has established as a policy decision the following status for the Allied trade representatives in Japan.

"2. The trade representatives shall represent their governments and for the time being exercise the following functions:

a. To know what items are desired by their governments for import from Japan and for export to Japan.

b. To keep you currently informed as to the progress of import and export programs, and items requested or suggested by their governments.

c. To accept for their governments terms of sale, with Japanese selling agencies, agreed to by you.

d. To accept delivery of Japanese exports F. O. B. Japanese port, and to handle details of ocean shipping and insurance.

e. To deliver to you all documents from their governments covering imports, and to facilitate such importation and delivery.

f. To supply you with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.

g. To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communication.

h. The trade representatives may use secret code for communication with their governments through the missions of their governments in Japan.

"3. The functions of the Allied trade representatives defined in this interim document may subsequently be reviewed by the Far Eastern Commission in the light of experience."

FEC-088/4RESTRICTEDFEC-088/413 June 1947FAR EASTERN COMMISSION

TRADE REPRESENTATIVES IN JAPAN
(References: FEC-088 Series,
SC-044 Series, C2-001 Series)

Note by the Secretary General

1. The enclosure, a proposal to amend the policy statement on "Allied Trade Representatives in Japan" (FEC-088/2), submitted by the United States Representative, is circulated herewith for the consideration of the Far Eastern Commission and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

2. In submitting the enclosure the United States Representative explained that the proposed amendments were based on the following communication from the Supreme Commander for the Allied Powers:

"Are Neutral Nations having missions in Japan authorized trade representatives on same basis as Allied Nations, as outline in ref radio? If not authorized by ref radio, request such authority be granted as it is considered highly desirable to accord neutral Nations this privilege."

NELSON T. JOHNSON
Secretary General

FEC-088/4

RESTRICTEDE N C L O S U R EALLIED-TRADE REPRESENTATIVES IN JAPAN

1. The Far Eastern Commission establishes as a policy decision the following status for the Allied trade representatives in Japan.

2. Trade representatives may be appointed to represent any member of the United Nations or other country having an official mission in Japan.

-2- 3. The trade representatives shall represent their governments and for the time being exercise the following functions:

- a. To know what items are desired by their governments for import from Japan and for export to Japan.
- b. To keep the Supreme Commander for the Allied Powers currently informed as to progress of import and export programs, and items requested or suggested by their governments.
- c. To accept for their governments terms of sale, with Japanese selling agencies, agreed to by the Supreme Commander for the Allied Powers.
- d. To accept delivery of Japanese exports F. O. B. Japanese port, and to handle details of ocean shipping and insurance.
- e. To deliver to the Supreme Commander for the Allied Powers all documents from their governments covering imports and to facilitate such importation and delivery.
- f. To supply the Supreme Commander for the Allied Powers with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.
- g. To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communication.
- h. The trade representatives may use secret code for communication with their governments through the Missions of their governments in Japan.

-3- 4. The functions of the Allied trade representatives defined in this interim document may subsequently be reviewed by the Far Eastern Commission in the light of experience.

FEC-088/5RESTRICTEDFEC-088/530 June 1947FAR EASTERN COMMISSION

TRADE REPRESENTATIVES IN JAPAN
(References: FEC-088 Series,
SC-044 Series, C2-001 Series)

Note by the Secretary General

1. The enclosure, a proposal to amend the policy statement on "Allied Trade Representatives in Japan" (FEC-088/2), approved by Committee No. 2: Economic and Financial Affairs at its sixty-fourth meeting 26 June 1947 is forwarded herewith for the consideration of the Steering Committee.

2. The Chinese and Soviet Members reserved their positions on the enclosure.

3. In submitting the enclosure the United States Representative explained that the proposed amendments were based on the following communication from the Supreme Commander for the Allied Powers:

"Are Neutral Nations having missions in Japan authorized trade representatives on the same basis as Allied Nations, as outline in ref radio? If not authorized by ref radio, request such authority be granted as it is considered highly desirable to accord neutral Nations this privilege "

NELSON T. JOHNSON
Secretary General

FEC-088/5

RESTRICTEDE N C L O S U R EALLIED-TRADE REPRESENTATIVES IN JAPAN

1. The Far Eastern Commission establishes as a policy decision the following status for the ~~Allied~~ trade representatives in Japan.

2. Trade representatives may be appointed to represent any member of the United Nations or other country having an official mission in Japan.

-2- 3. The trade representatives shall represent their governments and for the time being exercise the following functions:

- a. To know what items are desired by their governments for import from Japan and for export to Japan.
- b. To keep the Supreme Commander for the Allied Powers currently informed as to progress of import and export programs, and items requested or suggested by their governments.
- c. To accept for their governments terms of sale, with Japanese selling agencies, agreed to by the Supreme Commander for the Allied Powers.
- d. To accept delivery of Japanese exports F. O. B. Japanese port, and to handle details of ocean shipping and insurance.
- e. To deliver to the Supreme Commander for the Allied Powers all documents from their governments covering imports and to facilitate such importation and delivery.
- f. To supply the Supreme Commander for the Allied Powers with all financial data such as costs, sale prices, and claims, and any necessary documents affecting imports from and exports to their governments.
- g. To maintain an operating relationship with military or diplomatic liaison missions which their governments have established in Japan, in order to coordinate action and take care of routine matters such as communication.
- h. The trade representatives may use secret code for communication with their governments through the Missions of their governments in Japan.

-3- 4. The functions of the ~~Allied~~ trade representatives defined in this interim document may subsequently be reviewed by the Far Eastern Commission in the light of experience.

FEC-088/6RESTRICTEDFEC-088/62 July 1947FAR EASTERN COMMISSIONTRADE REPRESENTATIVES IN JAPAN
(Reference: FEC-088/5)Note by the Secretary General

The Steering Committee at its sixty-ninth meeting, 1 July 1947, unanimously referred FEC-088/5, Trade Representatives in Japan, to an ad hoc Subcommittee of the whole with the United States member as Chairman, for consideration in connection with the following amendments proposed by the Soviet and Indian members:

a. Soviet amendment:

Delete the phrase "or other country" in paragraph 2 and insert a new paragraph after paragraph 2 as follows:

"3. The question of Trade Representatives for countries not members of the United Nations will be decided separately."

b. Indian amendment:

Amend paragraph 2 to read as follows:

"Trade representatives may be appointed to represent any member of the United Nations or, with the consent of the Far Eastern Commission, any other country having an official mission in Japan."

NELSON T. JOHNSON
Secretary General

FEC-088/6

FEC-088/7FEC-RESTRICTEDFEC-088/721 July 1947FAR EASTERN COMMISSIONTRADE REPRESENTATIVES IN JAPAN:
REPORT OF SUBCOMMITTEE
(References: FEC-088/5, -088/6)Note by the Secretary General

1. The Trade Representatives Subcommittee reports to the Steering Committee that after consideration of the Soviet and Indian amendments (FEC-088/6) to FEC-088/5, Trade Representatives in Japan, it is unable to reach agreement.

2. The following three positions were taken by members of the subcommittee:

a. The Netherlands, United Kingdom and United States members were able to accept a proposal that:

(1) paragraph 2 of FEC-088/5 be deleted

(2) the word "Allied" be deleted wherever it

occurs;

b. The Soviet member supported his proposal in FEC-088/6.

c. The Indian member supported his proposal in FEC-088/6.

NELSON T. JOHNSON
Secretary General

FEC-088/7

FEC-088/8FEC-RESTRICTEDFEC-088/824 July 1947FAR EASTERN COMMISSIONTRADE REPRESENTATIVES IN JAPAN
(References: FEC-088/5, 088/2,
088/7)Note by the Secretary General

1. The enclosure, a revision by the Secretariat at the direction of the Steering Committee of FEC-088/5, Trade Representatives in Japan, incorporates amendments approved at the seventy-second meeting of the Steering Committee, is circulated herewith for the consideration of the STEERING COMMITTEE.

2. The Steering Committee approved the amendments to FEC-088/5 shown in para 2 a of FEC-088/6 by a vote of five to one with five abstentions.

NELSON T. JOHNSON
Secretary General

FEC-088/8

FEC-RESTRICTEDE N C L O S U R ETRADE REPRESENTATIVES IN JAPAN

The Far Eastern Commission decides as a matter of policy that:

FEC-088/2, Commission policy decision on Allied Trade Representatives in Japan (approved 13 March 1947 and transmitted to the Supreme Commander for the Allied Powers as Directive Serial No. 72 on 19 March 1947), is hereby amended as follows:

delete the word "Allied" in the title, in para. 1 and in para. 3 of FEC-088/2.

FEC-088/9FEC-RESTRICTEDFEC-088/930 July 1947FAR EASTERN COMMISSIONTRADE REPRESENTATIVES IN JAPAN
(References: FEC-088/5, 088/2,
088/7, 088/8)Note by the Secretary General

1. The enclosure, amendments to FEC-088/2, Commission policy on Allied Trade Representatives in Japan, was approved by the Steering Committee at its seventy-third meeting, 29 July 1947, and forwarded herewith for the consideration of the Far Eastern Commission.
2. The Soviet Member opposed the enclosure.
3. In accordance with paragraph 3 of FEC-067/3, the Steering Committee recommended that the enclosure be released to the press in the normal procedure.

NELSON T. JOHNSON
Secretary General

FEC-088/9

FEC-RESTRICTEDE N C L O S U R ETRADE REPRESENTATIVES IN JAPAN

The Far Eastern Commission decides as a matter of policy that:

1. FEC-088/2, Commission policy decision on Allied Trade Representatives in Japan (approved 13 March 1947 and transmitted to the Supreme Commander for the Allied Powers as Directive Serial No. 72 on 19 March 1947), is hereby amended as follows:

a. delete the word "Allied" in the title, in para. 1 and in para. 3 of FEC-088/2.

b. Insert after paragraph 1 a new paragraph, to be numbered paragraph 2, as follows:

"Trade representatives may be appointed to represent any Member of the United Nations and other countries, except that no trade representatives should be appointed for any country not a Member of the United Nations whose pre-war trade with Japan was negligible."

c. Renumber paragraphs 2 and 3 of FEC-088/2 as paragraphs 3 and 4 respectively.

FEC-088/10FEC-RESTRICTEDFEC-088/1031 July 1947FAR EASTERN COMMISSIONTRADE REPRESENTATIVES IN JAPAN
(Reference: FEC-088/9)Note by the Secretary General

The following paragraph should be substituted for paragraph 2 of the cover page to FEC-088/9:

"The Steering Committee approved the enclosure by a vote of 7 to 1, with the U.S.S.R. opposed and Australia, China and New Zealand abstaining."

NELSON T. JOHNSON
Secretary General

FEC-088/10

FEC-088/11FEC-RESTRICTEDFEC-088/114 September 1947FAR EASTERN COMMISSION

TRADE REPRESENTATIVES IN JAPAN
(References: FEC-088/2, 088/5,
088/7, 088/8, 088/9,
088/10)

Note by the Secretary General

The Far Eastern Commission at its seventy-first meeting, 4 September 1947, referred FEC-088/9, Trade Representatives in Japan, to an ad hoc subcommittee of the whole Steering Committee, with the United States Representative as Chairman and with instructions to report back to the Far Eastern Commission.

SAMUEL S. STRATTON
Acting Secretary General

FEC-088/11

FEC-088/12FEC-RESTRICTEDFEC-088/1211 September 1947FAR EASTERN COMMISSIONTRADE REPRESENTATIVES IN JAPAN(References: FEC-088 series, FEC-228 series)Note by the Secretary General

The enclosure, data submitted by the United States representative regarding pre-war trade between Japan and certain nations not represented on the Far Eastern Commission, is circulated herewith for the information of the Commission.

NELSON T. JOHNSON
Secretary General

FEC-088/12

ENCLOSURE

FEC-RESTRICTED

SHARE OF SMALLER NON-FEC COUNTRIES IN JAPAN'S TRADE

I. U N M E M B E R S

COUNTRY	YEARS	JAPAN'S EXPORTS (¥ 1,000)	PERCENT OF TOTAL	JAPAN'S IMPORTS (¥ 1,000)	PERCENT OF TOTAL	AVERAGE PERCENT IMPORTS-EXPORTS 1935-1936	COUNTRY	YEAR
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(1)	(2)
Mexico	1935	5464	.16	6,443	.19	.26	Switzerland	1935
	1936	7189	.20	18,680	.51		1936	
Peru	1935	6961	.21	11,414	.34	.26	Portugal & Mozambique	1935
	1936	6156	.17	13,000	.35		1936	
Chile	1935	6647	.20	4,472	.13	.20	Italy (without colonies)	1935
	1936	7425	.20	9,953	.27		1936	
Uruguay	1935	5677	.17	4,494	.13	.19	Finland	1935
	1936	7891	.22	9,528	.26		1936	
Syria	1935	12559	.38	31	.0	.18	Palestine	1935
	1936	13077	.36	31	.0		1936	
Iran	1935	9591	.29	729	.02	.11	Spain	1935
	1936	4664	.12	1,579	.04		1936	
Panama	1935	6149	.18	90	.0	.11		
	1936	9545	.26	16	.0			
Turkey	1935	3241	.09	1,035	.03	.09	World Total	
	1936	4293	.12	4,474	.12		(in millions of Y)	
Venezuela	1935	3564	.10	55	.001	.07	Exports 1935 -	3
	1936	7014	.19	256	.007		Exports 1936 -	3
Ecuador	1935	4590	.14	1,808	.05	.07	Imports 1935 -	3
	1936	2522	.07	1,530	.04		Imports 1936 -	3
Greece	1935	1127	.03	669	.02	.01		
	1936	1351	.03	862	.02			

Less than .05, or not listed at all

Poland	Costa Rica	Bolivia	Lebanon
Guatemala	Cuba	Saudi Arabia	Colombia
Honduras	Haiti	Byelorussia	Paraguay
Salvador	Dominican Rep.	Czechoslovakia	Afghanistan
Nicaragua	Liberia	Iceland	Ukraine

- SOURCES:
1. Annuaire
 2. Inst. Area
 3. U. S. Prep

CLOSURE

FEC-088/12

COUNTRIES IN JAPAN'S TRADE

II. NON-UN MEMBERS

PERCENT S-EXPORTS 5-1936	COUNTRY	YEARS	JAPAN'S EXPORTS (¥ 1,000)	PERCENT OF TOTAL	JAPAN'S IMPORTS (¥ 1,000)	PERCENT OF TOTAL	AVERAGE PERCENT IMPORTS-EXPORTS 1935-1936
(7)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
.26	Switzerland	1935 1936	4,700* 8,380*	.01 .02	13,455 14,000	.41 .38	.20
.26	Portugal & Mozambique	1935 1936	11,612 12,271	.35 .34	1,590 2,231	.04 .06	.20
.20	Italy (without colonies)	1935 1936	6,988 4,468	.21 .13	5,831 3,766	.17 .10	.15
.19	Finland	1935 1936	1,798 3,227	.05 .09	5,052 6,575	.15 .18	.12
.18	Palestine	1935 1936	8,399 5,376	.25 .15	3 121	.0 .003	.10
.11	Spain	1935 1936	3,546 1,370	.10 .03	4,548 2,148	.13 .05	.08
Less than .05, or not listed at all							
.09	World Total (in millions of Yen):		Hungary Bulgaria	Romania Albania	Austria Eire	Liechtenstein Vatican City	
.07	Exports 1935 -	3,268	*Japan's exports to Switzerland, notably silk, were largely trans-shipped through France and Belgium. Hence, Switzerland's figures are much lower here than they actually were. Informal estimate is that the average figure should be at least .50.				
.07	Exports 1936 -	3,575					
.07	Imports 1935 -	3,262					
.07	Imports 1936 -	3,631					

SOURCES:

1. Annual Return of the Foreign Trade of Japan, Vol. II - 1936.
2. Institute of Pacific Relations: Economic Survey of the Pacific Area, Transportation and Foreign Trade.
3. U. S. Tariff Commission - 1942: Japanese Trade Studies. Prepared for Foreign Economic Administration.

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FEC-088/13FEC-RESTRICTEDFEC-088/1318 September 1947FAR EASTERN COMMISSIONTRADE REPRESENTATIVES IN JAPAN
(References: FEC-088/9, 088/12)Note by the Secretary General

The Far Eastern Commission at its seventy-third meeting, 18 September 1947, referred FEC-088/9, Trade Representatives in Japan, back to the ad hoc subcommittee of the whole Steering Committee under the Chairmanship of the United States Representative for further consideration.

NELSON T. JOHNSON
Secretary General

FEC-088/13

FEC-088/14FEC-088/1424 April 1951FAR EASTERN COMMISSIONALLIED TRADE REPRESENTATIVES IN JAPAN
Directive Serial No. 72
(Reference: FEC-088/3)Note by the Secretary General

1. In order to facilitate handling of records FEC-088/3 (28 March 1947), a U. S. directive to SCAP regarding allied trade representatives in Japan, is from this date graded to UNCLASSIFIED.
2. FEC-088/2, the Far Eastern Commission policy decision upon which this directive was based, was declassified and released to the press 24 March 1947.
3. All holders of FEC-088/3 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON
Secretary General

FEC-088/14

FEC 089

24 September 1946

FAR EASTERN COMMISSION

TERMS OF REFERENCE OF THE INTER-ALLIED TRADE BOARD FOR JAPAN

(Reference: SC 035 Series; C2 001 Series)

Note by the Secretary General

1. The enclosure, the proposed Terms of Reference of the Inter-Allied Trade Board, approved by the Steering Committee at its thirty-first meeting, 24 September 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. The United States member agreed to approve the document on the understanding that the following statement will be incorporated in the minutes of the Commission meeting when the paper is adopted:

"a. United States Government notes the last sentence of paragraph 3 which requires that recommendations of the Board involving matters of policy be approved by the Far Eastern Commission. The United States Government wishes to record its view that this provision is to be interpreted and applied in the light of the remainder of this document and of the terms of reference of the Far Eastern Commission.

"b. Since all actions of the Board are recommendations to the United States Government the United States Government is not, by this provision, precluded from taking action on matters of urgency which in its judgment do not involve matters of policy. This position is in line with the terms of reference of the Far Eastern Commission which permit the United States Government to issue interim directives in cases of emergency, subject to subsequent review by the Far Eastern Commission!!

3. In accordance with paragraph 3 of FEC 067/3 the Steering Committee recommended that the text of the enclosure be released to the press.

NELSON T. JOHNSON
Secretary General

FEC 089

E N C L O S U R ETERMS OF REFERENCE OF THE INTER-ALLIED TRADE BOARD FOR JAPAN

1. At the request of the United States Government the Far Eastern Commission hereby establishes the Inter-Allied Trade Board for Japan. The United States Government will request each of the Governments represented on the Far Eastern Commission to appoint a representative to the Board. The Board will meet in Washington, D.C.

2. The purpose of the Board is to provide easy and rapid means of consultation between the United States Government as the principal occupying power and the other Governments represented on the Far Eastern Commission regarding the disposition of exports available from Japan and the furnishing of imports required for Japan, which lie beyond the scope of the Supreme Commander for the Allied Powers' own authority to arrange.

3. Within the framework of the Potsdam Declaration, policies established in accordance with the Terms of Reference of the Far Eastern Commission and the declared objectives of the occupation, the functions of the Inter-Allied Trade Board for Japan will be to make recommendations to the United States Government on:

- a. The disposition of commodities available for export from Japan;
- b. The sources from which commodities shall be imported into Japan;
- c. The best arrangements for facilitating Japanese exports and imports generally.

All recommendations of the Board involving matters of policy shall be subject to the approval of the Far Eastern Commission

EXPORTS

4. In the case of commodities which are in short world supply the Inter-Allied Trade Board may use any statistical data and consult with allocating authorities and other similar organizations.

5. In considering the disposition of other commodities which may be made available for export from Japan, the Board shall consider any evidence or arguments which may be presented to it by its

members and shall either recommend that the commodity be disposed of at the discretion of the Supreme Commander for the Allied Powers or shall recommend an allocation of the commodity which in its opinion, shall further the objectives of the Allied Powers with respect to Japan as stated in the Potsdam Declaration and insure the equitable distribution of the supply among countries which wish to purchase the commodity.

6. It shall be the responsibility of the Board to make recommendations as to terms of sale of Japanese exports.

IMPORTS

7. It shall be the responsibility of the Board to make recommendations as to the terms of purchase of Japanese imports so as to further the announced objectives of the occupation, giving full weight to the desirability of minimizing the cost of procurement.

8. In considering procurement of commodities which are required by Japan, the Board shall either (a) decide that the commodity can be acquired at the discretion of the authorities making the purchase or (b) shall recommend the source of the commodity in such manner as, in its opinion, shall further the announced objectives of the Allied Powers with respect to Japan and provide for the equitable distribution of purchases among the supplying countries.

FEC-089/1

23 October 1946

FAR EASTERN COMMISSION

TERMS OF REFERENCE OF THE INTER-ALLIED TRADE BOARD FOR JAPAN

(Reference FEC-089 Series)

Note by the Secretary General

1. Enclosure A, a decision of the Far Eastern Commission establishing the Terms of Reference of the Inter-Allied Trade Board for Japan, was unanimously approved by the Far Eastern Commission at its twenty-ninth meeting on 10 October 1946.

2. The letter of transmittal of the Secretary General forwarding this decision on behalf of the Far Eastern Commission to the Acting Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as enclosure "B".

NELSON T. JOHNSON
Secretary General

FEC-089/1

E N C L O S U R ETERMS OF REFERENCE OF THE INTER-ALLIED TRADE BOARD FOR JAPAN

1. At the request of the United States Government the Far Eastern Commission hereby establishes the Inter-Allied Trade Board for Japan. The United States Government will request each of the Governments represented on the Far Eastern Commission to appoint a representative to the Board. The Board will meet in Washington, D.C.

2. The purpose of the Board is to provide easy and rapid means of consultation between the United States Government as the principal occupying power and the other Governments represented on the Far Eastern Commission regarding the disposition of exports available from Japan and the furnishing of imports required for Japan, which lie beyond the scope of the Supreme Commander for the Allied Powers' own authority to arrange.

3. Within the framework of the Potsdam Declaration, policies established in accordance with the Terms of Reference of the Far Eastern Commission and the declared objectives of the occupation, the functions of the Inter-Allied Trade Board for Japan will be to make recommendations to the United States Government on:

- a. The disposition of commodities available for export from Japan;
- b. The sources from which commodities shall be imported into Japan;
- c. The best arrangements for facilitating Japanese exports and imports generally.

All recommendations of the Board involving matters of policy shall be subject to the approval of the Far Eastern Commission

EXPORTS

4. In the case of commodities which are in short world supply the Inter-Allied Trade Board may use any statistical data and consult with allocating authorities and other similar organizations.

5. In considering the disposition of other commodities which may be made available for export from Japan, the Board shall consider any evidence or arguments which may be presented to it by its

members and shall either recommend that the commodity be disposed of at the discretion of the Supreme Commander for the Allied Powers or shall recommend an allocation of the commodity which in its opinion, shall further the objectives of the Allied Powers with respect to Japan as stated in the Potsdam Declaration and insure the equitable distribution of the supply among countries which wish to purchase the commodity.

6. It shall be the responsibility of the Board to make recommendations as to terms of sale of Japanese exports.

IMPORTS

7. It shall be the responsibility of the Board to make recommendations as to the terms of purchase of Japanese imports so as to further the announced objectives of the occupation, giving full weight to the desirability of minimizing the cost of procurement.

8. In considering procurement of commodities which are required by Japan, the Board shall either (a) decide that the commodity can be acquired at the discretion of the authorities making the purchase or (b) shall recommend the source of the commodity in such manner as, in its opinion, shall further the announced objectives of the Allied Powers with respect to Japan and provide for the equitable distribution of purchases among the supplying countries.

ENCLOSURE "B"

10 October 1946

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

My dear Mr. Secretary:

The enclosed decision of the Far Eastern Commission, establishing, at the request of the United States Government, the Terms of Reference of the Inter-Allied Trade Board for Japan was unanimously approved by the Far Eastern Commission at its twenty-ninth meeting on 10 October 1946. As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision of the Commission to you for whatever action may be deemed appropriate.

In approving the enclosure, the United States representative asked that the following statement be included in the minutes of the Commission meeting:

"The United States Government will in general accept recommendations of the Inter-Allied Trade Board for Japan made in accordance with its terms of reference. Exceptions will be made only in cases when in the view of the United States Government acceptance of a recommendation would be inconsistent with the attainment of the objectives of the occupation.

"The United States Government notes the last sentence of paragraph 3 which requires that recommendations of the Board involving matters of policy be approved by the Far Eastern Commission. Since all actions of the Board are recommendations to the United States Government, the United States Government is not, by this provision, precluded from taking action on matters of urgency pending consideration by the FEC. This position is in line with the Terms of Reference of the Far Eastern Commission which permit the United States Government to issue interim directives in cases of emergency, subject to subsequent review by the Far Eastern Commission."

The Secretary General, at the time of the adoption of the enclosure, also made the following statement, to which your attention is invited.

"Although it is recognized that the Board is not an FEC body, as a convenience, the Secretary General of the Far Eastern Commission will be ready to provide the Inter-Allied Trade Board with a meeting place and to furnish the Board the usual Secretariat facilities, if desired."

Although the enclosed policy decision does not conform to the usual type of policy decision adopted by the Far Eastern Commission under the Terms of Reference, in that it does not require a directive to be sent to the Supreme Commander for the Allied Powers, the Commission, in approving the enclosure, agreed that these terms of reference should not be released to the press until the Supreme Commander has been informed of them.

Sincerely yours,

Nelson T. Johnson
Secretary General

FEC-0902 October 1946FAR EASTERN COMMISSIONTHE SETTLEMENT OF AMOUNTS DUE TO REPATRIATED JAPANESENote by the Secretary General

The enclosure, a proposed policy regarding the settlement of amounts due to repatriated Japanese, submitted by the United States member of the Far Eastern Commission, is circulated herewith for the information of the Commission, and is referred to COMMITTEE NO. 1: REPARATIONS for consideration and report.

NELSON T. JOHNSON
Secretary General

FEC-090

E N C L O S U R ET H E S E T T L E M E N T O F A M O U N T S D U E T O R E P A T R I A T E D J A P A N E S E

The general principles governing the settlement of amounts due to repatriated Japanese should be:

a. Property taken from repatriates should be considered Japanese external assets, disposition of which should be determined by Allied reparations decisions; individual Japanese should, however, be permitted to keep:

(1) their property and funds allowed under any applicable convention and the pertinent regulations of the countries from which the Japanese are repatriated;

(2) their personal effects, yen currency up to 1,000 per person, Japanese bank books or postal savings books, and other evidences of title to property physically located in Japan, and such other property as may hereafter be permitted by the Supreme Commander for the Allied Powers directives.

Pending such decisions, each government may be guided by its own policy in the interim handling of the proceeds - for example, using them as a means of providing compensation for repatriates through the machinery described below. The Supreme Commander for the Allied Powers should hold in a special account all property not permitted entry into Japan under his directives, subject to later instructions on disposition.

b. Reparations decisions may provide that property and funds taken from repatriates be credited against Japanese reparations or other claims against the Japanese Government, and the individuals repatriated should be reimbursed by the Japanese Government for such property and funds. Therefore, the repatriating authority should provide each individual repatriate with a receipt for such property and funds as are retained. Each repatriating government should also be prepared to provide records of retained property and funds belonging to individuals already repatriated, or property and funds vested from individuals residing in Japan. In case any repatriating power shall desire to assure that reimbursement, in whole

or part, is made in Japan to Japanese repatriated from the territory of such power, or territory under its control, for retained property and funds, such power may make appropriate payments into the Supreme Commander for the Allied Power's account for financing imports and yen countervalue at military exchange rate will be paid by the Japanese Government to such repatriates. Arrangements should be made for holding foreign currency deposits for the Supreme Commander for the Allied Powers credit, preferably in earmarked accounts by the governments concerned pending a formal arrangement for centralizing Japanese import accounts.

c. The regulations and procedures established by the Geneva Convention regarding payments to prisoners of war, officers and protected personnel for labor performed and the usual practice regarding working internees should be observed, allowing repatriates to retain any such amounts.

FEC-091

8 October 1946

FAR EASTERN COMMISSION

THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

(Reference: FEC-059/3; FEC-083, para. 11; FEC-084, para. 5d;
SC-041, 041/1, 041/2, 041/4; CI-010/1)

Note by the Secretary General

1. The enclosure, a proposed policy relative to the selection of plants for reparations removals, destruction or retention in Japan, as amended by the Steering Committee, at its thirty-third meeting, 8 October 1946, is forwarded herewith for the consideration of the Far Eastern Commission.

2. The Steering Committee at the same time referred the subject of property of Nationals of Members of the United Nations as dealt with in paragraph 4 of SC-041/4 to COMMITTEE NO. 6: ALIENS IN JAPAN for consideration.

3. The Soviet member reserved his position on the enclosure and the United States member reserved his on paragraph 4.

NELSON T. JOHNSON
Secretary General

FEC-091

E N C L O S U R ETHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, the Supreme Commander for the Allied Powers should, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

1. Security and industrial disarmament requirements: Facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.
2. The achievement of a fair balance between:
 - a. The general preferences of reparations claimants for plants, machinery, equipment and other facilities
 - (1) Of modern and efficient design and manufacture
 - (2) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency
 - (3) In consolidated or integrated units
 - (4) Of special value or need to claimant countries, and
 - b. The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.
3. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.
4. Property of nationals of Members of the United Nations will be treated in a supplementary paper. In the meantime such property should not be selected for reparations removals.

FEC-091/110 October 1946FAR EASTERN COMMISSIONTHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

(Reference: FEC-059/3; FEC-083, para. 11; FEC-084, para. 5d;
SC-041, 041/1, 041/2, 041/4; CI-010/1)

Note by the Secretary General

The Far Eastern Commission, at its twenty-ninth meeting, 10 October 1946, referred FEC-091, The Selection of Plants for Reparations Removals, Destruction or Retention in Japan, to COMMITTEE NO. 6: ALIENS IN JAPAN for reconsideration in the light of the following amendments:

1. Soviet Proposal

Delete paragraph 4 of FEC-091 and insert the words "to whomever they belong" in line 4 of paragraph 1 after the word "industries."

2. United States Proposal:

Paragraph 4 of FEC 091 to be amended to read:
"Property of nationals of Members of the United Nations will be treated in a supplementary paper. In the meantime such property should not be selected for reparations removals, for assured retention or for destruction for security purposes."

NELSON T. JOHNSON
Secretary General

FEC-091/1

FEC-091/229 October 1946FAR EASTERN COMMISSIONTHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

(Reference: FEC-059/3; FEC-083, para. 11; FEC-084, para. 5d; SC-041, 041/1, 041/2, 041/4; 041/5
C1-010/1)

Note by the Secretary General

1. The enclosure, a revision of FEC-091, The Selection of Plants for Reparations Removals, Destruction or Retention in Japan, in incorporating SC-041/5 was approved by the Steering Committee, at its thirty-sixth meeting, 29 October 1946, and is forwarded herewith for the consideration of the Far Eastern Commission.
2. The Far Eastern Commission, at its twenty-ninth meeting, 10 October 1946, referred FEC-091 to COMMITTEE NO. 6: ALIENS IN JAPAN for reconsideration in the light of Soviet and United States proposed amendments.
3. SC-041/5, The Selection of Plants for Reparations Removals, Destruction or Retention in Japan: Treatment of Property of Allied Nationals was approved by Committee No. 6: Aliens in Japan at its twenty-fourth meeting, 25 October 1946, and forwarded to the Steering Committee.
4. The Soviet member opposed the motion approving the document on the grounds that the enclosure should not be approved until a decision had been reached on the question of disposition of property owned by nationals of Members of the United Nations.

NELSON T. JOHNSON
Secretary General

E N C L O S U R ETHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, the Supreme Commander for the Allied Powers should, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

1. Security and industrial disarmament requirements: Facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.
2. The achievement of a fair balance between:
 - a. The general preferences of reparations claimants for plants, machinery, equipment and other facilities
 - (1) Of modern and efficient design and manufacture
 - (2) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency
 - (3) In consolidated or integrated units
 - (4) Of special value or need to claimant countries, and
 - b. The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.
3. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.
4. A separate statement of policy covering the treatment of property of nationals of Members of the United Nations will be issued by the Far Eastern Commission. In the meantime, no action should be taken under the present paper with respect to such property.

FEC-091/3

31 October 1946

FAR EASTERN COMMISSION

THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS, DESTRUCTION OR
RETENTION IN JAPAN; SOVIET PROPOSED AMENDMENT

(Reference: FEC-059/3; FEC-083, para. 11; FEC-084,
para. 5d; SC-041, 041/1, 041/2, 041/4;
041/5, CI-010/1, FEC-091/2)

Note by the Secretary General

1. The enclosure is a proposed amendment of paragraph 4 of FEC-091/2, The Selection of Plants for Reparations Removals, Destruction or Retention in Japan, submitted by the Soviet Representative.

2. The Far Eastern Commission, at its thirty-second meeting, 31 October 1946, referred the enclosure together with FEC-091/2, to COMMITTEE NO. 6: ALIENS IN JAPAN for further consideration and for report to the next regular meeting of the Commission.

NELSON T. JOHNSON
Secretary General

FEC-091/3

E N C L O S U R ETHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS, DESTRUCTION OR
RETENTION IN JAPAN; SOVIET PROPOSED AMENDMENTSoviet proposal for amendment of paragraph 4 of FEC-091/2

In carrying out the selection of particular plants, machinery and equipment for reparations removals the following order of removal should be exercised:

1. Plants and equipment owned by the Japanese Government, the "Zaibatsu" concerns and other big industrial and financial concerns and companies.
2. Plants and equipment owned by other Japanese nationals and by nationals of the countries--allies of Japan.
3. Plants and equipment owned by nationals of the neutral countries.
4. Plants and equipment owned by nationals of members of the United Nations.

FEC-091/4

5 November 1946

FAR EASTERN COMMISSION

THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

(References: FEC-059/3; FEC-083, para. 11; FEC-084,
para. 5d; SC-041, -1, -2, -4, -5; FEC-
091 series)

Note by the Secretary General

1. The enclosure, a proposed policy statement relative to the selection of plants for reparations removals, destruction or retention in Japan, was approved by Committee No. 6 at its twenty-fifth meeting on 4 November 1946, and is forwarded herewith for the consideration of the STEERING COMMITTEE.

2. FEC-091/3, the proposed Soviet amendment to FEC-091/2, and FEC-091/2, a revision of the original document, were referred to Committee No. 6 by the Far Eastern Commission at its thirty-second meeting on 31 October 1946, for consideration and report to the next regular meeting of the Far Eastern Commission.

3. Paragraph 4 of the enclosure embodies a portion of the proposed Soviet amendment in FEC-091/3.

NELSON T. JOHNSON
Secretary General

FEC-091/4

E N C L O S U R ETHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, the Supreme Commander for the Allied Powers should, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

1. Security and industrial disarmament requirements:

Facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.

2. The achievement of a fair balance between:

a. The general preferences of reparations claimants for plants, machinery, equipment and other facilities

- (1) Of modern and efficient design and manufacture
- (2) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency
- (3) In consolidated or integrated units
- (4) Of special value or need to claimant countries, and

b. The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.

3. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

4. In carrying out the selection of particular plants, machinery and equipment for reparations removals the following order of removal should be exercised:

a. Plants and equipment owned by the Japanese Government, the "Zaibatsu" concerns and other big industrial and financial concerns and companies.

b. Plants and equipment owned by other Japanese nationals and by nationals of the countries--allies of Japan.

5. A separate statement of policy covering the treatment of property of nationals of Members of the United Nations will be issued by the Far Eastern Commission. In the meantime, no action should be taken under the present paper with respect to such property.

FEC-091/5

6 November 1946

FAR EASTERN COMMISSION

THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS
DESTRUCTION OR RETENTION IN JAPAN; AUSTRALIAN
PROPOSED AMENDMENT

(Reference: FEC-091 Series; FEC-084, para. 5d;
FEC-083, para. 11; FEC-059/3; SC-
041 Series)

Note by the Secretary General

1. The enclosure is an amendment to FEC-091/4 proposed by the Australian member of the Steering Committee.
2. At its thirty-seventh meeting, 6 November 1946, the Steering Committee referred the enclosure along with FEC-091/4, The Selection of Plants For Reparations Removals, Destruction Or Retention In Japan, to Committee No. 1 for consideration.
3. The Soviet member reserved his position on FEC-091/4 with respect to the question Disposition of Property of nationals of Members of the United Nations.

NELSON T. JOHNSON
Secretary General

FEC-091/5

E N C L O S U R ETHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN;
AUSTRALIAN PROPOSED AMENDMENT

3. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry. 4. In carrying out the selection of particular plants, machinery and equipment for reparations removals the following order of removal should be exercised:

- a. Plants and equipment owned by ~~the Japanese Govern-~~ment, the "Zaibatsu" concerns and other big industrial and financial concerns and companies.
- b. Plants and equipment owned by other Japanese nationals, the Japanese Government and by nationals and Govern-ments of the countries which were allies of Japan.

FEC-091/6RESTRICTEDFEC-091/620 May 1947FAR EASTERN COMMISSIONTHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

(References: FEC-091 series; C1-010 series, SC-041 series; FEC-084, para. 5d; FEC-083, para. 11; FEC-059/3)

Note by the Secretary General

1. The enclosure, a proposed policy statement relative to the selection of plants for reparations removals, destruction or retention in Japan, was approved by the Steering Committee at its sixty-fifth meeting on 20 May 1947, and is forwarded herewith for the consideration of the Far Eastern Commission.

2. The Australian and French members reserved their positions with respect to paragraph 1, d, (3).

3. In accordance with paragraph 3 of FEC-067/3, the Steering Committee recommended that the enclosure be released for the press in the normal procedure.

NELSON T. JOHNSON
Secretary General

FEC-091/6

RESTRICTEDE N C L O S U R ETHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS
DESTRUCTION OR RETENTION IN JAPAN

1. Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, the Supreme Commander for the Allied Powers should, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

a. Security and industrial disarmament requirements: facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.

b. The achievement of a fair balance between:

(1) The general preferences of reparations claimants for plants, machinery, equipment and other facilities

(a) Of modern and efficient design and manufacture

(b) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency

(c) In consolidated or integrated units

(d) Of special value or need to claimant countries, and

(2) The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.

c. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

d. Consistent with the provisions of paragraphs a, b, and c, the following order of preference in the selection of particular plants, machinery and equipment for removal:

(1) Plants and equipment owned by the "Zaibatsu" concerns and other big industrial and financial concerns and companies

(2) Plants and equipment owned by other Japanese nationals, the Japanese Government, and by nationals and Governments of the countries which were allies of Japan

RESTRICTED

(3) Plants and equipment owned by nationals
and Governments of the neutral countries.

2. Property of nationals of Members of the United Nations
should be dealt with in accordance with FEC-226/1.

FEC-091/7

CLASSIFICATION CHANGED	
TO	<i>Unclassified</i>
BY AUTHORITY	<i>FEC-091/9</i>
DATE	<i>6/10/47</i>
BY	

~~RESTRICTED~~FEC-091/723 May 1947FAR EASTERN COMMISSION

THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OF RETENTION IN JAPAN
 (Reference: FEC-091/6)

Note by the Secretary General

1. Enclosure "A", a policy decision relative to the selection of plants for reparations removals, destruction or retention in Japan, was approved by the Far Eastern Commission at its fifty-eighth meeting 22 May 1947.

2. The letter of transmittal of the Secretary General, forwarding this decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as Enclosure "B".

NELSON T. JOHNSON
 Secretary General

FEC-091/7

RESTRICTEDENCLOSURE "A"THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN

1 Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, the Supreme Commander for the Allied Powers should, in selection specific plants, machinery, equipment, and other facilities, give consideration to the following:

a. Security and industrial disarmament requirements: facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.

b. The achievement of a fair balance between:

(1) The general preferences of reparations claimants for plants, machinery, equipment and other facilities

(a) Of modern and efficient design and manufacture

(b) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency

(c) In consolidated or integrated units

(d) Of special value or need to claimant countries, and

(2) The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.

c. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

d. Consistent with the provisions of paragraphs a, b, and c, the following order of preference in the selection of particular plants, machinery and equipment for removal:

(1) Plants and equipment owned by the "Zaibatsu" concerns and other big industrial and financial concerns and companies

RESTRICTED

- (2) Plants and equipment owned by other Japanese nationals, the Japanese Government, and by nationals and Governments of the countries which were allies of Japan
- (3) Plants and equipment owned by nationals and Governments of the neutral countries.

2. Property of nationals of Members of the United Nations should be dealt with in accordance with FEC-226/1 (Destruction or Removal of United Nations' Property in Japan, Serial No. 76, approved 24 April 1947)

Enclosure "A"

-2-

FEC-091/7

RESTRICTEDENCLOSURE "B"LETTER OF TRANSMITTAL

22 May 1947

The Honorable George C. Marshall
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 fifty-eighth meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 22 May 1947, the enclosed policy decision relative to The Selection of Plants for Reparations Removals, Destruction or Retention in Japan was 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.

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

Enclosure "B"

-3-

FEC-091/7

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY OF	<u>FEC-091/9</u>
FEC-091/8	<u>4/24/51</u> DATE
BY	-----

RESTRICTEDFEC-091/816 June 1947FAR EASTERN COMMISSIONTHE SELECTION OF PLANTS FOR REPARATIONS REMOVALS,
DESTRUCTION OR RETENTION IN JAPAN
(Reference: FEC-091/7)Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on the selection of plants for reparations removals, destruction or retention in Japan, is circulated herewith for the information of the Far Eastern Commission.

2. This directive was forwarded to the Supreme Commander on 3 June 1947.

3. A certified copy of this United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON
Secretary General

FEC-091/8

RESTRICTEDE N C L O S U R ESerial No. 80

3 June 1947

THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS
DESTRUCTION OR RETENTION IN JAPAN

The following directive serial number 80, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on May 22, 1947, under the provisions of paragraph II, A, 1, of its terms of reference has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with paragraph III, 1 of these terms of reference:

"1. Within those amounts of industrial capacity determined by the Far Eastern Commission for retention in Japan, for destruction or for removal as reparations, you will, in selecting specific plants, machinery, equipment, and other facilities, give consideration to the following:

"a. Security and industrial disarmament requirements: Facilities which have been employed in primary and secondary war industries and facilities in war-supporting industries, the operation of which was directly and closely related to war industries, should be removed in preference to those not so employed.

"b. The achievement of a fair balance between:

"(1) The general preferences of reparations claimants for plants, machinery, equipment and other facilities.

"(a) Of modern and efficient design and manufacture

"(b) In good working condition and capable of being removed from Japan with minimum loss of value and efficiency

"(c) In consolidated or integrated units

"(d) Of special value or need to claimant countries, and

"(2) The legitimate needs, as determined by the Far Eastern Commission, of Japan's peacetime economy for similar equipment having due regard for the geographical location of individual plants in reference to markets, raw materials, manpower, fuel supply, and complementary facilities; for variations in specific products as among types, sizes and other variable characteristics; and for the feasibility of repair and rehabilitation in Japan.

"c. The occupation policies of dissolving large industrial and banking corporations which have exercised control over a great part of Japanese trade and industry.

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"d. Consistent with the provisions of subparagraphs a, b, and c, the following order of preference in the selection of particular plants, machinery and equipment for removal:

"(1) Plants and equipment owned by the 'Zaibatsu' concerns and other big industrial and financial concerns and companies

"(2) Plants and equipment owned by other Japanese nationals, the Japanese Government, and by nationals and governments of the countries which were Allies of Japan

"(3) Plants and equipment owned by nationals and governments of the neutral countries.

"2. Property of nationals of members of the United Nations should be dealt with in accordance with FEC-226/1 (destruction or removal of United Nations' property in Japan, serial number 76, approved 24 April 1947)."

FEC-091/9FEC-091/924 April 1951

FAR EASTERN COMMISSION
THE SELECTION OF PLANTS FOR REPARATIONS REMOVALS, DESTRUCTION OR RETENTION IN
JAPAN
Directive Serial No. 80
(Reference: FEC-091/8)

Note by the Secretary General

1. In order to facilitate handling of records FEC-091/8 (16 June 1947), a U. S. directive to SCAP regarding selection of plants for reparations removals, destruction or retention in Japan, is from this date graded to UNCLASSIFIED.

2. FEC-091/7, the Far Eastern Commission policy decision upon which this directive was based, was declassified and released to the press 10 June 1947.

3. All holders of FEC-091/8 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON
Secretary General

FEC-091/9

CONFIDENTIALCOPY NO. 154FEC 0929 October 1946FAR EASTERN COMMISSIONPOLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL
SYSTEMNote by the Secretary General

1. The enclosure, a United States proposed policy relative to revision of the Japanese educational system, submitted by the United States Representative, is circulated herewith for the information of the Far Eastern Commission, and is referred to COMMITTEE NO. 4: STRENGTHENING OF DEMOCRATIC TENDENCIES for consideration.

2. The attention of all concerned is invited to the classification of this document which prohibits the dissemination of the information contained therein to unauthorized persons or to the press.

NELSON T. JOHNSON
Secretary General

FEC 092

CONFIDENTIALE N C L O S U R EPOLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL SYSTEM

The Far Eastern Commission should decide as a matter of policy that the Supreme Commander for the Allied Powers should initiate or continue to take such steps as he deems practicable to implement the following educational policies:

1. Efforts now being made to eliminate from the Japanese educational system all militaristic, ultra-nationalistic and other objectionable ideas, personnel and materials should be continued. All ultra-nationalistic symbols should be removed and compulsory ceremonies connected with them should be eliminated. Textbooks, teaching materials, courses of instruction and training, especially in history and geography, should be revised when and as necessary. Courses in morals and ethics should be based upon universal moral and religious teachings and not upon imperial rescripts. Nor should these courses or imperial rescripts be used to enhance the prestige of the imperial family or to inculcate concepts of militarism and ultra-nationalism.

2. Emphasis should be placed on the dignity and worth of the individual, on independent thought and initiative, and on a scientific attitude in learning. Education should be looked upon as preparation for life in a democratic nation, and as training for the social and political responsibilities which freedom entails. Methods of instruction and examination should be so revised as to minimize the importance of and dependence upon rote memory work.

3. Current events, world affairs, and international co-operation, including courses in these subjects, should be made an integral part of the educational system. The interdependent character of international life should be stressed. The spirit of justice, fair-play and respect for the rights of others, particularly minorities, and the necessity of

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Friendship based upon mutual respect for people of all races and religions should be emphasized. Special emphasis should also be placed on the teaching of the sanctity of the pledged word in all human relations, whether between individuals or nations.

4. Efforts should be made to improve the quality of education by increasing the number of teachers, decreasing the size of classes, extending the period of compulsory education, and, where appropriate, facilitating coeducation. Special stress should be placed on training in natural and social sciences, and in foreign languages which will be of greatest assistance in achieving the objectives of the reorientation program.

5. Japanese youth should be provided with opportunities for varied vocational training and guidance, adequate physical education and sports, and appropriate organizations for these and similar purposes. Through these and other extra-curricular activities, the youth should be assisted in the adjustment to economic, social and political changes throughout the nation.

6. Equal educational opportunities for all, regardless of sex or social position, should be a primary goal. To achieve this end, both the government and private individuals should be encouraged to furnish maximum financial assistance to deserving students.

7. Adult education should be furthered by the use of all suitable facilities and media.

8. As a corrective to the regimented and limiting nature of normal school training in the past, and to provide teachers with aims and techniques in harmony with the objectives of the occupation, special emphasis should be placed upon the reorganization of normal schools and the establishment of teacher training institutes staffed with the most competent instructors available for inculcating democratic principles.

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Encouragement should be given to independent thinking on the part of teachers. Emphasis should also be placed upon the interchange of teachers and techniques of instruction, and upon the employment, as teachers, of more graduates from professional schools and universities. The Ministry of Education should assist by furnishing advisers for teacher training purpose, by facilitating the exchange of teachers between schools, and by introducing adequate standards of certification. It should also encourage the application of new ways of teaching, including a wider use of modern audio-visual aids.

9. Wherever practicable, control of the educational system should be decentralized. The power of the Ministry of Education should be reduced in such a way as to minimize the evils of centralized control. This should be done by shifting authority and responsibility as much as possible to the prefectural level, or, where advisable, to the municipal level. The educational system should be freed from party politics, the stifling effects of bureaucratic control, and the evils of discrimination against graduates of private schools in civil service appointments.

10. The Ministry of Education should be so reorganized as to eliminate features not consistent with the policies set forth in this paper.

11. Encouragement and, wherever possible, financial and other assistance should be made available from both government and private sources to increase the number of private Japanese educational institutions of a liberal character, from the kindergarten to the university, and where necessary to raise their educational standards sufficiently to enable their graduates to receive equal treatment with those of government institutions. In achieving this standard of equality it may be necessary for the Japanese Government, without exercising undue control over the internal management, operation or curricula of institutions, to provide them with subsidies or other suitable aid. The government should also encourage an

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interchange of teaching methods and personnel between government and private institutions, and, wherever practicable, should provide equal access to all sources of educational material.

12. Encouragement should be given to the flow of students, educators, educational methods and materials between Japan and democratic countries.

13. Encouragement should be given to the formation and re-orientation of educational associations, parent-teacher associations, and to assist in making the Japanese people aware of the significant changes in the direction of education in a democratic Japan. Such groups should be encouraged to consider practical problems of education.

14. In the implementation of the policies enumerated in this paper, educational reforms should be closely correlated with reforms in the social, economic, and political life of the nation and the funds allocated for educational purposes should be commensurate with the prime importance of education in the creation of a democratic and peaceful Japan.

FEC-092/1RESTRICTEDFEC-092/126 March 1947FAR EASTERN COMMISSIONPOLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL
SYSTEM

(References: FEC-092; FEC-076; SC-047 Series;
C4-005 Series)

Note by the Secretary General

1. The enclosure, a proposed policy decision relative to the revision of the Japanese educational system, was informally approved by the Steering Committee at its fifty-sixth and fifty-seventh meetings, and retained on its agenda pending receipt of final instructions thereon by the United States member.

2. Final approval by the United States Government having been communicated to the United States Representative, the Secretary General has placed this document on the agenda of the fifty-first meeting of the Far Eastern Commission pursuant to agreement between the Chairman of the Commission and the Chairman pro tempore of the Steering Committee.

3. In accordance with paragraph 3 of FEC-067/3 Committee No. 4: Strengthening of Democratic Tendencies recommended that the enclosure be released for the press after being received by the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON
Secretary General

FEC-092/1

RESTRICTEDE N C L O S U R EPOLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL SYSTEMGuiding Principles and Objectives.

1. Education should be looked upon as the pursuit of truth, as a preparation for life in a democratic nation, and as a training for the social and political responsibilities which freedom entails. Emphasis should be placed on the dignity and worth of the individual, on independent thought and initiative, and on developing a spirit of inquiry. The inter-dependent character of international life should be stressed. The spirit of justice, fair play, and respect for the rights of others, particularly minorities, and the necessity for friendship based upon mutual respect for people of all races and religions, should be emphasized. Special emphasis should also be placed on the teaching of the sanctity of the pledged word in all human relations, whether between individuals or nations. Measures should be taken as rapidly as possible to achieve equality of educational opportunity for all regardless of sex or social position. The revision of the Japanese educational system should in large measure be undertaken by the Japanese themselves and steps should be taken to carry out such revision in accordance with the principles and objectives set forth in this paper.

Training, Recruitment, and Conditions of Service of Teachers

2. Those teachers and other educational officials whose record shows them to have been pronounced exponents of ultra-nationalistic, militaristic, or totalitarian ideas, should be forbidden to teach or engage in other employment connected with education.

3. Short refresher courses and vacation schools for teachers should be opened, so far as possible, in order to train them in democratic ideas.

4. The development of modern techniques of teaching should be encouraged and opportunities should be provided for teachers to become acquainted with these techniques. In this connection, regard should be had to the value of affording teachers opportunities of transferring from one institution to another.

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5. As a corrective to the regimented and limiting nature of normal school training in the past, and to provide teachers with aims and techniques in harmony with the objectives of the occupation, special emphasis should be placed upon the reorganization of normal schools and the establishment of teachers training institutes staffed with the most competent instructors available for inculcating democratic principles. Endeavors should be made to increase the proportion of teachers who have had a university training.

6. The teaching profession should be recognized as of vital importance to the future welfare and democratic development of the nation, and its economic status should be improved to a degree commensurate with this importance. Consideration should be given to the establishment of salary scales affording all teachers a reasonable standard of living according to their abilities, qualifications, and responsibilities without the necessity of supplementing their income from outside sources. A basic living wage should be guaranteed for all teachers, with increases according to their qualifications.

Textbooks, Curricula and Teaching Methods.

7. Teaching of ultra-nationalism, state Shintoism, veneration of the Emperor, exaltation of the state over the individual, and race superiority, should be eliminated from the educational system.

8. Textbooks and other reading material that contain such ideas as those outlined above should be withdrawn from use in schools. New textbooks should be issued which give an understanding of progressive ideas. Foreign books should be made available, especially in central libraries, and for teachers. These objectives should be given due weight when allocations of paper supplies and imports of foreign publications are made.

9. Courses in social sciences, civics, constitutional law and government, current events, world affairs and international cooperation should be made an integral part of the

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educational system at appropriate levels of teaching.

10. Teaching of military subjects should be totally forbidden in all educational institutions. The wearing by students of military-style uniforms should be forbidden. Classical sports, such as Kendo, which encourage the martial spirit, should be totally abandoned. Physical training should no longer be associated with the Seishin Kyoiku. Greater emphasis should be placed on games and other recreational activities than on pure calisthenics and drill. If former servicemen are employed as drill instructors, or in connection with physical training or sport, they should be carefully screened.

11. Imperial rescripts should not be used as a basis of instruction, study, or ceremonies in schools.

12. Independent thinking on the part of teachers and students should be encouraged.

13. Uniform minimum standards should be prescribed for the different levels of instruction in all the school of Japan, whether public or private.

Adult Education

14. Adult education should be promoted rapidly by the use of all suitable facilities such as evening classes, university extension courses, the radio, the cinema, and libraries.

Vocational Education

15. Japanese youth should be provided with opportunities for varied vocational training and guidance and appropriate organizations for this purpose.

Educational Administration and Finance

16. The Japanese Government should seek advice from representatives of all walks of life either through a non-official advisory council or otherwise.

17. The Japanese Government should exercise such control over the education system as will ensure the achievement of the

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objectives of the occupation, particularly the reforms called for by this policy decision. Subject to the foregoing, and to maintenance of standards prescribed by the Government, the responsibility for the local administration of educational establishments should in due time be decentralized. Japanese parents and citizens should be encouraged to feel a sense of individual responsibility for the achievements of the objectives set out in paragraph 1. Where practicable they should be associated with the control, development, and work of the schools and other educational institutions.

18. The plans enumerated in this paper should be closely correlated with the reforms in the social, economic and political life of the nation. In the implementation of the educational policies outlined above, funds should be allocated for all essential educational reform commensurate with the needs and resources of the nation.

19. In order that educational standards in poor districts should not be lowered by the inability of some local bodies to provide sufficient finance from local revenue, finance for education should come for the most part from the national government which should be responsible for the maintenance of an adequate level of education throughout Japan. Local and private bodies should be encouraged to supplement these funds provided by the national government.

General

20. Free and compulsory education should be provided for all Japanese children for a minimum period of six years and should be extended to higher age groups as rapidly as possible.

21. More opportunities should be provided for higher education.

22. Equal opportunity for both sexes should be provided at all levels of education--primary, secondary, and tertiary.

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23. Encouragement should be given to the formation and reorientation of educational associations, parent-teacher associations, and to assist in making the Japanese people aware of the significant changes in the direction of education in a democratic Japan. Such groups should be encouraged to consider practical problems of education.

24. Discrimination against the graduates of private schools in civil service appointments should be eliminated provided the schools in question conform to educational standards laid down for the public educational system.

25. Educational institutions of foreign foundation in Japan have played a useful part in the past in widening and deepening the scope of Japanese education, and should be given equal rights to those of Japanese institutions in future.

FEC-092/2RESTRICTEDFEC-092/228 March 1947FAR EASTERN COMMISSIONPOLICY FOR THE REVISION OF THE JAPANESE
EDUCATIONAL SYSTEM
(Reference: FEC-092/1)Note by the Secretary General

1. Enclosure "A", a policy decision relative to the revision of the Japanese educational system, was unanimously approved by the Far Eastern Commission at its fifty-first meeting, 27 March 1947.
2. The letter of transmittal of the Secretary General, forwarding this decision on behalf of the Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as Enclosure "B".
3. The excerpts referred to in the letter of transmittal are circulated as the Appendix.

NELSON T. JOHNSON
Secretary General

FEC-092/2

RESTRICTEDENCLOSURE "A"POLICY FOR THE REVISION OF THE
JAPANESE EDUCATIONAL SYSTEMGuiding Principles and Objectives.

1. Education should be looked upon as the pursuit of truth, as a preparation for life in a democratic nation, and as a training for the social and political responsibilities which freedom entails. Emphasis should be placed on the dignity and worth of the individual on independent thought and initiative, and on developing a spirit of inquiry. The inter-independent character of international life should be stressed. The spirit of justice, fair play, and respect for the rights of others, particularly minorities, and the necessity for friendship based upon mutual respect for people of all races and religions, should be emphasized. Special emphasis should also be placed on the teaching of the sanctity of the pledged word in all human relations, whether between individuals or nations. Measures should be taken as rapidly as possible to achieve equality of educational opportunity for all regardless of sex or social position. The revision of the Japanese educational system should in large measure be undertaken by the Japanese themselves and steps should be taken to carry out such revision in accordance with the principles and objectives set forth in this paper.

Training, Recruitment, and Conditions of Service of Teachers.

2. Those teachers and other educational officials whose record shows them to have been pronounced exponents of ultra-nationalistic, militaristic, or totalitarian ideas, should be forbidden to teach or engage in other employment connected with education.

3. Short refresher courses and vacation schools for teachers should be opened, so far as possible, in order to train them in democratic ideas.

4. The development of modern techniques of teaching should be encouraged and opportunities should be provided for teachers to become acquainted with these techniques. In this connection, regard should be had to the value of affording teachers opportunities of transferring from one institution to another.

5. As a corrective to the regimented and limiting nature of normal school training in the past, and to provide teachers with aims and techniques in harmony with the objectives of the occupation, special emphasis should be placed upon the reorganization of normal schools and the establishment of teachers training institutes staffed with the most competent instructors available for inculcating democratic principles. Endeavors should be made to increase the proportion of teachers who have had a university training.

6. The teaching profession should be recognized as of vital importance to the future welfare and democratic development of the nation, and its economic status should be improved to a degree commensurate with this importance. Consideration should be given to the establishment of salary scales affording all teachers a reasonable standard of living according to their abilities, qualifications, and responsibilities without the necessity of supplementing their income from outside sources.

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A basic living wage should be guaranteed for all teachers, with increases according to their qualifications.

Textbooks, Curricula and Teaching Methods.

7. Teaching of ultra-nationalism, state Shintoism, veneration of the Emperor, exaltation of the state over the individual, and race superiority, should be eliminated from the educational system.

8. Textbooks and other reading material that contain such ideas as those outlined above should be withdrawn from use in schools. New textbooks should be issued which give an understanding of progressive ideas. Foreign books should be made available, especially in central libraries, and for teachers. These objectives should be given due weight when allocations of paper supplies and imports of foreign publications are made.

9. Courses in social sciences, civics, constitutional law and government, current events, world affairs and international cooperation should be made an integral part of the educational system at appropriate levels of teaching.

10. Teaching of military subjects should be totally forbidden in all educational institutions. The wearing by students of military-style uniforms should be forbidden. Classical sports, such as KENDO, which encourage the martial spirit, should be totally abandoned. Physical training should no longer be associated with the SEISHIN KYOIKU. Greater emphasis should be placed on games and other recreational activities than on pure calisthenics and drill. If former servicemen are employed as drill instructors, or in connection with physical training or sport, they should be carefully screened.

11. Imperial rescripts should not be used as a basis of instruction, study, or ceremonies in schools.

12. Independent thinking on the part of teachers and students should be encouraged.

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Adult Education

14. Adult education should be promoted rapidly by the use of all suitable facilities such as evening classes, university extension courses, the radio, the cinema, and libraries.

Vocational Education

15. Japanese youth should be provided with opportunities for varied vocational training and guidance and appropriate organizations for this purpose.

Educational Administration and Finance

16. The Japanese Government should seek advice from representatives of all walks of life either through a non-official advisory council or otherwise.

17. The Japanese Government should exercise such control over the education system as will ensure the achievement of the objectives of the occupation, particularly the reforms called for by this policy decision. Subject to the foregoing, and to

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maintenance of standards prescribed by the Government, the responsibility for the local administration of educational establishments should in due time be decentralized. Japanese parents and citizens should be encouraged to feel a sense of individual responsibility for the achievements of the objectives set out in paragraph 1. Where practicable they should be associated with the control, development, and work of the schools and other educational institutions.

18. The plans enumerated in this paper should be closely correlated with the reforms in the social, economic and political life of the nation. In the implementation of the educational policies outlined above, funds should be allocated for all essential educational reform commensurate with the needs and resources of the nation.

19. In order that educational standards in poor districts should not be lowered by the inability of some local bodies to provide sufficient finance from local revenue, finance for education should come for the most part from the national government, which should be responsible for the maintenance of an adequate level of education throughout Japan. Local and private bodies should be encouraged to supplement these funds provided by the national government.

General

20. Free and compulsory education should be provided for all Japanese children for a minimum period of six years and should be extended to higher age groups as rapidly as possible.

21. More opportunities should be provided for higher education.

22. Equal opportunity for both sexes should be provided at all levels of education -- primary, secondary, and tertiary.

23. Encouragement should be given to the formation and re-orientation of educational associations, parent-teacher associations; and to assist in making the Japanese people aware of the significant changes in the direction of education in a democratic Japan, such groups should be encouraged to consider practical problems of education.

24. Discrimination against the graduates of private schools in civil service appointments should be eliminated, provided the schools in question conform to educational standards laid down for the public educational system.

25. Educational institutions of foreign foundation in Japan have played a useful part in the past in widening and deepening the scope of Japanese education, and should be given equal rights to those of Japanese institutions in future.

RESTRICTEDENCLOSURE "B"LETTER OF TRANSMITTAL

27 March 1947

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 fifty-first meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 27 March 1947, the enclosed policy decision relative to Revision of the Japanese Educational System 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 Australian Representative made a statement setting forth the views of his Government with regard to the decentralization of the Japanese educational system, and the Indian Representative commented upon paragraphs 2 and 7 of the enclosure. It was agreed 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 fifty-first 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 Australian and Indian 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 Commander. 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

Enclosure "B"

FEC-192/2

RESTRICTEDA P P E N D I XEXCERPTS FROM THE MINUTES OF THE FIFTY-FIRST MEETING OF THE
FAR EASTERN COMMISSION, 27 MARCH 1947ITEM 5 - POLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL
SYSTEM (FEC-092/1)

* * * * *

Statement by the Indian Representative.

Mr. Chairman, I am grateful to you for having allowed me this opportunity to discuss things in conference with you and your educational adviser on the subject. I would not like to take up the time of the Commission on this paper. I find that it is a most excellent paper, drafted by those who know the subject. They have taken all relevant questions into consideration and have dealt with them as well as they could in the circumstances. When I say in the circumstances I mean that Japan today represents, along with some of the others whose fate is being dealt with elsewhere, a country and a people who unfortunately were a little too excessive in their ambition. They were carrying out their ambition in a form which had become a menace to the world, which menace fortunately has now been conquered. And now we must be very concerned that that menace is not revived in any shape or form anywhere -- not merely in Japan but elsewhere, too. If the world is to preserve peace, and if humanity is to grow along lines of peaceful prosperity, then these tendencies have got to be restrained wherever they may be found. That is the object behind this paper and I am entirely in agreement with it. But there are one or two little points which have occurred to me after a superficial reading of this paper in the short time I have had at my disposal, and which I have mentioned to the Chairman. With the help of his advice, my doubts have been more or less satisfied for the time being. But it is only relevant that I should mention these points to you now so that you may also bear in mind how my mind is moving.

Now, if you look at page 1, paragraph 2, the opening sentence runs as follows: "Those teachers and other educational officials whose record shows them to have been pronounced exponents of ultra-nationalistic, militaristic, or totalitarian ideas, should be forbidden to teach or engage in other employment" Please mark the word "employment" there, "... or engage in other employment connected with education." Now, supposing for instance, little children are being taught in schools and some of these men are available for supplying, shall we say, milk to the children, which is possibly a connected activity. After all we must see that the children are brought up properly, and we supply them with milk. You know what the manpower shortage is like all over the world. Supposing these people can be employed in that particular activity, which will still be connected with education but not education itself, I want to know whether this will bar them. If so, I think we are drawing rather heavily upon our resources of manpower. That is one doubt. I don't know whether that doubt has been completely resolved, but I do not wish that little point to become a hindrance in the passage of this paper.

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Paragraph 7, relating to textbooks, curricula, and teaching methods, says: "Teaching of ultra-nationalism, State Shintoism...should be eliminated from the educational system." Now I fear that the expression "State Shintoism" infringes a principle, a fundamental principle, not that I for one second desire Shintoism to be revived anywhere in that form, because, after all, militarist Shintoism has certainly proved a very dreadful thing as far as Japan is concerned. I have not the slightest doubt about it and nobody would like it to be revived in that form. But it is a question of a people --- I am going to the fundamentals -- claiming a teaching to be religious. Are we today sanctioning that principle? Are we telling anyone today that religion in any shape or form or in any particular form shall not become State religion anywhere? What about Christianity? There are certain countries where Christianity is a State religion. The United Kingdom has a form of Christianity as a State religion. Later on you may find it difficult, after having laid down a law or principle like this, you may find it difficult to defend it. I am only warning you. That is about all. It is quite possible that somebody may come up afterwards and say no religion shall ever be taught anywhere as a State religion. Personally I may be quite prepared to subscribe to it because religion and State should never be confused. It is a wrong thing to do. But it is a point for you to consider. It is easy for us to lay down certain rules and fundamentals in a hurry and then find later on that they become halters around our necks. This is a doubt which I have expressed.

* * * * *

Statement by the Australian Representative:

The Far Eastern Commission has not laid down in any detail in paragraphs 16, 17, 18, and 19 of FEC-092/1 how the Japanese educational system is to be decentralized. It has been felt that the Commission should do no more than lay down general policy, in order that the Supreme Commander will have the greatest possible degree of discretion in determining what is most suitable in the light of current circumstances. The Australian Government fully agree with this, and has complete confidence in General MacArthur. However, the Australian Government would like to state formally its more detailed views, and to ask that these be sent to General MacArthur for his guidance in the degree and timing of decentralization, the Supreme Commander of course retaining full discretion as to the extent to which he follows these lines.

It is believed that comprehensive educational reform is likely to be most effectively handled by a centralized Government department. Therefore decentralization of administration is not recommended for general policy planning, finance, appointment of teachers, conditions for teachers, provision of buildings, planning of educational standards, and the over-all conduct and planning of research programmes. However, the carrying out of details of administration should be decentralized. This decentralization might be accomplished most effectively by placing local administration of education under district superintendents of education, appointed by the Japanese Government, who should be educationalists of standing. It is believed that the schools and teachers should not be under the control of the prefectural administrations. In determining curricula, a central authority should make general suggestions for all subjects and should specify requirements of standards; however, within those limits, decentralization should occur, and is

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recommended particularly for social studies, biological sciences and vocational subjects in which local conditions should play an important role.

It is not considered that the Japanese people, particularly in rural and remote areas, are yet fitted to undertake the responsibility of local supervision of education through educational committees or boards elected under local franchise. Nor is it considered that the teaching body as a whole is fitted to accept immediately the freedoms in determining curricula and teaching methods implied in a decentralized system. The process of decentralization should take place gradually over a period of some years and should keep pace with the progress of development of democratic thought among teachers and parents.

Any sudden change-over from central control to complete decentralization might result in chaos, in giving too great control in remote districts to reactionary and ignorant elements of the population, and in making difficult the Supreme Commanders supervision and inspection of educational reform.

FEC-092/3RESTRICTEDFEC-092/316 April 1947FAR EASTERN COMMISSIONPOLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL SYSTEM
(Reference: FEC-092/2)Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on the revision of the Japanese educational system, is circulated herewith for the information of the Far Eastern Commission.

2. This directive was forwarded to the Supreme Commander on 5 April 1947.

3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON
Secretary General

RESTRICTEDENCLOSUREPOLICY FOR THE REVISION OF THE JAPANESE EDUCATIONAL SYSTEMSerial No. 745 April 1947

The following directive, serial number 74, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on March 27, 1947, under the provisions of paragraph II, A, 1, of its terms of reference has been received from the State, War and Navy Departments for transmission to you for your guidance in accordance with paragraph III, 1, of those terms of reference:

"Guiding Principles and Objectives.

"1. Education should be looked upon as the pursuit of truth, as a preparation for life in a democratic nation, and as a training for the social and political responsibilities which freedom entails. Emphasis should be placed on the dignity and worth of the individual, on independent thought and initiative, and on developing a spirit of inquiry. The inter-dependent character of international life should be stressed. The spirit of justice, fair play, and respect for the rights of others, particularly minorities, and the necessity for friendship based upon mutual respect for people of all races and religions, should be emphasized. Special emphasis should also be placed on the teaching of the sanctity of the pledged word in all human relations, whether between individuals or nations. Measures should be taken as rapidly as possible to achieve equality of educational opportunity for all regardless of sex or social position. The revision of the Japanese educational system should in large measure be undertaken by the Japanese themselves and steps should be taken to carry out such revision in accordance with the principles and objectives set forth in this paper.

"Training, Recruitment, and Conditions of Service
of Teachers

"2. Those teachers and other educational officials whose record shows them to have been pronounced exponents of ultra-nationalistic, militaristic, or totalitarian ideas, should be forbidden to teach or engage in other employment connected with education.

"3. Short refresher courses and vacation schools for teachers should be opened, so far as possible, in order to train them in democratic ideas.

"4. The development of modern techniques of teaching should be encouraged and opportunity should be provided for teachers to become acquainted with these techniques. In this connection, regard should be had to the value of affording teachers opportunities of transferring from one institution to another.

"5. As a corrective to the regimented and limited nature of normal school training in the past, and to provide teachers with aims and techniques in harmony with the objectives of the occupation, special emphasis should be placed upon the reorganization of normal schools and the

RESTRICTED

establishment of teachers training institutes staffed with the most competent instructors available for inculcating democratic principles. Endeavors should be made to increase the proportion of teachers who have had a university training.

"6. The teaching profession should be recognized as of vital importance to the future welfare and democratic development of the nation, and its economic status should be improved to a degree commensurate with this importance. Consideration should be given to the establishment of salary scales affording all teachers a reasonable standard of living according to their abilities, qualifications, and responsibilities without the necessity of supplementing their income from outside sources. A basic living wage should be guaranteed for all teachers, with increases according to their qualifications.

"Textbooks, Curricula and Teaching Methods

"7. Teaching of ultra-nationalism, state Shintoism, veneration of the Emperor, exaltation of the state over the individual and race superiority, should be eliminated from the educational system.

"8. Textbooks and other reading material that contain such ideas as those outlined above should be withdrawn from use in schools. New textbooks should be issued which give an understanding of progressive ideas. Foreign books should be made available, especially in central libraries, and for teachers. These objectives should be given due weight when allocations of paper supplies and imports of foreign publications are made.

"9. Courses in social science, civics, constitutional law and government, current events, world affairs and international cooperation should be made an integral part of the educational system at appropriate levels of teaching.

"10. Teaching of military subjects should be totally forbidden in all educational institutions. The wearing by students of military-style uniforms should be forbidden. Classical sports, such as kendo, which encourage the martial spirit, should be totally abandoned. Physical training should no longer be associated with the seishin kyoiku. Greater emphasis should be placed on games and other recreational activities than on pure calisthenics and drill. If former servicemen are employed as drill instructors, or in connection with physical training or sport, they should be carefully screened.

"11. Imperial rescripts should not be used as a basis of instruction, study, or ceremonies in schools.

"12. Independent thinking on the part of teachers and students should be encouraged.

"13. Uniform minimum standards should be prescribed for the different levels of instruction in all the schools of Japan, whether public or private.

"Adult Education

"14. Adult education should be promoted rapidly by the use of all suitable facilities such as evening classes, university extension courses, the radio, the cinema, and libraries.

RESTRICTED"Vocational Education

"15. Japanese youth should be provided with opportunities for varied vocational training and guidance and appropriate organizations for this purpose.

"Educational Administration and Finance

"16. The Japanese Government should seek advice from representatives of all walks of life either through a non-official advisory council or otherwise.

"17. The Japanese Government should exercise such control over the education system as will ensure the achievement of the objectives of the occupation, particularly the reforms called for by this policy decision. Subject to the foregoing, and to maintenance of standards prescribed by the government, the responsibility for the local administration of educational establishments should in due time be decentralized. Japanese parents and citizens should be encouraged to feel a sense of individual responsibility for the achievements of the objectives set out in paragraph 1. Where practicable they should be associated with the control, development, and work of the schools and other educational institutions.

"18. The plans enumerated in this paper should be closely correlated with the reforms in the social, economic and political life of the nation. In the implementation of the educational policies outlined above, funds should be allocated for all essential educational reform commensurate with the needs and resources of the nation.

"19. In order that educational standards in poor districts should not be lowered by the inability of some local bodies to provide sufficient finance from local revenue, finance for education should come for the most part from the National Government, which should be responsible for the maintenance of an adequate level of education throughout Japan. Local and private bodies should be encouraged to supplement these funds provided by the National Government.

"General

"20. Free and compulsory education should be provided for all Japanese children for a minimum period of 6 years and should be extended to higher age groups as rapidly as possible.

"21. More opportunities should be provided for higher education.

"22. Equal opportunity for both sexes should be provided at all levels of education--primary, secondary, and tertiary.

"23. Encouragement should be given to the formation and reorientation of educational associations, parent-teacher associations; and to assist in making the Japanese people aware of the significant changes in the direction of education in a democratic Japan, such groups should be encouraged to consider practical problems of education.

"24. Discrimination against the graduates of private schools in Civil Service appointments should be eliminated, provided the schools in question conform to educational standards laid down for the public educational system.

"25. Educational institutions of foreign foundation in Japan have played a useful part in the past in widening and deepening the scope of Japanese education, and should be given equal rights to those of Japanese institutions in the future."

FEC-092/4FEC-092/424 April 1951FAR EASTERN COMMISSIONPOLICY FOR REVISION OF THE JAPANESE EDUCATIONAL SYSTEMDirective Serial No. 74(Reference: FEC-092/3)Note by the Secretary General

1. In order to facilitate handling of records FEC-092/3 (16 April 1947), a U. S. directive to SCAP regarding revision of the Japanese educational system, is from this date graded to UNCLASSIFIED.
2. FEC-092/2, the Far Eastern Commission policy decision upon which this directive was based, was declassified and released to the press 11 April 1947.
3. All holders of FEC-092/3 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON
Secretary General

FEC-092/4

FEC-09310 October 1946FAR EASTERN COMMISSIONSUMMARY REPORT ON THE ACTIVITIES OF THE
FAR EASTERN COMMISSION26 February 1946 - 7 October 1946Note by the Secretary General

The enclosure, a summary by the Secretariat of the activities of the Far Eastern Commission from its inauguration on 26 February 1946 to 7 October 1946, is circulated herewith for the information of the Commission.

NELSON T. JOHNSON
Secretary General

FEC-093

E N C L O S U R ESUMMARY REPORT ON THE ACTIVITIES OF THE
FAR EASTERN COMMISSION26 February 1946 - 7 October 1946I. Policy Decisions approved by the Commission

<u>Date</u>	<u>Paper No.</u>	<u>Subject</u>
1. 20 Mar 46	FEC-031/1	Draft Constitution: Japanese to be allowed to consider other drafts than Government draft; FEC to have opportunity to pass on final draft.
2. 3 Apr 46	FEC-007/3	Apprehension, Trial and Punishment of War Criminals in the Far East.
3. 25 Apr 46	FEC-026/2	Food Supply for Japan (Directive to U.S. Govt.; not sent to SCAP).
4. 13 May 46	FEC-059	Interim Reparations Removals: Army & Navy Arsenals; Aircraft Industry; Light Metals Industry.
5. 13 May 46	FEC-059/1	Preference for Zaibatsu facilities in reparations removals.
6. 13 May 46	FEC-031/7	Criteria for the Adoption of a New Japanese Constitution, relative to adequate time for consideration, legal continuity from 1889 Constitution, and affirmative expression of popular free will.
7. 23 May 46	FEC-059/4	Interim Reparations Removals: Machine Tool Industry; Sulphuric Acid Industry; Shipbuilding Industry.
8. 29 May 46	FEC-059/6	Interim Reparations Removals: Ball and Roller Bearing Industry.
9. 5 Jun 46	FEC-034/1	Aliens in Japan.
10. 12 Jun 46	FEC-059/13	Interim Reparations Removals: Iron and Steel Industry; Thermal Electric Power; Soda Ash, Chlorine and Caustic Soda Industry.
11. 20 Jun 46	FEC-059/15	Interim Reparations Removals: Private ly Owned Munitions Plants.
12. 2 Jul 46	FEC-031/19	Basic Principles for a New Japanese Constitution.
13. 18 Jul 46	FEC-055/4	Japanese Taxation of Aliens.
14. 18 Jul 46	FEC-011/12	Restitution of Looted Property.
15. 15 Aug 46	FEC-038/1	Exercise of Criminal and Civil Jurisdiction Over Nationals of Members of the United Nations.
16. 12 Sep 46	FEC-059/21	Interim Reparations Removals: Synthetic Oil and Synthetic Rubber Industries.

I. Policy Decisions approved by the Commission (cont.)

<u>Date</u>	<u>Paper No.</u>	<u>Subject</u>
17. 12 Sep 46	FEC-086/2	Blocked Accounts of the Japanese Government Requested by the International Committee of the Red Cross (Policy decision to U.S. Government; no directive to SCAP).
18. 25 Sep 46	FEC-087/9	Further Policies Relating to a New Japanese Constitution: civilian status of Cabinet Ministers and no predominance of House of Councillors.

II. Consultations approved by the Commission

<u>Date</u>	<u>Paper No.</u>	<u>Subject</u>
1. 20 Mar 46	FEC-021/2	Request for SCAP's views regarding date of Japanese general elections. SCAP replies: 29 Mar 46, FEC-021/3 30 Mar 46, FEC-021/5
2. 10 Apr 46	FEC-044	Proposal for general liaison with SCAP, to assist in Commission's task of formulating policy. SCAP reply: See Consultation No. 3 below.
3. 10 Apr 46	FEC-031/2	Consultation with SCAP on procedure for adoption of a Japanese Constitution and request that liaison officer be sent FEC. SCAP replies: 29 May 46, FEC-031/8 4 Jun 46, FEC-031/11
4. 25 Jul 46	FEC-031/29	Request for consultation with SCAP on text of Japanese Constitution. SCAP replies: 30 Jul 46, FEC-031/31 12 Aug 46, FEC-031/33
5. 15 Aug 46	FEC-085	Request for consultation with SCAP regarding shipbuilding and merchant shipping. SCAP replies: 17 Sep 46, FEC-085/1 (Interim reply) 25 Sep 46, FEC-085/2 (Interim reply)
6. 28 Aug 46	SC-016/8	Consultation with SCAP relative to extraordinary taxation in Japan. (In response to an informal communication from SCAP, FEC-055/7, 15 Aug 46, prompted by previous informal message)

III. Miscellaneous Actions

<u>Date</u>	<u>Paper No.</u>	<u>Subject</u>
23 May 46	FEC-062	Request for Information on <u>Civil Liberties</u> in Japan. (Made to U.S. Govt., not to SCAP). Reply 4 Jun 46, FEC-062/1.
27 Jun 46	FEC-073/1	Diplomatic Status of the FEC. Requested U.S. Govt. to include FEC in list of international organizations contained in Executive Order of President of 19 Feb 46. FEC-073/3 is reply of Acting Secretary of State, explaining reasons for not complying with request in FEC-073/1.
11 Jul 46	FEC-078	Approval of request of Representative of Egyptian Govt. to address Committee No. 2.
18 Jul 46	FEC-077/2	Authorization for Secretary General to inform Greek Embassy concerning FEC policy on claims for Japanese reparations.

IV. Procedural Agreements

With respect to matters of procedure, the Commission has never adopted any complete set of formal procedural rules. The basis of all procedure has been the Terms of Reference, and the interpretation of this document has been left to decisions of the Commission and the Secretary General as specific problems have arisen. A summary of these decisions and other agreements follows:

1. FEC-004 series, 1 Mar to 13 Aug 46 - Agenda of the FEC, organization and chairmanship of committees.
2. FEC-001/1, 15 Apr 46 - Organization of FEC Secretariat.
3. FEC-004/9, 10 Apr 46 - Regular meetings of Steering Committee to be on Tuesday mornings and Commission meetings on Thursday mornings.
4. FEC-005, 1 Mar 46 - Secretary General to prepare press release after each Commission meeting.
5. FEC-005/3, 23 Apr 46 - Chairman to supplement press releases with regular press conferences.
6. FEC-008, 28 Feb 46 - Official languages of the Commission.
7. FEC-009, 28 Feb 46 - Numbering of documents.
8. FEC-018, 12 Mar 46 - Election of Vice Chairmen.
9. FEC-022, 12 Mar 46 - Voting in committees to be by simple majority indicated by a show of hands.
10. FEC-041, 29 Mar 46 - Items for Commission agenda to be submitted twenty-four hours in advance.

IV. Procedural Agreements (cont.)

11. FEC-043, 5 Apr 46 - Work of the committees to be coordinated by referring documents to the Commission through the Chairman of the Steering Committee. The Secretary General authorized to recommend minor formal drafting changes in any paper.
12. FEC-043/1, 16 Apr 46 - Work of Committees No. 1 and 2 to be coordinated whenever necessary.
13. FEC-067, 27 May 46 - Standard Procedures for formal Commission actions: policy decisions, consultations, etc.
14. FEC-067/3 (FEC-067/4), 18 Jul 46 - Four additional rules of procedure: Commission calendar, recommendations for press release, periodic reports to Steering Committee, and deadline for Steering Committee papers.
15. Authorization to Secretariat to circulate a regular weekly summary of Commission business (Minutes of 12th SC Meeting, 7 May 46, page 5).
16. Decision that Steering Committee is not authorized either to approve or disapprove finally any issue arising in a committee (Item 4 of Minutes of 15th SC Meeting, 25 May 46, page 5; Minutes of 13th Meeting of the Far Eastern Commission, 29 May 46, pages 3 and 4).

V. Requests for Information and Summary of Informational Channels

1. In addition to the formal consultations and other actions set forth above, the Secretariat has attempted informally to meet many of the informational needs of the Commission. For this the following methods have been devised: (a) obtaining information to meet specific requests of committees or individual members; and (b) providing a continuous flow of informational reports and periodicals to enable Commission members to gain a better understanding of the work of the Supreme Commander and his staff in Japan.

a. Requests for Information

Specific requests for information have been answered by means of informal liaison channels with the Supreme Commander through the U.S. Departments of State and War.

The following is a summary, by committees, of matters on which information has been requested and supplied through such informal channels. Indication has been made, where appropriate, that replies are still pending.

(1) Far Eastern Commission

- (a) Report of Secretary General on Postal Communication with Japan (FEC-072/2)

(2) Committee No. 1: Reparations

- (a) Information given by U.S. representative on positions open in Reparations Branch of SCAP.
- (b) Report on treatment of property of convicted war criminals in Germany (CI-006)

V. Requests for Information and Summary of Informational Channels (cont.)

- (c) Preliminary inventory of Japanese industrial facilities considered for interim reparations removals (MI-043).
 - (d) Information on Japanese patents (C1-011)
 - (e) Reports of the U.S. Strategic Bombing Survey (MI-040, etc.)
- (3) Committee No. 2: Economic and Financial Affairs
- (a) Information on stockpiles of raw materials in Japan (C2-013)
 - (b) Information on Japanese agricultural reform. (MI-037, MI-038, etc.)
 - (c) Information on extension of areas of Japanese fishing. (Reply pending)
 - (d) Information requested on amount and type of property in Japan owned by nationals of members of the United Nations. (Reply pending)
 - (e) Information requested on war indemnities. (Reply pending)
 - (f) Information requested on Holding Companies Liquidation Commission. (Reply pending)
 - (g) Population and labor data for Japan (MI-047, etc.)
 - (h) Inquiry as to functions of Allied Trade Representatives. (C2-001/3, FEC-088)
 - (i) Report of the Mission on Japanese Combines. (C2-019)
- (4) Committee No. 3: Constitutional and Legal Reform
- (a) Draft Constitution as approved by Diet, forwarded by SCAP in accordance with FEC request (FEC-087)
 - (b) SCAP statement, in reply to FEC request, that Constitution probably would not be acted upon in House of Peers before 20 Sep 46 (FEC-087/4)
 - (c) Information from SCAP on hereditary estates (in reply to U.K. request) (FEC-087/7)
- (5) Committee No. 4: Strengthening of Democratic Tendencies.
- (a) Report of the Education Mission to Japan (MI-014)
 - (b) Report on the execution of the Purge Directive (C4-007/3)
- (6) Committee No. 5: War Criminals
- (a) Information as to use of property of convicted war criminals. (Reply pending)

V. Request for Information and Summary of Informational Channels (cont.)

(7) Committee No. 6: Aliens in Japan

- (a) Communication from Civil Intelligence Section, SCAP, in reply to questions raised by Chairman regarding Aliens in Japan (C6-003)
- (b) Information regarding status of nationals of Members of the United Nations residing in Japan in an unofficial capacity -- reply by SCAP to informal request circulated 25 Jul 46 (C6-008, C6-008/1)

(8) Committee No. 7: Disarmament of Japan

- (a) Information on progress of Japanese Disarmament. (C7-003, C7-003/1)
- (b) Information on status of Japanese Officers (C7-004/2)

b. Periodicals Received

To Provide a continuous flow of information for the Commission, the Secretariat is regularly receiving the following periodicals:

(1) Official Periodicals:

Minutes of the Allied Council for Japan
Allied Translator and Interpreter Section (ATIS)
Press Translations
Civil Affairs Division (CAD) Weekly Digest of
Public Opinion
CAD Weekly Report
Department of State Bulletin
Official Gazette (Record of Japanese Governmental
Proceedings, including minutes of Diet meetings)
SCAP Directives
SCAP Monthly Summation of Non-Military Activities
United Nations Documents

(2) Unofficial Periodicals:

American Political Science Review
Asia and the Americas
Changing World
Far Eastern Quarterly
Far Eastern Survey
Foreign Affairs
International Affairs
International Journal
The New York Times
The Nippon Times
Oriental Economist
Pacific Affairs
Stars and Stripes
United States News

2. In addition to the above informational sources, a large number of reports covering specific aspects of the occupation of Japan have been received by the Secretariat from the Supreme Command and the U.S. Department of State. These reports have been made available to members of the Commission and are on file according to subject matter in the office of the Research and Analysis Secretary. (Subject headings of this file are listed in MI-042).

V. Request for Information and Summary of Informational Channels (cont.)

3. Under the Terms of Reference, all U.S. directives to SCAP, including those issued prior to the creation of the FEC and those issued since on an interim basis, have been filed with the Commission and referred to appropriate committees for information.

VI. Special Speakers

Far Eastern Commission

Brig. Gen. Ken R. Dyke, Chief of the SCAP Civil Information and Education Section, addressed FEC on democratization and educational aspects of the occupation, 20 Mar 46.

Lord Wright, Chairman of United Nations War Crimes Commission, addressed FEC on aspects of war criminals' trials, 18 Apr and 14 Jun 46.

Brig. Gen. Bonner Fellers, former Military Secretary to the Supreme Commander, commented on the progress and probable future of the occupation in Japan, 12 Sep 46.

2. Committee No. 1: Reparations

Mr. Reday, Chief of SCAP Reparations Branch, spoke on the proposed organization to handle reparations at SCAP Hq., 6 May 46.

Mr. Bogdan, formerly of SCAP Finance Section, spoke on Japanese finance and liquidation of Zaibatsu facilities, 7 Aug 46.

Mr. J. A. Todd, of the Dept. of State, spoke on the operation of the Inter-Allied Reparations Agency at Brussels, 14 Aug 46.

3. Committee No. 2: Economic and Financial Affairs

Mr. Glenn Craig, U. S. Dept. of Agriculture, spoke on the world food situation, 26 Mar 46.

Mr. S. Nehmer and Mr. W. H. Rose, members of Textile Mission to Japan, spoke on the Japanese textile industry, 4 Jun 46.

Mr. Anis Azer, Minister Counselor of Egypt, Mr. A. EL-Emary and Col. Wm. Culbertson, spoke on the resumption of Egyptian cotton exports to Japan, 16 Jul 46. (See Miscellaneous Actions above)

Mr. Sherwood Fine, Economic Adviser to the Chief of the SCAP Economic and Scientific Section, answered questions by members, 16 Aug 46.

4. Committee No. 3: Constitutional and Legal Reform

Dr. Carl Leebrick, SCAP adviser, spoke on the constitutional problem in Japan, 14 Jun 46.

Dr. Kenneth Colegrove, SCAP adviser, spoke on the status of the Japanese Draft Constitution, 31 Jul 46.

VI. Special Speakers (cont.)5. Committee No. 4: Strengthening of Democratic Tendencies

Col. Elliott R. Thorpe, former Chief of SCAP Counter Intelligence, spoke on the purge in Japan, 24 Apr 46.

Dr. Stoddard, of the U.S. Education Mission to SCAP, spoke on Japanese educational reform, 8 May 46.

Dr. MacPherson, of the U.S. Labor Mission to SCAP, spoke on Japanese labor unions, 1 Jul 46.

Capt. W. M. Gilmartin, formerly of SCAP Agriculture Section, spoke on peasant organizations in Japan, 14 Aug 46.

6. Committee No. 5: War Criminals

Mr. Joseph B. Keenan, Chief Prosecutor at the War Crimes Trials in Japan, spoke on the trial of Japanese war criminals, 25 Jun 46.

7. Committee No. 6: Aliens in Japan

Mr. M. S. Foster, Civil Affairs Division, spoke on existing measures for use of blocked bank accounts in Japan, 2 Aug 46.

VII. New Policy Proposals

The following is a list of the major policy proposals which were introduced by Governments and have been before the Far Eastern Commission; this list does not include those proposals already referred to above. The nation originating the proposal and, where appropriate, the action taken have also been indicated.

1. Committee No. 1: Reparations

FEC-011/18	Revision of FEC policy (FEC-011/12) with respect to looted property (SCAP request for clarification)
FEC-072	Report on Japanese external assets. (Pending result of bilateral negotiations between U.S. & U.S.S.R.)
FEC-075	Division of Japanese reparations along broad political lines. (U.K.)
FEC-081, /1, /2	Reparations Conference. (U.S.)
FEC-090	Settlement of amounts due to repatriated Japanese. (U.S.)
SC-015/7	Reparations Removals: Accessory Plants & Facilities. (China)
SC-015/8	Interim Reparations Removals: Steel Rolling Industry. (China)
SC-033	Delivery of reparations goods in Japan (Ind.)
SC-041/3	Selection of plants for reparations, destruction or retention in Japan (U.S.)

VII. New Policy Proposals (cont.)

- C1-001/4 Interim Reparations Removals: Oil Refining & Storage. (U.K.)
- C1-001/6 Interim Reparations Removals - Proposals regarding seven industries. (U.K.)
- C1-001/9 Interim Reparations Removals: Railway Equipment. (Netherlands)
- C1-001/11 Interim Reparations Removals: Cement Industry (Netherlands)
- C1-002/7 Cultural objects in Japan not identifiable as looted property (China)

2. Committee No. 2: Economic & Financial Affairs

- FEC-032/2 Proposed policy on destination of Japanese exports. (U.S.)
- FEC-032/3 Interim import-export policies for Japan (U.S.)
- FEC-042 Japanese agriculture and system of land tenure. (U.K.)
- FEC-042/1 Agrarian reform in Japan (USSR)
- FEC-058 Policy towards Japanese Industry. (U.K.)
- FEC-060 Proposed policy on sources of Japanese imports (U.S.)
- FEC-061 Future organization of Japanese Industry. (U.K.)
- FEC-064 Japanese cartels. (U.K.)
- FEC-079 Short period controls over Japanese economy to relieve world shortages (U.K.)

3. Committee No. 3: Constitutional and Legal Reform

- FEC-031/15 Review of Japanese Constitution. (Aus.)
- FEC-031/16 Proposal to remove Draft Constitution from Diet agenda. (USSR) Defeated 27 Jun 46.
- FEC-031/19 Proposal that FEC-031/19 be published without reservation as to time (USSR) Defeated 11 Jul 46.
- FEC-087/5 Proposal to amend Draft Constitution regarding: (1) sovereignty, (2) appointment of Cabinet Ministers by Diet, (3) civilian status of Cabinet Ministers, (4) Supreme Court judges (5) regency, (6) unicameral legislature (USSR) 21 Sep 46: items 1, 2, 4, and 5 defeated; items 3 and 6 approved.
- C3-007 Proposal to curtail Emperor's activities. (USSR) Tabled 24 May 46.
- C3-009 Proposal to amend Japanese election law. (USSR)

VII. New Policy Proposals (cont.)

- C3-011/5 Proposal requesting reply from SCAP about implementation of FEC-031/4. (USSR) Defeated 29 Jul 46.
- C3-013 Proposal on desirability of a unicameral legislature for Japan (USSR) Tabled 15 Aug 46

4. Committee No. 4: Strengthening of Democratic Tendencies

- FEC-070 Proposal that four members of Yoshida Cabinet be purged. (USSR) Defeated 26 Jul 46.
- FEC-076 Proposal on Japanese educational policy. (Phil.) C4-005/2, Soviet proposed amendments thereto.
- SC-032 Principles for Japanese trade unions. (Joint proposals)
- C4-012/2 Principles for Japanese farmers' organization (N.Z.)

5. Committee No. 6: Aliens in Japan

- C6-010 Treatment of property in Japan owned by nationals of members of the United Nations (U.K.)

VIII. Reproduction and Distribution

Since the Far Eastern Commission initiated its formal numbering system on 25 Feb 46, copies of documents have been reproduced and circulated by the Documents Office to the extent indicated below. This tabulation does not include Secretariat papers nor does it take into account the numerous special requests for documents which consume the surplus on file and necessitate additional reproduction.

25 February - 27 September
153 Working Days

FEC Documents	322
Steering Committee	123
Committee No. 1	46
Committee No. 2	67
Committee No. 3	35
Committee No. 4	31
Committee No. 5	5
Committee No. 6	22
Committee No. 7	23
Memoranda for Information	<u>183</u>
Total	857
SCAP Orders	1170
Minutes FEC and Committees	221
Agenda FEC and Committees	<u>224</u>
Total	2472

VIII. Reproduction and Distribution (cont.)

Mimeographed per each document 150-160-175 copies*
Distributed per each document 125-135-143 copies*
Average number of pages per document - 4 -
Mimeographed to date 395,520 copies; 1,582,080 pages
Distributed (routine distribution) 333,720 copies; 1,334,880 pages
Average number of documents per day 167 2,585 copies; 10,340 pages

* Due to increased distribution demands, the number of documents reproduced is continually increasing.

IX. Administrative Summary

1. The headquarters of the Far Eastern Commission were transferred from the main building of the Department of State to the former Japanese Embassy on 13 Feb. 46.
2. Personnel on FEC staff as of the end of Sep 46 - 31 (including one Australian member)
3. Total number of personnel attached to FEC at end of Sep 46 from delegations and from the Secretariat

- 118

FEC-094

14 October 1946

FAR EASTERN COMMISSION

DELIVERY OF REPARATIONS GOODS IN JAPAN
(Reference: SC-033; C1-007; C1-007/1)

Note by the Secretary General

1. The enclosure, a revision of the proposed policy regarding the delivery of reparations goods (SC 033), submitted by the United States member, is circulated herewith for the information of the Commission and is referred to COMMITTEE NO. 1: REPARATIONS.

2. At its thirty-second meeting, 1 October 1946, the Steering Committee referred SC 033 back to Committee No. 1: Reparations for reconsideration.

3. The proposed additions to SC 033 are underlined and deletions are stricken out.

NELSON T. JOHNSON
Secretary General

E N C L O S U R EDELIVERY OF REPARATIONS GOODS IN JAPAN

1. In delivering reparations goods to claimant countries, the Japanese Government should bear all costs connected with dismantling, packing, transporting to a port in Japan for waterborne craft or for airborne craft designated by the Supreme Commander for the Allied Powers, handling, and loading on board the craft at that port. None of these costs should be charged to the recipient country's reparations account.

2. The goods in question should become the property of the recipient country ~~and be charged to its reparations account only~~ when they have been delivered on board at the designated port and, thereafter, they become the entire responsibility of such recipient country. The goods in question should be charged to the reparations account of the recipient country not later than the time at which they have been delivered on board at the designated port.

3. When particular reparations goods have been designated for application to the reparations account of a particular country, the Supreme Commander for the Allied Powers may, before proceeding with the removal of such goods from ~~the site~~ their location at the time of such designation, require that country to provide him with a written undertaking to accept such goods in accordance with the provisions of this paper, provided they are delivered on board ~~in good condition~~ at the designated port in accordance with the foregoing free from any major damage sustained in processes of dismantling, transportation, and loading.

4. Each claimant nation will be responsible for furnishing the waterborne or airborne craft necessary to transport its reparations goods from the designated port in Japan.

FEC-094/1RESTRICTEDFEC-094/14 February 1947FAR EASTERN COMMISSIONDELIVERY OF REPARATIONS GOODS IN JAPAN
(References: SC-033, -033/4, -033/7;
CI-007 Series, FEC-094)Note by the Secretary General

1. The enclosure, a proposed policy regarding the Delivery of Reparations Goods, was approved by the Steering Committee at its fiftieth meeting, 4 February 1947, and is forwarded herewith for the consideration of the Far Eastern Commission.
2. The Soviet position was reserved in the absence of final instructions.

NELSON T. JOHNSON
Secretary General

FEC-094/1

RESTRICTEDENCLOSUREDELIVERY OF REPARATIONS GOODS IN JAPAN

1. In delivering reparations goods in Japan to claimant countries, the Japanese Government should bear all costs connected with dismantling, packing, transporting to a port in Japan for waterborne craft or for airborne craft, handling, and loading on board the craft at that port. The port should be designated by the Supreme Commander for the Allied Powers after consultation with the claimant country. None of the above-mentioned costs should be paid by the recipient country; however, all those costs involved in the delivery of reparations goods should in the future be appropriately charged toward the reparations accounts of the recipient countries in the same proportions as their respective national shares of reparations from Japan. The charging of these costs to the reparations accounts of recipient countries should not affect the distribution of reparations otherwise received by claimant countries.

2. When particular reparations goods have been designated for delivery to a particular country, the Supreme Commander for the Allied Powers will afford claimant countries the opportunity to be consulted prior to and represented at the dismantling and packing of such goods and to make such constructional plans and drawings as may be necessary for the purpose of re-erection, provided the making of such plans and drawings shall not be permitted to delay unduly the process of dismantling and removal. Before proceeding with the removal of designated goods from their location, the Supreme Commander will require the recipient country to provide him with a written undertaking to accept such goods, provided they are delivered on board at the designated port free from any major damage sustained in the processes of dismantling, packing, transporting, handling, and loading. The Japanese Government will be required to make good any damage or shortage resulting from the processes of dismantling, packing, transporting, handling, and loading if such damage or shortage occurred prior to delivery on board the carrying craft.

3. The goods in question should become the property of the recipient country when they have been delivered on board at the designated port and thereafter they become the entire responsibility of such recipient country. Receipt for the goods shall be given by the recipient country when they have been delivered on board the carrying craft at the designated port.

4. Each recipient country will be responsible for arranging for the water borne or airborne craft necessary to transport its reparations goods from the designated port in Japan.

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