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CONFIDENTIAL

FAR EASTERN COMMISSION

Transcript of 155th Meeting of the Far Eastern Commission

Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.

Thursday, May 26, 1949

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Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
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Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
Mr. H. W. Bullock	(Australia)
Mr. R. E. Collins	(Canada)
His Excellency Dr. W. K. Lee	(China)
Mr. A. Pequant	(France)
Mr. S. N. Banerji	(India)
Mr. G. J. Jobsis	(Netherlands)
His Excellency Sir Carl Berendsen	(New Zealand)
His Excellency General C. P. Romulo	(Philippines)
Mr. V. I. Bazykin	(U.S.S.R.)
Mr. H. A. Graves	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

Reporter: Mr. R. Holtz, Department of State--FEC

(The 155th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:30 A.M., 26 May 1949, Major General Frank R. McCoy, Chairman.)

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 154th MEETING

GEN. MCCOY: Good morning, gentlemen: the session is open for our usual consideration of the minutes of the last meeting. The Secretary General tells me he has received no request for corrections. Is there any at this time or any comment on your part?

(No response)

GEN. MCCOY: There seems to be none. The minutes will be made a matter of record in the usual way.

ITEM 2 - JAPANESE PARTICIPATION IN INTERNATIONAL RELATIONS (FEC-339, FEC-339/2, FEC-339/3)

GEN. MCCOY: There was a query on the part of the United Kingdom with regard to Item 2 on the agenda. At the last session of the Commission, gentlemen, the United Kingdom representative asked a question as to whether the United States delegation contemplated that Japanese consuls would be sent or received abroad.

"This would be entirely a matter for the recipient country to determine. The United States policy proposal contemplates no international relations between Japan and any other nation except at the invitation of that other country. If any country desired to receive Japanese consuls and invited consular arrangements, under the terms of the policy SCAP would have discretion, if he considered it to be in the interests of the occupation, to permit Japan, subject to his continued control, to enter into such arrangements."

That will be in the record. If any member desires to have a copy, I would be glad to have it made, or do you desire to have it circulated as a reply to your query, Mr. Graves?

MR. GRAVES: So far as I am concerned, Mr. Chairman, it will be

quite all right if it is in the minutes. Thank you for the reply.

GEN. MCCOY: Are there any other comments, gentlemen, on that subject on the part of other delegates?

MR. BULLOCK: Mr. Chairman, my Government has given careful consideration to this proposed policy and of course also to the reasons which the United States Government has advanced in favor of it. But I regret to say that my Government feels unable to support it. The Australian Government is still not convinced that on a realistic analysis the Government of Japan is yet in a position where it should be given wide responsibility in the conduct of its international relations. My Government feels that under existing policies laid down by the Far Eastern Commission there is already ample latitude for the fostering of contacts which will help to guide the Japanese people in the democratic tradition and which will bring to the world a closer knowledge of Japan's problems. But apart altogether from the question of the Japanese Government's fitness at this stage to assume wide responsibility in international relations, the Australian Government considers that Japan cannot appropriately be re-admitted in the comity of nations with full voting rights at international conferences as long as a technical state of war exists with Japan and we think that is a profound difficulty in this whole question. From that point of view it would seem to us that the United States Government's case provides support for an early peace settlement with Japan, but until such a settlement can be concluded the Far Eastern Commission, we feel, must remain responsible for the close supervision of all aspects of Japan's international relations and it will be for the Allied Powers at the time of concluding a general peace settlement with Japan to decide whether supervision of Japan's international relations should be relaxed or whether they should continue. So to sum up--

GEN. MCCOY: Would you give me that last statement again, please? I think it's important and interesting.

MR. BULLOCK: Yes, sir. I pointed out that until a peace settle-

ment could be concluded my Government was of the opinion that the Far Eastern Commission must remain responsible for the close supervision of all aspects of Japan's international relations and that it would be a question for the Allied Powers to determine at the time of concluding a general peace settlement with Japan whether supervision over Japan's international relations should be relaxed or whether they should continue. That would be a matter that would have to be decided.

So to sum up, the Australian Government believes that adequate provision already exists under existing policy decisions of the Far Eastern Commission for such limited participation by Japan in international affairs as is necessary at the present time. But, of course, if it should become appropriate and desirable on technical grounds to permit the Japanese Government to exercise a wider measure of authority on any specific matter involving cooperation with other governments, the question can be considered and decided as a matter of policy by the Far Eastern Commission.

GEN. MCCOY: I have nothing further from my Government on the subject. But just as a matter of interest and of discussion to help us see this in every light and from different angles, I note that the burden of your statements continues to put off until there is a peace conference. Well now, that was the attitude three or four years ago, and, personally, it seems to me we have got to continue to think of the conditions and not the theory, As long as the conditions are under our representative there and under the broad policy of the Far Eastern Commission. But I ask you, in answer to that very pertinent statement of your Government, suppose your Government, and it's your Government that started this disagreement over procedural matters in the Commission as regards the coming peace conference, as I remember, suppose it's going to take ten years before we can agree on a peace conference, are you going to continue to act as though the war

just ended in considering the needs of our countries in dealing with the Japanese Government? There is one question I would ask you to consider just for the sake of discussion. That is, I'm not representing my Government in this case--I am just talking off-the-cuff to bring out a fact that there are conditions there and not theories in meeting the situation.

Now there are certain policy decisions of this Commission that govern and there are also certain responsibilities that the Supreme Commander in representing this Commission has that are particulars of administration rather than policy, and there is a tendency on the part of--we will point the finger not in an official sense this time--but on your part to very naturally, I think, want to bring administrative matters and details to the board of this Commission which I continue to feel acts only on broad policy. We have got to trust the man on the spot as representing us to meet the daily dozen. There is a constant effort and has been from the beginning to bring what I call administrative matters and matters affecting what might be summed up in the term "daily dozen" to the Commission, which, naturally, has the right to review the action when our representative there takes the responsibility as representing the eleven nations. Then is the time that it seems to me the Commission functions, if it wishes, in reviewing his action. But for a man representing eleven nations to every time he does anything think he's got to take it up with the Far Eastern Commission would make it impossible to carry on the responsibilities of the government.

I think it all goes back to the fact that I look at it from the American point of view where we have a habit of, as you know, having very long struggles between different elements of our Government, executive, legislative, and judicial, but when we do turn loose our commander or our representative we hold him responsible under certain broad policies. Now I take it from my association with you

and the other delegates here, where you represent responsible governments in the sense of handling administrative matters where your parliament or your assembly, whatever it may be, is sitting right there with the prime minister or the foreign minister, there is a different situation from this where I look at it from the American point of view with the added thought of this ten thousand miles away where no commission sitting in Washington could handle administrative or routine matters. Now we can question the thing just as your assembly or parliament does when the executive goes off on a tangent and this is provided here where we can discuss it and take action in review or criticism or discussion. I think that's where the value of this statement of yours comes in. But I think it brings up some very vital things and I would hope that in considering them this range of what might be called efforts to re-establish gradually--keeping in step, you might say, as the time goes by-- And if this Commission or our governments that we represent can't agree on a peace commission for the next ten or fifteen or twenty years, the responsible commander under our general policies has got to carry on and do business and not be subject to administrative control from a body sitting ten thousand miles away.

Now that is just the way it sounds to me for a matter of discussion. We have had it up many times and I think it ought to be up many times.

MR. BULLOCK: Mr. Chairman, I wonder if I might just make some reply to what I thought was a rather startling statement that you made, and that was that it was the Australian Government which was responsible for the procedural difficulties which prevented the calling of a peace treaty. I think that is a very serious statement and one which I must protest against in the strongest possible terms. Nobody, and I think I can say this without fear of contradiction from anybody around this table, has worked more vigorously for a peace

treaty with Japan than the Australian Foreign Minister, Dr. Evatt. It is true we have maintained throughout that a peace treaty with Japan must be participated in by all the countries which contributed to the defeat of Japan and have also always maintained that a peace treaty for Japan should not be the exclusive prerogative of the Big Four. Now certainly that is the position that I have taken. I don't think, however, that it is correct for you to say before this body that because we have taken up that position we have caused a procedural difficulty which has prevented the holding of a peace conference for Japan. I think I must take the strongest possible exception to that statement.

Now I realize that this is a difficult problem. But there is something more I think--the problem isn't just nearly so simple as I am afraid you have enunciated it. In the view of my Government the question of Japan's participation in international relations is not merely an administrative question; it involves the whole question of Japan's re-emergence into the family of nations. And it isn't correct to argue that because we were in favor of a peace treaty two years ago, and still are in favor of one, because possibly these things would have happened had it been possible for a peace treaty to be concluded at that time, that we can allow these things to start--allowing, as the United Kingdom member stated, us to slide into a state of peace with Japan merely on the basis that these are administrative questions. It isn't nearly so much a question of whether the time is ripe to do it but whether you can actually allow Japan to start re-establishing diplomatic relations in such, shall I say, a slipshod fashion. I think it's not an easy problem and I'm afraid that the problem isn't nearly so simple as you have enunciated.

GEN. MCCOY: Well, with the Commission's permission I will withdraw my statement which I accept as not being official or accurate under the explanation and under the background that we're all conscious

of. But, as I say, I was just talking off-the-cuff for the sake of discussion, and I have gotten it, and it helps to illuminate the problem.

Will you accept the withdrawal?

MR. BULLOCK: Certainly, yes, Mr. Chairman.

GEN. MCCOY: I would like to withdraw that statement and charge of your Government, because your Government, as represented by you and your Ambassador and our old friend, Major Plimsoll, has been of great value to the work and discussions around this table.

SIR CARL BERENDSEN: Mr. Chairman, I am not going to attempt to carry this debate any further. I think it's finished in just the correct way and any other way would have been entirely improper. But I would like to just think for a moment or two around another statement of yours, that the correct course for this Commission is to wait until something is done and then to express its view. Now, sir, that is precisely what this Commission is precluded from doing by the terms of its constitution. Time and time again we have found ourselves faced, and I am not suggesting anything improper at all--I am simply pointing to a situation we have found ourselves faced with, with a fait accompli. It has been done, and there is nothing whatsoever this Commission can do about it once a thing has been done for the simple reason that the United States has, and I am not complaining about it, a veto. Consequently, if something is done which ten members of this body think was completely wrong, then there is nothing whatsoever we can do about it. There, Mr. Chairman, it does seem to me to be not only proper but necessary that we should express, in moderate terms and with due regard to the heavy load that the United States carries in Japan, our point of view before something is done. Nothing has distressed me more in the course of the years that we have been sitting here than to be faced time and time again with something completed on which we can do nothing whatsoever and it being

perfectly useless to express our opinion. Now I am not giving any offense--I just wanted to take the view that if we wait until something is done in my opinion it is perfectly useless to review the action because there is nothing whatsoever we can do about a thing that is done.

GEN. MCCOY: Well I get your point there. But I think that needs a little discussion in the sense that when you refer to the fact that the thing is done and there is no recourse--there is recourse because every time that there has been a determined or proper effort to review a thing it has been reviewed very carefully here, and there has never been a time when there has been ten votes against what has been done. There has never been a time but once where a majority, after proper discussion around this table and with the responsibilities that the United States bears and its presentation here, of the Commission hasn't accepted the fait accompli.

SIR CARL BERENDSEN: Oh, no. No. No. No.

GEN. MCCOY: Well look up the record, sir.

SIR CARL BERENDSEN: Mr. Chairman, there have been, as you say, probably very few cases where there has been an actual vote taken but there have been dozens and dozens of cases upon which no vote has been taken because it is perfectly useless to take a vote. That is the real situation, that it is perfectly useless to raise a thing here when it has been done.

GEN. MCCOY: Well, but it has been raised. It has been discussed here for four years and due consideration has always been given to these differences of opinion and criticisms of the action of the United States. It has always been explained, and that's the part of the responsible Power. We can't expect any government to carry on without making mistakes and without doing things in a direct way at times that the rest of the delegates can agree with. But when they sit around and have the opportunity to review it and criticize it and so forth you will find, in looking back in the record, that there has

been a very careful and due consideration given to the criticisms and usually they have been acted on or ironed out in some way. And when it came to a vote on a review the majority with, I think, one exception, has always voted against the review when it had had the explanation and discussion had been had, and there has always been plenty of time given for that. There has been no time when there has been ten countries who voted against the United States here on anything that has been done by the United States or by the representative of the Commission.

ITEM 3.- JAPANESE MEMBERSHIP IN INTERNATIONAL CONVENTION OF TELECOMMUNICATIONS (FEC-334, /1, /2, /3, /4, /5, /6)

GEN. MCCOY: Have you anything further on this?

GEN. ROMULO: I made my statement last meeting, Mr. Chairman.

GEN. MCCOY: Is there anything else this morning on that subject from any member present?

(No response)

GEN. MCCOY: There seems to be none.

ITEM 4 - JAPANESE REPARATIONS AND LEVEL OF INDUSTRY (FEC-340, /1)

GEN. MCCOY: The Chinese representative spoke about making a statement this morning. Are you ready, sir?

DR. LEE: Yes.

GEN. ROMULO: I would also like to have the floor after the Chinese representatives makes his statement.

DR. LEE: Mr. Chairman: "The recent announcement by the United States Government of its intentions to suspend reparations removals from Japan and to rescind the interim directive on the advance transfer program constitutes such a reversal of policy that the Chinese Government feels it necessary to urge a careful reconsideration of the matter. The Chinese Government is greatly perturbed by the move although the general tendency of an impending change of the United States position has been quite apparent

since last spring as indicated by a prolonged delay on the part of the United States delegation in expressing its views on proposed policy decisions on economic levels for Japan and by the slowness in implementing the advance transfer program. We regard this drastic step, in the first place, as incompatible with the series of international agreements and policy decisions to which the United States is a party. It is also, in our view, unjust to the countries victims of Japanese aggression, and may not prove in the long run to be beneficial even to Japan, for whose benefit it is obviously intended. We fear it is, above all, prejudicial to a just and last peace in the Far East.

"There is little need, Mr. Chairman, for me to cite the detail provisions of the inter-Allied agreements which the proposed action of the United States Government tends to nullify. Suffice it to say that the Potsdam Declaration, defining the terms of Japan's surrender, provides for 'the exaction of just reparations in kind' and that this principle was later re-affirmed in the Basic Post-Surrender Policy for Japan and elaborated in the policy decision entitled 'Reduction of Japanese Industrial War Potential' and a series of other Far Eastern Commission policy decisions on interim reparations removals. To overlook these important commitments would in effect amount to the abandonment of the results which the Far Eastern Commission has achieved through prolonged and patient labour and produce repercussions beyond the immediate issue of reparations removals from Japan.

"The United States statement points out that the participation of the United States Government in the policy decisions of the Far Eastern Commission on reparations was predicated upon two basic assumptions, namely agreement on a shares schedule and existence in Japan of industrial capacity in excess of her peaceful needs. It adds that the inability of the Far Eastern Commission to agree on the important and pressing question of division

of shares and Japan's economic distress resulting from lack of adequate industrial equipment have compelled the United States Government to reconsider its position. Inasmuch as both of these premises leave room for doubt I shall comment on each of the issues raised.

"Concerning the first premise, it is true that the United States proposal on division of shares was submitted about sixteen months ago and that no decision has as yet been reached. It is equally true that there has been no active discussion of the item since the beginning of 1948. Yet it may not be amiss to recall in this connection the events in the Far Eastern Commission during that period in respect to the reparations removals and industrial levels. The Overseas Consultants, Inc. Report (also known as the Strike Report) was made available to the Commission on March 2, 1948. It was followed by the report of the Johnston Committee in May of the same year. Both reports called for drastic reduction of removals of assets from Japan. In the minutes of the 27th meeting of the Reparations Technical Advisory Committee of June 1, 1948, General Harrison is quoted as having said that 'he expected no release of aircraft and private munitions plants until a decision was reached on the recommendations of the Overseas Consultants and the Johnston Reports'.

"At the 113th meeting of the Steering Committee on July 13, 1948, the United Kingdom member invited the United States member to comment on General Harrison's remarks. The United Kingdom request was later supported by several other delegations. But no definite reply has been made. In September 1948 the Commission was informed by the United States representative that his Government was not yet prepared to present its position on the question of further removals under the advance transfer program, which had been raised by several members of this Commission (FEC-242/35).

"It is thus apparent that the delay in resolving the problem is due not so much to the inability of the Far Eastern Commission to find a solution as to the lack of active discussions in the Commission coupled with the absence of a definite United States position on the subject of reparations removals since the beginning of 1948.

"Suffice it to say that the Chinese delegation is among the first few that were favorably disposed toward the United States proposal on division of shares, and on several occasions the Chinese representative on the Commission emphasized the keen desire of the Chinese Government for some settlement of the problem and suggested that exchange of views among the delegations be actively continued. In our view an early decision on this matter would not only do justice to the Allied Powers but also benefit Japan inasmuch as it would remove the element of uncertainty from the minds of the Japanese as to the amount of industrial facilities that would be exempted from reparations removals, thus facilitating rehabilitation and reconstruction of the Japanese economy. We have always believed that the Far Eastern Commission could eventually agree on the division of shares.

"As regards the question of industrial levels for Japan, the interest of the United States delegation in its settlement appears to have progressively declined since the dispatch of the two above-mentioned missions of investigation to Japan. The United States delegation, in reply to the requests of a number of delegations, informed the Commission on September 10, 1948, that the United States Government was reconsidering its position in the light of developments since the introduction of the original United States paper (FEC-218). But in our view, the inability on the part of the Commission to resolve the question of reparations shares should not have prevented the United States delegation from expressing its views on the question of industrial

levels for Japan (FEC-242/32, FEC-297/10).

"The lack of a schedule of shares was admittedly a barrier to a solution of the reparations question, but even in the absence of such a schedule the implementation of the interim directive on advance transfer would not have been delayed and could even have been completed by now, two years after its issuance, had the United States Government taken a continued and active interest in it.

"It is generally understood that the interim directive on advance transfers was issued, pursuant to the Terms of Reference, on account of urgency, that is, to meet the urgent needs of recipient countries. This directive, once issued, would necessarily produce certain effects on those countries and thus become a matter of common concern. Any intention, therefore, to rescind it should form a subject for consultation and agreement. But today such recipient countries are facing a great dilemma. Almost two years after that program was set in motion, the recipient countries which have made plans for utilizing the assets under such a program and are counting on receiving them, are suddenly told that it has been suspended. Surely no one can deny that this sudden rescission of the interim directive is bound to derange the plans of the recipients, thereby retarding their economic rehabilitation. In taking this action, the United States Government has probably not realized the moral aspect of the matter.

"As regards the second basic premise, I should like to point out that the present state of economic maladjustment in Japan may not be due so much to a lack of industrial facilities in Japan as to some other factors such as the difficulty in procuring necessary raw materials, sales resistance against Japanese goods in certain countries of the Far East, and the wilful obstruction of the Zaibatsu interests and other entrenched economic and financial powers in Japan.

"The Chinese Government, it will be recalled, has repeatedly clarified its position that its policy towards Japan has never been prompted by a vindictive and retaliatory spirit. In fact, the Chinese Government has consistently maintained that Japan should be given the opportunity to achieve a standard of living commensurate with her peaceful needs as defined by the Far Eastern Commission. And I may add that we shall continue to contribute our part to bring about the earliest possible establishment of a democratic, peaceful and prosperous Japan. In our opinion a self-sustaining economy for Japan cannot be brought about without a large measure of economic recovery in the Far East, particularly in these countries which were devastated by Japan. The decision with respect to reparations from Japan or her economic development should, therefore, be based on a balancing of the needs of Japan and those of the other countries in the Far East in order to obtain the optimum benefits for the region as a whole. This inter-dependence was borne out by the fact that during the ten-year period from 1930-1939, countries in the Pacific areas absorbed a major portion of Japan's exports and in turn supplied more than half of Japan's imports. Even the Johnston Report admits that the United States financial assistance to Japan can be most productively employed if active trade between China and Japan is resumed and that it would be of great benefit to Japan if she could obtain imported food from nearby sources as in the past rather than from the more expensive dollar areas as at present.

"In the minds of any planner for Japan's economic recovery, it is important to take note of the attitudes and sentiments of the peoples in the countries in which Japan has heretofore enjoyed large trade. To underestimate this psychological factor in Japan's export trade would oversimplify the question of the marketing of Japanese products in those countries.

"With regard to the wilful obstruction on the part of the Zaibatsu to Japan's economic recovery, I do not intend to elaborate it in detail, since the Philippine representative had fully dwelt on it in his statement at the last meeting. But I would add that if their designs should succeed, they will tend to undo what has been accomplished in fulfilling the terms of surrender and to impede the healthy economic recovery of Japan.

"The United States statement should also be considered in the light of security, which problem is of vital concern to the victims of Japanese aggression. During the course of the last three years and a half of Allied occupation of Japan, a promising start has undoubtedly been made in introducing reform measures to Japan, such as the disbandment of the armed forces, removal of reactionaries from positions of influence, encouragement of trade unionism, enfranchisement of women, partial redistribution of land, and promulgation of a new constitution. With due respect to the ability and achievement of the Supreme Commander, I must still confess that these measures constitute only a beginning. Much remains to be done.

"Knowing the Japanese as we do, we strongly believe that it is contrary to the nature of things that three and a half years of reform can have completely undone what for generations they were taught to believe and glorify. We are dealing with a people whose avidity in seeking new ideas is matched by their tenacity in clinging to tradition. The people of Japan today may turn out to be much the same as their ancestors in spite of their new vocabulary, new gestures and new slogans. I do not mean to insinuate that the Japanese are incorrigible, but I do say that the transformation of Japan into a peaceful and democratic country will take some time.

"In view of these facts, the Chinese people, in the absence of positive assurances against military resurgence of Japan,

cannot but ask for a realistic approach to the Japanese problem. On the contrary, we are suddenly confronted with the United States statement which calls for a halt of reparations removals from Japan.

"As we all know, reparations removals are designed not only to achieve the purpose of partial compensation for the damage caused by Japan to the Allied Powers, but also to remove the war potential in those Japanese industries which could lead to re-arming for waging war. To achieve the latter objective of reducing the war potential, the Far Eastern Commission has adopted a policy decision presenting measures necessary to ensure that Japan shall not retain an industrial capacity for the manufacture of armaments or for providing a foundation on which armament industries could be quickly rebuilt.

"According to this policy decision, a distinction is made between industrial facilities which were directly engaged in the production of combat weapons (defined as 'primary and secondary war facilities')--for example, arsenals and aircraft plants--and other industrial machinery and equipment in war-supporting industries such as iron, steel and machine tools which are capable of being used for war purposes as well as for meeting peaceful needs. Primary and secondary war facilities which are functionally limited to use in connection with combat equipment end-products are to be destroyed. War-supporting industries are to be reduced to such a level as will not be higher than what is necessary to meet the peaceful needs of the Japanese people. The policy further provides that primary and secondary war facilities and excess capacity in the war-supporting industries should, when it is not required to be destroyed, be made available for removals as reparations. The Chinese Government is of the opinion that the United States statement indicating that some of the primary

war facilities should be protected does not show sufficient consideration for security requirements of the countries in the Pacific area. In this connection, I wish to emphasize that the question of security should be considered in the light of the relative industrial strength of Japan and the other countries in the region. We must not forget that when Japan provoked the last war, her military power was sustained by an industrial potential far below the western standard, yet the devastation wrought by the Japanese armed forces stood forth in awful clarity as an example of what Japan could do with what she then had.

"Mr. Chairman, we are dealing with a momentous problem. Its import and consequences will be felt not only at present, but for generations to come. What we say and what we do today will be an important chapter in human history. Our words will be remembered and our deeds shall never be forgotten. With justice and the peace of the world at stake, are we going to do what will in the end prove to be detrimental ^{to} the very things for which we fought? Future generations will judge and evaluate our work not in terms of what we consider expedient today, but in terms of what we have done to defend and uphold the basic concepts and principles which we all cherish.

"For eight long years, the people in China heroically resisted the Japanese armed invasions. During half of the period, we alone bore the brunt of their onslaught. The devastation in China was of the most serious and far-reaching character. Millions of my countrymen suffered, fought and died. Their sacrifice and devotion to the common cause which we share together cannot be measured in material terms alone. No matter how much the Chinese Government may desire agreement, we cannot subscribe to a policy which appears to be dictated by considerations of expediency rather than by the basic principles for a just and lasting peace."

I wish to take this opportunity to state that I am going to release this statement to the press.

GEN. ROMULO: Mr. Chairman: "On May 19th, I made a preliminary statement on the question of Japanese reparations on behalf of the Philippine Government. Upon further instructions from my Government, I would like to present today the following arguments and observations in further elucidation of the Philippine attitude.

"This attitude is based primarily on the following points:

1. The reversal in reparations policy is a flagrant repudiation by the United States of its commitments under the Potsdam Declaration.
2. The Philippine claim for a share in Japanese reparations constitutes a valid entitlement duly recognized in the Basic Post-Surrender Policy for Japan.
3. The United States decision would nullify both the letter and spirit of the Terms of Reference of the Far Eastern Commission, as well as the series of policy decisions on the problem of reparations laid down by the Commission, particularly those bearing on the disposition of interim reparations assets covering eleven categories of Japanese industries.
4. The United States decision would be contrary to the general intent of the Philippine Rehabilitation Act of 1946 which was approved by the United States Congress before the independence of the Philippines, and which was premised in part on the payment of Japanese reparations.
5. Of all the Asian countries, with the probable exception of China, the Philippines sustained the heaviest loss and damage from enemy action and is therefore entitled to preferential treatment in the matter of reparations.
6. Japanese reparations assets have been assigned a vital strategic role in the implementation of the post-war

industrial development and recovery program of the Philippines, and the cessation of the expected reparations payments would cause a serious disruption in the economic development timetable of the Republic and a grave dislocation of its economic structure.

"In connection with the first argument, I cited in my preliminary statement the pertinent provisions of the Potsdam Declaration which categorically set the pattern for the exaction of reparations in kind from Japan.

"In support of the second argument, I quoted the applicable provisions of the Basic Post-Surrender Policy for Japan, which established the validity of the reparations claims of the Philippines and other Allied countries under Section 4 thereof. I also recalled the various policy decisions on reparations adopted by the Commission which laid down the basic principles governing the apportionment of reparations shares among the different claimant countries. In particular, the Far Eastern Commission policy decision of May 8, 1947, Division of Reparations Shares, in setting up the criteria to be used in determining the shares of each country, explicitly recognized the valid entitlement of the Philippines and the other Allied countries to reparations from Japan, in these words:

'The shares of particular countries in the total sum of the reparations from Japan shall be determined on a broad political basis, taking into account the scope of material and human destruction and damage suffered by each claimant country as a result of the preparations and execution of Japanese aggression, and taking also into due account each country's contribution to the cause of the defeat of Japan, including the extent and duration of its resistance to Japanese aggression.'

"On both counts--the material and human destruction suffered by each claimant country and its contribution to the war effort against Japan--my Government affirms most categorically that its entitlement to reparations is beyond doubt or cavil and cannot be impugned on grounds of mere prudence or convenience.

"The American decision also constitutes, in the view of my Government, a violation of the Terms of Reference of the Far Eastern Commission relative to the grant of unilateral interim directive powers to the United States, specifically, Section 3, Paragraph 3 thereof, which reads as follows:

'The United States Government may issue interim directives to the Supreme Commander pending action by the Commission whenever urgent matters arise not covered by policies already formulated by the Commission;.....'.

The suspension of further removals under the interim reparations program clearly violates this proviso since the United States declaration of May 12th would not only rescind the United States unilateral decree of April 4, 1947, but would have a similar effect upon the interim reparations policy decisions unanimously approved by the Far Eastern Commission, including the policy decisions adopted long before the United States directive to SCAP was issued; in particular, the series of policy decisions of May 13 to December 6, 1946, ear-marking residual equipment in eleven categories of Japanese industries as available for reparations.

"In support of the fourth point concerning the Philippine Rehabilitation Act of 1946, I would like to go back to the historical basis of that enactment. In fulfillment of the repeated pledges of liberation and material assistance which he had solemnly given to the Filipino people in wartime, President Roosevelt called upon the United States Congress on October 6, 1943:

'to make provision to determine the adjustments necessary

in the existing provisions of law which govern the economic relations between the United States and the Philippines so as to assist in making the Philippines, as an independent nation, economically secure.'

"Accordingly, the United States Congress after the war approved the Philippine Trade Act of 1946 and the Philippine Rehabilitation Act. The prevailing sentiment of Congress was expressed by Majority Floor Leader Congressman John McCormack, in these words:

'America, speaking through their President in the early days of the war, uttered no mere idle words. The help to be extended to the Filipinos to enable them to live in peace and independence was to be real, not imaginary, actual not theoretical. America has never broken bond. America will not fail in the matter of Philippine rehabilitation.'

"In signing these enactments on April 30, 1946, President Truman recalled the previous pledges of President Roosevelt, including the recommendation to Congress already cited. He said:

'That recommendation was made in the heat and desperation of struggle. It climaxed promises made to the people of the Philippines that not only would their land be liberated from the tyranny of the enemy, but that they would be given their full independence and would be rehabilitated from the ravages of war.'

"Now, the Act itself, while authorizing the appropriation of \$520 millions for war damage payments to the Philippines, public and private, provided only for partial compensation of such damage and did not constitute a quitclaim or waiver of reparations. The Philippine Government, considering its total reparations bill of \$5 billions exclusive of goods and services obtained by the Japanese occupation forces, could not have agreed

to such a waiver and no such consent may be implied from the Philippine acceptance of the benefits under the Act.

"Indeed, the Act itself envisaged the payment of reparations. Section 106 (b) of that Act provides that any money or bullion received by the United States from the Japanese Government by way of reparations shall be paid into the United States Treasury until it shall have fully reimbursed itself to the extent of the \$520 millions in war damage payments to the Philippines. The Act goes on to say that any such Japanese reparations in excess of the amounts paid out by the United States shall be used to satisfy in full the unpaid balance of any private or public claim of the Philippines.

"Under long-established rules of international law, the Government of the Philippines would normally have had the right, on its behalf and on behalf of its citizens, to claim and collect reparations from Japan. However, by virtue of the Rehabilitation Act, the United States Government took it upon itself to advance certain funds to the Philippines on the understanding that the first reparations received from the Japanese Government should go to repay the United States Government before being used for any other reparations claims. It therefore modified the normal rights to reparations of the Philippine Government and of the citizens of the Philippines by subrogating their claims to the prior claim of the United States.

"Under the Act, therefore, the Philippine Government agreed that the United States shall have a priority in reparations payments from Japan. It thereby, in effect, gave the United States Government full power and authority to act for it in connection with its claims for reparations against the Japanese Government; and in return the United States Government implicitly undertook to act as such agent and to collect reparations at least to the

extent of the balance of the war damage claims of the Philippines, public and private, not paid for out of the United States Treasury.

"The United States decision to halt all further reparations from Japan deprives the people of the Philippines of their just rights. Although the Philippine Rehabilitation Act represents an act of unprecedented generosity, it must be remembered that it at the same time deprived the Government and people of the Philippines of rights to reparations which they would otherwise have against Japan, and in return it involved an implicit agreement by the United States Government that it would undertake to act as agent for the Philippines to collect reparations to the extent of the balance of the war damage claims not covered by the \$520 millions advanced to the Philippines by the United States under the Act. That balance amounts to \$4-1/2 billions.

"This, Mr. Chairman, is the sum--\$4-1/2 billions--which the United States Government in principle obligated itself, under the Rehabilitation Act, to collect for the Philippines in reparations from Japan. This is the sum of which the Philippine Government and the citizens of the Philippines who suffered property damage at the hands of the Japanese would be deprived by the United States decision to halt reparations.

"I have laid special stress upon this argument because, as Philippine Resident Commissioner to Washington when this law was passed, I was able personally to examine and follow the underlying principles of this enactment.

"With respect to the fifth and sixth points, the United States decision would in effect raise insurmountable obstacles to the economic recovery program of the Philippines. The gravity of this problem can be seen in the following figures:

"The Philippines has so far received in reparations removed

from Japan, machine tools and pilot plant equipment valued at \$11 millions. This is an infinitesimal portion of the over-all reparations claim of the Philippines, estimated at \$8 billions. Of this over-all reparations bill, as stated before, \$5 billions represent damage to private property and industrial establishments, while the balance of \$3 billions represent the value of goods and services obtained by the Japanese during the occupation of the Philippines and paid with Japanese military notes.

"The various amounts that we have so far received in reparations from Japan valued at \$11 millions, in Japanese assets expropriated in the Philippines valued at \$50 millions, and in war damage payments and other benefits received from the United States amounting to \$600 millions, together total less than three-quarters of a billion dollars, or about nine per cent of our total reparations bill.

"The severity of the destruction, both human and material, wrought by the Japanese aggression in the Philippines cannot be matched by any country in Asia, with the probable exception of China. The Philippine position after World War II is comparable to that of Belgium after World War I, and the Philippines would be logically entitled to the same preferential treatment that was accorded to Belgium. At that time Germany's resources were also considered to be inadequate to meet the total reparations claims of the Allies. However, because of the extraordinary damage sustained by Belgium, the reparations claims of that country were given priority. Equity would dictate that the claims of the Philippines be accorded similar recognition.

"The American declaration halting further reparations payments to the four Allied countries, including the Philippines, would jeopardize the peacetime economic recovery program of the Republic. The Philippines has launched a five-year industrial

program in the hope of attaining a modest industrial level and evolving a fairly self-sufficient economy in the years to come. We are now in the midst of a total industrial and economic mobilization, the signal for which was dramatically given by President Quirino early this year in a supreme effort to brace the Philippine economy against such contingencies as the cessation of United States war damage payments next year, and the curtailment of free trade relations with the United States in 1952. The grant of the Philippines' share of Japanese reparations, to be sure, will not of itself solve our current economic dilemma; neither can Japanese reparations equipment be expected to furnish all the requirements of a going industrial concern in the Philippines. However, Japanese reparations assets will materially help plug the gaps in our war-torn economy. Japanese reparations, particularly those scheduled for future disposition, including thermal electric power, steel and chemical plants, would serve the purpose of a modest industrial base whereon the Republic may build an industrial structure commensurate with its requirements and to meet the pressure of more highly industrialized economies in the Pacific area, including Japan's.

"The argument in the United States statement of May 12th that Allied countries have already profited through the proceeds from Japanese overseas investments that have been confiscated and through the territories already in the possession of the Allies does not apply to the Philippines. Japanese properties in the Philippines with an aggregate value of \$50 millions have largely remained in the hands of the Allied Property Custodian and have not yet been transferred to the Philippine Government. We only have usufructuary rights over these properties and the title thereto shall not vest in the Philippine Government until after the treaty of peace with Japan has been signed. No Japanese territory has been ceded to or fallen into the possession of the Philippines.

"The comparative reparations figures for Germany and Japan after World War II are instructive. The value of German factories and other properties removed from Germany, exclusive of the Saar, by the Allies as of December 1947 was approximately \$25 billions. The corresponding reparations actually removed from Japan proper, exclusive of Manchuria, and received by the four claimant countries including the Philippines was approximately \$70 millions. Even if it be granted that the industrial wealth of Germany was five or six times as great as that of Japan before the war, that relative disparity would, in any event, have been canceled by the much heavier damage which German industry sustained during the war. That would leave the disparity in reparations paid out by Germany and Japan considerably in the latter's favor and to the disadvantage of those states that have reparations claims against it.

"The Philippine Government fully appreciates the special responsibility of the United States in Japan which has imposed upon it the enormous burden of shouldering by itself the costs of the occupation. The Philippine Government also appreciates the United States insistence upon the principle that the recovery of Japan is essential to the recovery of the rest of Asia. However, as mentioned in my previous statement, we believe that it should be possible to reduce the burdens of the occupation without suspending the reparations program by exploring the resources of the Japanese economy itself and exploiting those resources towards self-support. On the basis of the testimony of American observers in Japan, I have raised the issue that the Japanese industrial leaders, the Zaibatsu class, may have deliberately conspired to create an economic crisis in order to embarrass the occupation and to arouse American sympathy and assistance. I believe that this point should be clarified, since my Government considers that it would be manifestly unjust to demand

restraint and further sacrifice on the part of the victims of Japanese aggression so long as there is evidence that the Japanese themselves are deliberately tampering with their economy, slowing down production, and creating monetary inflation in order to make their country an object of pity, to whose rescue the American people would then be expected to come.

"The Philippine Government is unable to understand why the United States should so suddenly come to the conclusion that the needs of the eleven member nations of the Far Eastern Commission should be subordinated to the needs of the former enemy country. The Philippines shares the United States' concern for a just peace with Japan, but a just peace does not mean a 'soft' peace. A just peace does not mean leaving the victims of Japanese aggression to shift for themselves while Japan is to be coddled and permitted to re-establish itself as the dominant industrial power in the Far East. A just peace means that the Japanese people will be afforded full opportunity to reform their political and economic structure so that they may live up to that solemn provision of the Japanese constitution under which they have renounced war forever as an instrument of national policy.

"The bitter lessons of Versailles are still fresh in the memory of all nations. It is a favorite argument of American foreign policy that the reason for the failure at Versailles was because the treaty guaranteed justice for the Allies and left nothing but despair and misery for defeated Germany. We do not want a repetition of this tragic failure. We want justice for Japan, but justice within the framework of a policy that will provide for the victims of Japanese aggression the opportunity to rise and to stand on their own feet, free from the domination of Japanese industrial power as well as from the menace of Japanese military might.

"In my previous statement to the Commission, I made an observation which is a commonplace in history that military power is a concomitant of industrial power and that the

'Zaibatsu class, which is engineering the re-emergence of Japan as an industrial power, will soon....be clamoring for an Army and Navy'. In the issue of the New York Times of May 24, 1949, there appeared a news item under the headline 'United States Pushes Plan to Rebuild Japan; Formation of Defense Unit Studied'.

I quote from the item:

'The United States is determined to push strongly ahead with plans for the economic rehabilitation of Japan despite some doubts and objections by other Allied powers in the Pacific.

'At the same time it has become known that the plan first proposed by Lieut. Gen. Robert L. Eichelberger, former commander of the United States Eighth Army under General Douglas MacArthur, for the formation of a Japanese national defense force is under what is described as "vigorous study" here.'

"This so-called 'defense force' numbering one hundred and twenty-five thousand to one hundred and fifty thousand men, without an air force, navy or heavy weapons, is modest indeed compared to the Japanese military juggernaut of the last war, but this is only a beginning. Presumably it will be composed of veterans of the last war and officered by the same men who planned and executed the Japanese invasion of the South Pacific and gained all the knowledge they need to have on the beaches and jungles of Asia. Nobody knows better than American technicians themselves how easy it is to re-tool so-called 'peacetime' industries for wartime purposes, and American generals should know better than anyone else how equally easy it is to convert a so-called 'national constabulary' or police force of experienced fighters into the live core of an expanding military establishment.

"I have referred to the fiasco of the Treaty of Versailles.

That failure was due less to the onerous terms of the treaty itself than to the fact that the Allied Powers too soon grew weary of the burdens of occupation and too quickly relaxed the controls that were necessary to give the German people time to re-mould their political and economic institutions along peaceful and democratic lines. If, because of the shifting power relations in Asia and the Far East, the United States should feel compelled to accelerate the rebuilding of Japan, we who are Japan's immediate neighbors and former as well as potential victims have yet a right to insist that our interests and our welfare be not sacrificed too readily to the calculations of one group of men, however well intentioned. We have a right to demand that we be consulted, that our views be considered in order that policies which involve our very existence may be carefully examined in the light of the threats that confront us from various directions.

"All the countries in the Pacific are thus confronted by dangers, internal as well as external. Of the last kind, there is more than one that we fear. We of the Philippines who know Japan as the Americans can never hope to know it have reasons of our own to insist that this natural and logical fear of Japanese power be not ignored as if it were a mere figment of the imagination, unworthy of serious attention.

"The solicitous concern of the United States for Japan does credit to the generous good-heartedness of the American people. It is, however, proof also of a possible miscalculation that can have the most terrible consequences. It does the American people great honor to be able so soon to forget Pearl Harbor, Corregidor and Bataan. But have we any right to assume that the Japanese people have equally forgotten the two atomic bombs that the United States dropped on Hiroshima and Nagasaki? We Filipinos think we know both the Americans and the Japanese

equally well, and we would be very much surprised indeed if an identical attitude of 'forget and forgive' has replaced the bitter resentment and vindictive spirit which is natural in all defeated peoples but which is greatly accentuated in a people as proud and arrogant as the Japanese have shown themselves to be throughout their history.

"So, if we help Japan to stand on its own feet once more and, on top of that, place in its hands the weapons of war as a faithful and valiant ally, we run not only the peril of having those weapons turned against ourselves by an unregenerate nation, but short of such treachery, we run the additional peril of placing Japan in a position where it can use, for purposes of blackmail, its newly-acquired strength to wrest further concessions from us and to play against each other the two powers that are now competing for its adherence and support.

"Beyond the legal rights and moral obligations that are implicit in this question, I would like to express the keen regret of my Government that the United States Government should not have considered it practical and wise to have given us advance notice of its intentions. It is customary, I believe, for countries that regard each other as allies, and it is certainly almost obligatory for countries so closely related to each other as are the United States and the Philippines, to seek mutual counsel and re-assurance before a policy of such far-reaching importance as this is publicly announced and embarked upon.

"The United States Government has, no doubt, rightly expressed concern for the American taxpayer. But we may well question the implication that the American taxpayer, who is spending billions for the Marshall Plan, is so unwilling to pay one cent more for the occupation of Japan that he would approve of any

any measure whatever that would relieve him of this obligation, even if it should mean condemning his friends and allies to a life of fear and potential subjection to the self-same enemy against whom so lately they fought together. I refuse to believe, Mr. Chairman, that American generosity toward a former enemy can go so far as to cancel or displace the loyalty of the American people to their friends and allies.

"In the meantime, my Government finds itself in the difficult position of having to allay an aroused and embittered public opinion in the Philippines. For us, unfortunately, it is not merely a question of pleasing over-burdened taxpayers. It is a question of telling people who lost all they had during the Japanese occupation, who sacrificed parents, children and all in the struggle against the enemy, who kept the American flag flying in their hearts for three long desperate years on Bataan and in the hills—it is a question, I say, of telling them and making them believe that American has not abandoned and forsaken them for the favors of a new-found friend.

"The Voice of Freedom that spoke to them over the radio from Corregidor during the Battle of Bataan and that continued to speak to them from America after the surrender, calling upon them to keep up the struggle against the enemy because America would redeem her pledges when victory was won—that voice is silent now. What are we going to tell them, and how?"

Thank you, Mr. Chairman. I am releasing this statement to the press.

GEN. MCCOY: We have listened to two statements that are pertinent to this problem which will receive the due consideration of this Commission and of also my Government. For the moment I'm going to declare a seventh inning recess of five minutes.

(The Commission recessed at 11:50 A.M.)

(The Commission reconvened at 12:00 N.)

GEN. MCCOY: I think we can now come into session again, gentlemen.

Are there any other representatives that are concerned this morning in the sense of following these able and moving statements of China and the Philippines?

(No response)

GEN. MCCOY: They will be given due consideration. I might say to the Philippine delegate, in his reference to that well-known authority, the "New York Times", of course that is a paper that we always consider very understandably and I think it deserves quotation. But in this particular case, in reading it myself, not having consulted my Government, it seemed to me that the "New York Times" representative rather took a good many straws to make up a very interesting article. But it hadn't any basis in fact in a good many of his statements and particularly I want to just mention one--not with the idea of replying to your very able statement--but in the reference to this military resurgence of Japan we are all of course very vitally interested in that and I can re-assure you that that part of his statement is one that I can for the moment state there is no intention of forming or allowing the formation of a national defense force for Japan. The idea was rather speculative, as you remember, and based on the well-known fact that the Japanese, that is the present Japanese police force is inadequate for the normal internal police tasks of the country. So with that remark I will refer your full statement and that of the Chinese representative to my Government for their thorough and due consideration.

GEN. MCCOY: There are no other matters that the Chairman has this morning.

ITEM 5 - a LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARD JAPANESE INDUSTRY (FEC-242/32; /35, /37)

- b LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARD SHIP-BUILDING AND SHIPPING (FEC-297/10)

ITEM 6 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (FEC-299/5; /6, /7, /8, /9, /10)

ITEM 7 - REPORT OF COMMITTEE NO. 1 TO THE FAR EASTERN COMMISSION REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)

ITEM 8 - ECONOMIC STABILIZATION IN JAPAN

(There was no discussion of the above items.)

ITEM 9 - OTHER BUSINESS

GEN. MCCOY: Have any of you gentlemen anything to take up under this heading?

a. Priority for Patent Applications in Japan (FEC-333/7)

MR. BAZYKIN: Mr. Chairman, I have a statement to make.

In connection with the arbitrary action of General McCoy, Chairman of the Far Eastern Commission, in ruling that the question of the illegal issuance by the United States Government of an interim directive on priority for patent applications in Japan be removed from the agenda, the Soviet delegation is forced to return to this question again.

In its statements of April 14 and May 12, 1949, on the subject of the issuance by the United States Government of the above-mentioned directive, the Soviet delegation adduced well-grounded arguments which testified to the illegality of the issuance of this directive and the unfoundedness of the United States representative's reference to paragraph III-3 of the Terms of Reference of the Far Eastern Commission in justification of the issuance of this directive. The Soviet delegation drew the attention of the Commission to the assertion made by the United States representative in his statement of April 28, 1949, to the effect that the right of the United States Government to

issue interim directives was not, allegedly, limited by the conditions provided for in paragraph III-3 of the Terms of Reference of the Far Eastern Commission and that it, allegedly, could utilize this right also in such cases when, due to disagreement, the Commission was unable to formulate its policy, that is in such cases when, due to a lack of majority or due to a negative vote of one of the four Powers, the Commission rejected one or another draft policy decision.

The Soviet delegation raises the subject again because in this case the matter involves the foundations of principle for the Far Eastern Commission's activities. No one can deny that no organization, not to mention such an important international organization as the Far Eastern Commission, can act without specific established principles which lie at the basis of its activities. These fundamental principles and their observance, especially by the nations who established them, are the guarantee for the successful work of this organization; on the other hand ignoring these principles, their systematic violation, and attempts of any nation to establish its own rule in the Far Eastern Commission can lead only to undermining the foundations of this organization. It is just this practice based upon a longing for the establishment of its own rule in the Far Eastern Commission that the United States Government is apparently being cramped by the framework of this Commission, which hampers the United States in carrying out a policy of its own in Japan. Such a conclusion is confirmed by the United States representative's statement of April 28, 1949.

Although at the last meeting of this Commission the United States representative did not reply to my direct question, as to whether his statement of April 28 should be understood in the sense that the United States still intended to carry out a policy which had not received the approval of the majority of the Commission members, nor the concurrent votes of the four Powers, nevertheless, having confirmed his statement of April 28, he did not deny that his Government

intended to adhere to such a practice. This is corroborated likewise by the arbitrary action of the Chairman of This Commission, General McCoy, who, contrary to the procedure for the adoption of decisions by the Commission, (as established in the Terms of Reference of the Far Eastern Commission, ruled that the subject introduced by the Soviet delegation be removed from the agenda notwithstanding the objections of the Soviet delegation and in spite of the fact that no formal proposal to remove the subject from the agenda had been introduced by any delegation and, consequently, the question had not been put to a vote. Such an arbitrary procedure should not take place in the Far Eastern Commission.

The Soviet delegation is of the opinion that the question raised by it in respect to the illegal actions of the United States Government is of great importance as a matter of principle and should be thoroughly discussed by the Commission. The Soviet delegation objects to the arbitrary action of the Chairman of the Far Eastern Commission, General McCoy, in ruling that this question be removed from the agenda and insists that it be kept on the agenda of the Commission until the United States Government clearly states whether, in issuing interim directives, it intends to adhere to the principles established in the Terms of Reference of the Far Eastern Commission.

GEN. MCCOY: Well I think the questions raised are pertinent to the former statements of the Soviet representative, which were on the agenda for a month for discussion and where opportunity was given each week for that purpose. The statement of which he still asks discussion is of course always open, but so far the discussion has been on the part of the Soviet rather than the Commission. The Commission itself has had full opportunity to discuss these questions and no member indicated that he desired to do so.

As regards the arbitrary action charged against the Chairman, my remembrance is that it was quite the opposite--that I, as Chairman, deferred to the Commission--not to the Soviet representative

except as a member of the Commission--and the Commission sustained the ruling of the Chairman, which still remains. Now what more does the Soviet representative wish to do? What action does he wish the Chairman to take?

MR. BAZYKIN: Mr. Chairman, as I have already stated, the Soviet delegation desires that this item be kept on the agenda and at least the Soviet delegation desires to hear the answer from the United States representative to the question given in this statement.

GEN. MCCOY: How does he wish to have it restored to the agenda after the action of the Commission?

MR. BAZYKIN: This question was not taken from the agenda by the Commission--it was removed by the arbitrary action of the Chairman of this Commission.

GEN. MCCOY: I beg your pardon. I asked the Commission several times if there were no objection--there were no objections except on the part of the Soviet representative. I'm entirely, as Chairman, in making my rulings the creature of the Commission--not of the Soviet representative nor of my own power as Chairman. I defer entirely in these procedural questions to the members of the Commission.

MR. BAZYKIN: Mr. Chairman, I consider that it would be incorrect to make distinctions between the Commission and the Soviet delegation, and I believe that if the Soviet representative expresses a desire that this item be retained on the agenda it is quite enough.

GEN. MCCOY: It is not on the agenda. Does he (Mr. Bazykin) wish to make a motion for the Commission to act to restore it to the agenda?

MR. BAZYKIN: Mr. Chairman, this item was on the agenda of this Commission and I don't understand why you ask me to make any motion. I simply wish that this item be restored to the agenda.

GEN. MCCOY: Well I have made the ruling that, with the approval of the Commission, it be taken off the agenda. Now, since it was taken off by the action of the Commission it can only be restored by

the action of the Commission, and that can be done by the Soviet representative making a motion to that effect.

MR. BAZYKIN: Mr. Chairman, as I have already said, this item was removed from the agenda by the arbitrary action of the Chairman of this Commission and not by action of the Commission.

GEN. MCCOY: Well the record shows otherwise, and if there is no motion before the Commission to restore the item to the agenda it will remain off the agenda, subject to the action of the Commission.

There being no motion before the Commission, we stand adjourned.

(The meeting adjourned at 12:20 P.M.)

CONFIDENTIAL

FAR EASTERN COMMISSION

Transcript of 156th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.

Thursday, June 2, 1949

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

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FAR EASTERN COMMISSION

Transcript of 156th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, 2 June, 1949

Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
His Excellency Mr. N. J. O. Makin	(Australia)
Mr. R. E. Collins	(Canada)
His Excellency Dr. W. K. Lee	(China)
Mr. J. Daridan	(France)
Mr. S. N. Banerji	(India)
Mr. G. J. Jobsis	(Netherlands)
Mr. G. R. Laking	(New Zealand)
His Excellency General C. P. Romulo	(Philippines)
His Excellency Mr. A. S. Panyushkin	(U.S.S.R.)
Mr. H. A. Graves	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

Reporter: Mr. R. Holtz, Department of State--FEC

(The 156th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:35 A.M., 2 June 1949, Major General Frank R. McCoy, Chairman.)

GEN. MCCOY: Good morning. I welcome back our ubiquitous ambassadors from the United Nations and declare the session open for the morning.

ITEM 1 - CORRECTION AND APPROVAL OF THE PROVISIONAL MINUTES OF THE 155th MEETING

GEN. MCCOY: The minutes of the last meeting are for your consideration. The Secretary General has had no notice of any corrections. Are there any before us now?

(No response)

GEN. MCCOY: If not, the minutes will be made a matter of record in the usual way.

ITEM 2 - JAPANESE PARTICIPATION IN INTERNATIONAL RELATIONS (FEC-339, FEC-339/2, FEC-339/3)

GEN. MCCOY: FEC-339 is a proposed policy decision submitted by the United States representative on the 21st of April and the other papers are queries and replies. French views are contained in FEC-339/2 and a United Kingdom statement in FEC-339/3. The subject was also, on May 19th, referred to Committee No. 4, and on May 26th the United States representative offered a reply to the United Kingdom query on consular arrangements. The Australian representative also stated the views of his Government.

Are there any other views to be considered this morning or discussion on this proposed policy paper?

(No response)

GEN. MCCOY: There seem to be none and it will remain on the agenda.

ITEM 3 - JAPANESE MEMBERSHIP IN INTERNATIONAL CONVENTION OF TELECOMMUNICATIONS (FEC-334, /1, /2, /3, /4, /5, /6)

GEN. MCCOY: This has had a long history you will remember and was originally brought up in the usual manner through the working committee and the Steering Committee. There has been considerable discussion that I will not specifically mention and with which I think you are familiar. There was no discussion at the last meeting.

Is there any discussion desired this morning?

(No response)

GEN. MCCOY: There seem to be none and with your permission I will continue the item on the agenda.

ITEM 4 - LABOR POLICY IN JAPAN (FEC-318/20)

GEN. MCCOY: This is, as you know, a new item on the agenda and has just been approved by the Steering Committee. It is a proposed policy paper and is before us for discussion and consideration.

MR. PANYUSHKIN: Mr. Chairman, I have a question.

In the note by the Secretary General to the paper FEC-318/20 nothing is said about the results of the discussion of the Soviet proposal and nothing is said that the question of labor policy was raised by the Soviet delegation. In accordance with this note it seems that the Commission is to discuss only the Australian resolution. I would like to ask whether this was a technical error or whether it was intended to discuss this matter in this way?

GEN. MCCOY: My understanding is that the Soviet position and statements were considered in the working committee and that this very point was brought up in the Steering Committee and the Steering Committee sent up just this particular paper. However I'm very glad to have the Soviet Ambassador state his wishes in connection with his own position.

MR. PANYUSHKIN: Mr. Chairman, it seems to me that in this note by the Secretary General the results of voting on the Soviet proposal should have been noted and that would give opportunity to discuss the

Soviet proposal. If the Chairman has no objection, I would ask for correction of this unfortunate error.

GEN. MCCOY: Well if you would read the cover sheet on this particular paper, or I will do it myself:

"The enclosure, a proposed policy decision on labor policy in Japan, approved by the Steering Committee at its 143rd meeting, 31 May 1949, is forwarded for the consideration of the Far Eastern Commission. The vote to approve and forward the enclosure was 6 in favor...to 1 opposed...with 4 abstentions..."

There is no error at all because the paper to which the Soviet delegate refers was not forwarded by the Steering Committee. There is no error on the part of the Secretary General. Now if the subject matter that's before us with the forwarding action by the Steering Committee--of course, the Soviet representative is at perfect liberty to have any wish of his considered here by the Commission. In what form does he wish to have it considered? Does he wish to make a statement or does he wish the matter presented-- Or I would think probably the only way, in view of the fact that it is not on the agenda and was not sent up by the Steering Committee, would be some statement of the delegate, if he wishes to make it, in which he asks discussion of the Soviet proposal.

MR. PANYUSHKIN: Mr. Chairman, this question has undergone some changes. As is known, this question was raised in the Far Eastern Commission on the initiative of the Soviet delegation. As I remember it was on March 10th that the Far Eastern Commission decided to refer the discussion of the details of the Soviet proposal to the Joint Committee on Labor composed of members of Committees No. 2 and 4. It would be logical if this proposal, after discussion at the Joint Committee, would return to this Commission. However, this question has been returned to the Commission as if this proposal was raised by the Australian delegation. I say, this question has undergone

some changes and it cannot be understood. Therefore I believe that the discussion of this question should commence not with a discussion of the Australian proposal but with a discussion of the Soviet proposal. Now this question is turned upside down and now we should put it on its own feet.

GEN. MCCOY: Well I would suspect--I don't remember what the action of the working committee was--but I do know that this was considered by the Steering Committee and the Soviet proposal was not adopted. The Australian proposal was adopted and forwarded in the usual way. I mean, it's a perfectly routine consideration. As the Soviet representative states, the first proposal was that of the Soviet representative and it was considered with the other proposal of the Australian representative and has come through the mill in the usual way--the working committee and the Steering Committee--and it comes to us with the action as before you this morning. Now, there is no error as far as the procedure is concerned that I am aware of; it has been a perfectly routine and proper way of considering the various statements and positions of the delegates. Now, what is the Soviet representative's wish under the circumstances?

MR. PANYUSHKIN: I am glad, Mr. Chairman, that you recognize this question was raised on the initiative of the Soviet delegation, and this question was raised at the Far Eastern Commission. As you remember, at that time I objected to reference of this subject to the Joint Committee and thought that it should be discussed at the level of the Far Eastern Commission. I will repeat once again that it seems to me this Commission should commence its consideration of this subject with a discussion of the Soviet proposal. However, if you consider that there was no error in presenting this subject as it is, I'll make a statement:

"As is known, discussion of the subject of labor policy in Japan was commenced many months ago in connection with the fact that General MacArthur, on July 22, 1948, requested the

Japanese Government to prohibit the workers of government enterprises and institutions to conclude collective agreements and to resort to strikes. Later, under pressure of the United States occupation authorities, the Japanese Diet adopted the revised National Public Service Law and the law in respect to labor relations in public corporations, as a result of which a great part of Japanese workers was deprived of their elementary rights to fight for their vital interests.

"The Soviet delegation in its statement on labor policy of March 3 adduced facts testifying that the above-mentioned laws are in direct violation of the Potsdam Declaration in respect to Japan and the policy decisions of the Far Eastern Commission in respect to the democratization of Japan, in particular the policy decision FEC-045/5, Principles for Japanese Trade Unions. Simultaneously, the Soviet delegation introduced a proposal to be adopted by the Far Eastern Commission to the effect that on the part of the Supreme Commander measures should be taken to abrogate the above-mentioned laws and also to prevent the adoption by the Japanese Diet of new laws changing the Trade Union Law and the Labor Relations Adjustment Law, the drafts of which were published by the Japanese Government on February 14, 1949.

"I would like to remind the Commission that according to its decision of March 10 there was created a special Joint Committee composed of the members of Committees No. 2 and 4 for discussion of the details of the Soviet statement of March 3 and the Soviet proposal on this question. Therefore it would be quite natural and correct if the Commission were informed of the results of the discussion of the Soviet statement of March 3, 1949, and the Soviet proposal in the Joint Committee and later in the Steering Committee. But in FEC-316/20, which referred the Australian resolution approved by the Steering Com-

mittee, there is nothing said about the results of the discussion of the Soviet proposal. During the discussion of this question in the Joint Committee and in the Steering Committee, which continued for three months, no representative denied the facts adduced by the Soviet delegation in respect to the violations of the above-mentioned decisions of the Far Eastern Commission. Moreover, during this time, namely on April 30, 1949, the drafts of the Trade Union Law and the Labor Relations Adjustment Law, published by the Japanese Government on February 14, were introduced into the Diet and on May 22 were adopted by the Diet.

"In its statement in the Steering Committee of May 24, paper SC-318/18, the Soviet delegation adduced a number of facts which testified that the recent legislative acts of the Japanese Diet were in further violation of the policy decisions of the Far Eastern Commission. I'm not going to adduce again these facts in this Commission since in document SC-318/18 these facts have already been given, but I would like to point out that in spite of the fact that the Soviet resolution is clearly much better and provides that policy decisions of the Far Eastern Commission be strictly fulfilled in Japan, the majority of the delegations preferred to support the Australian resolution which only repeats absolutely the clear fact that the policy decision of the Far Eastern Commission FEC-045/5 applies to workers in government enterprises in Japan. The Soviet delegation considers that this Commission cannot remain in the role of foreign observer while in Japan there are systematic violations of its policy decisions in respect to the democratization of Japan by the United States occupation authorities and the Japanese Diet.

"Proceeding from this, the Soviet delegation formally

introduces for discussion in the Commission its proposal on labor policy which is contained in Enclosure 'B' of SC-318/19 and believes that this proposal should be thoroughly discussed and approved by the Commission."

GEN. MCCOY: I'm informed that the whole subject, including the Soviet statement and the discussions pertinent, was referred to the committee in the usual way, considered by the committee, and the Australian proposal I believe was acted upon while the Soviet statement was voted down. The Steering Committee considered them both, however. The minutes of the Steering Committee are available to the Commission and the procedure has been entirely consistent and normal and proper in the procedure of this Commission from the view of the Chairman. However, in view of the statement of the Soviet Ambassador, I ask the Commission to consider it and would be glad to hear any discussion or motion or action desired by the Commission or any member of it.

(There was a brief pause in the proceedings for consultation.)

GEN. MCCOY: I'm not for the moment asking your consideration of the proposal submitted by the Australian delegate and forwarded to the Commission, but the statement this morning of the Soviet Ambassador with regard to his statement, which, as I have explained, has been given thorough and due consideration on the way up and is now before us again. The subject as stated by the Ambassador is now before you for discussion or action, as you desire.

GEN. ROMULO: Mr. Chairman, it may be well for us to have the opportunity to see the Soviet Ambassador's statement once printed in the minutes and then, after we have read it and studied it, maybe we can take it up at the next meeting.

MR. WAKIN: Yes.

GEN. MCCOY: Is that the sense of the Commission?

(The French representative indicated affirmation.)

GEN. MCCOY: It seems to be so. It will be considered after

having been before the Commission in the form of the minutes of this meeting.

MR. LAKING: Mr. Chairman, I would just like to be clear as to what the situation is. As I understand it the Commission now has before it two proposals, that is to say, the one that has come up in the form of FEC-318/20 approved and forwarded by the Steering Committee and now again the Soviet proposal re-introduced. I take it that that is formally before the Commission and we are not asked to consider particularly the Soviet statement but to consider the original Soviet proposal which, as I understand from the statement, has now been formally re-introduced. Is that the correct understanding of the situation?

GEN. MCCOY: Has the Soviet Ambassador any comment on Mr. Laking's request for a ruling? Possibly, to make sure that the Soviet delegate understands your query for a ruling, would you state it again?

MR. PANYUSHKIN: Mr. Chairman, the purpose of today's statement was to correct the error which was made and to discuss thoroughly the Soviet proposal. As I have already stated, this question was introduced originally by the Soviet delegation. Unfortunately, now, in the Twentieth Century some questions disappear and become, so to say, invisible. But the fact remains that this subject was raised by the Soviet delegation and it appears that instead of discussing the original proposal it is proposed to discuss here the results of discussion of the Australian proposal. Therefore I desire that this Commission should discuss the Soviet statement and proposal together with the draft referred to this Commission by the Steering Committee. The situation appears to be that the Australian delegation becomes, so to say, a bride which is going to be married without consent and, on the contrary, the Soviet delegation has become the bride which wants to get married but is not permitted to do so. But

as strange a situation has arisen. We introduced the proposal; it was discussed at the Commission. Then it was discussed at the Joint Committee and the Steering Committee. But now it returns in some other form. Therefore it is necessary to correct this error and in this connection I made this proposal this morning, and because the Chairman thought that there was no error in returning this question in the form as it appears in the paper under discussion.

GEN. MCCOY: Well I follow the Ambassador and I'm trying to be reasonable--not too sweetly reasonable. And I assure you that before the nine months are passed we will have thorough consideration of this question. There is now an effort of helpfulness on the part of the New Zealand delegate to have a clear-cut proposal before the Commission and the Philippine delegate has shown the way that that can be done. I would be perfectly willing to have it discussed now or at any other time, but in view of the background I think that it would be wise to have this statement of the Soviet Ambassador, who insists on his own motion as against the very careful and proper procedure of this Commission, reconsidered at this level. He has a perfect right to do that and I am prepared to give him the time, and possibly at the next meeting of this Commission we can have a definite motion and put the Soviet statement and reasons to a vote of the Commission, as it has already been voted on on the way up in the working committee and in the Steering Committee.

So, is that the sense of the Commission?

MR. LAKING: Mr. Chairman, I just wanted to confirm what I understood to be the case, that we now have two formal proposals before the Commission. In other words, the Soviet Ambassador would like to have a double wedding which may or may not need a double-barrel shotgun depending on how you look at the position of the Australian bride or of the Soviet bride. I would be quite happy to see it voted on this morning, but as other members wish to have a discussion I would be happy to see it deferred.

GEN. MCCOY: Yes. If there is no objection, the Soviet proposal before you in the minutes will be acted on at the next meeting of the Commission, having prior action of the Commission in view of our normal procedure.

MR. PANYUSHKIN: Mr. Chairman, I quite agree with the opinion expressed by General Romulo that the members of this Commission require some time to study the Soviet proposal, and I quite agree that thorough discussion should be resumed at the next meeting of the Commission.

GEN. MCCOY: If there is no further discussion on this subject, we will hold this item on the agenda with the proposal of the Soviet delegate included for action at the next meeting of this Commission.

ITEM 5 - JAPANESE REPARATIONS AND LEVEL OF INDUSTRY (FEC-340, /1, /2, /3)

GEN. MCCOY: I have no further information on the next items this morning.

MR. LAKING: Mr. Chairman, I have a short statement to make on this subject. This is actually just an inquiry for information.

My Government is considerably disturbed not only by the future situation in relation to Japan which is contemplated in the United States statement of the 12th of May but also by the manner in which it is proposed that this be brought about. They may, and I think certainly will, want to make detailed comments on both these aspects at a later date. In the meantime I would like to have certain information to assist them in their consideration of the matter and they have instructed me to pose the following inquiry which I have had prepared in the form of a very short statement for the assistance of the Commission.

"As a result of the statement of the United States delegate on May 12, 1949, the New Zealand Government are necessarily reconsidering their attitude to the problem of Japanese reparations and level of industry. In assessing the respective

claims of Allied security and Japanese viability--which in their view is the fundamental issue involved--the New Zealand Government find themselves confronted by a number of conflicting estimates of existing productive capacity in certain of the 'war-supporting industries' in Japan (as defined in FEC-084/21), and they are embarrassed by the absence of any precise and official estimate of the magnitudes upon which the statement of the United States Government is based.

"I have therefore been requested to seek, through the good offices of the United States representative, the latest official figures on:

- (a) the operable productive capacity in the primary war facilities and in the 'war-supporting industries' listed in FEC-084/21, which Japan now has at its disposal;
- (b) the percentage thereof being currently operated, insofar as estimates are available; and
- (c) details for each industry of removals under the Advance Transfers Programme instituted by the United States Interim Directive of April 4, 1947;
 - (i) capacity already removed from Japan,
 - (ii) capacity, such as that allocated but not yet shipped, which it is proposed still to uplift."

Thank you, Mr. Chairman.

GEN. MCCOY: I will refer that to my Government for reply.

ITEM 6 - a LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARD JAPANESE INDUSTRY (FEC-242/32; /35, /37)

- b LEVEL OF ECONOMIC LIFE IN JAPAN: POLICY TOWARD SHIPBUILDING AND SHIPPING (FEC-297/10)

ITEM 7 - REPARATIONS REMOVALS: ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (FEC-299/5; /6, /7, /8, /9, /10)

ITEM 8 - REPORT OF COMMITTEE NO. 1 TO THE FEC REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)

ITEM 9 - ECONOMIC STABILIZATION IN JAPAN

(There was no discussion of the above four items.)

ITEM 10- OTHER BUSINESS

GEN. MCCOY: I ask your action under the heading "Other Business".

GEN. ROMULO: Mr. Chairman, I would like to know whether there is any special reason why we have to meet on Thursday.

GEN. MCCOY: You mean the regular Thursday meetings?

GEN. ROMULO: Yes. Is there any special reason agreed upon by all the members why we have to meet on Thursday?

GEN. MCCOY: Yes, there were quite a number that were brought up at the time when we decided on Thursday, having to do with the convenience of the members as expressed at the time and also with regard to the work of the Secretariat in the preparation of documents after the meetings of the working committees and of the Steering Committee.

GEN. ROMULO: Is there any possibility and would there be any objection on the part of the distinguished colleagues in this Commission and on the part of the Secretariat to meet on Fridays instead of on Thursdays?

GEN. MCCOY: Well there were at the time. I will refer to the Secretary General--I don't remember very well. I remember I personally wanted to meet on Friday, but that was a personal desire.

GEN. ROMULO: It would be better for us who have to come from New York.

GEN. MCCOY: The Chairman doesn't have as much work to do as the other members of this Commission and I thought for my own personal pleasure and interest that I might have a longer weekend if it had been on Friday.

GEN. ROMULO: It is quite difficult for those who work in New York, as I do, to break the week on Thursday, come here, and then go back to New York on a Friday, you see, as I have to do this afternoon. I have to fly this afternoon and then come back here again Saturday. I was just wondering if there is an ironclad rule and if there is any possibility of re-arranging it. I certainly would appreciate it.

Then I can come here Friday and stay here Friday, Saturday and Sunday. You see, at Lake Success the Commission on Human Rights is meeting now and I have to go to the Subcommittee on Freedom of Information.

GEN. MCCOY: We will certainly give consideration to the wishes of any delegate, and I will ask the Secretary General to go back and survey the subject. I would like any delegate who wishes to join with General Romulo or make any other suggestion. It's a movable feast in a sense, and I remember that there were good reasons at the time that finally caused us to choose Thursdays. I think it was largely due to the meetings of the working committees and the Steering Committee during the early part of the week and the opportunity given the Secretary General to do his work for the coming week as well as the past time. But it's a subject always open to consideration. I will ask the Secretary General to survey the whole subject.

b. Discussion of Soviet Statement on Chairman's Ruling regarding Removal of FEC-333/7 from Agenda

MR. PANYUSHKIN: Mr. Chairman, I would like to make a short statement.

"On May 19, 1949, the Chairman of the Far Eastern Commission, General McCoy, without agreement on the part of the Commission, removed from the agenda of the Far Eastern Commission the paper FEC-333/7. The Soviet delegation is of the opinion that such actions of the Chairman of the Commission, the United States representative, General McCoy, are illegal.

"General McCoy used such illegal action in spite of the fact that at the last meeting of the Commission the Soviet delegation pointed out that such practice of arbitrariness on the part of the Chairman is not permitted in the Commission, which is an international organization. As is known, in such international organizations there is an elementary rule to adopt decisions on the basis of specially-established principles, that is by the way of voting and not by arbitrary and illegal

actions of the Chairman.

"I believe that the members of the Far Eastern Commission would agree that this action of General McCoy was as a result of his personal wish and intention to remove at any cost from the agenda of the Commission unfavorable for the United States delegation questions in respect to illegal issuance by the United States Government of an interim directive on priority for patent applications in Japan.

"In his attempts to remove this paper from the agenda, General McCoy, at the meeting of the Far Eastern Commission on May 19, in violation of the existing rules, tried to establish absolutely abnormal procedure having stated that paper FEC-333/7 might be retained on the agenda of the Commission only in case the Soviet delegation introduced for voting an appropriate proposal and if the Far Eastern Commission adopted that proposal. Although there was no necessity of introducing such a motion because of the fact that no one of the members of the Far Eastern Commission introduced a proposal to remove this item from the agenda, General McCoy, acting arbitrarily, considered it possible for himself to remove this item from the agenda. I believe that the attempt of the Chairman of the Commission, General McCoy, to introduce into the work of the Commission such illegal practice cannot be supported by the members of this Commission and should be condemned.

"Proceeding from the above, I formally introduce the paper FEC-341, Soviet Statement on Chairman's Ruling regarding removal of FEC-333/7 from Commission Agenda, into the agenda of the Far Eastern Commission as a procedural question."

GEN. MCCOY: Well I have for two or three sessions of the Commission, in the absence of the Ambassador, fully discussed this. There was no arbitrary action. I was very careful to put the case

before my colleagues for any objection. There was no objection made. All the requests that the Soviet Ambassador made in his original statement were carried out, that is it was kept before the Commission, every effort was given to the Commission to discuss it as was requested, and there was no discussion desired and I made a ruling subject to the action of the Commission. There was no [redacted] action of the Commission--no objection except on the part of the Soviet representative, and it being a procedural question I removed it, not as Chairman but as the action of the Commission.

Now since, if I were trying to bind myself by the Rules of Order, I would still be within the rights of the chairman to not sustain any appeal from my former action as sustained by the Commission. I will read from the Rules of Order:

"An appeal may be made from any decision of the chairman, except when another appeal is pending, but it can be made only at the time the ruling is made. It is in order while another member has the floor. If any debate or business has intervened it is too late to appeal."

But since the Ambassador in his absence apparently does not understand what happened on the Commission--by action of the Commission, I will be glad to consider his appeal and put it before the Commission. I'm the creature of the Commission; I am not acting arbitrarily--never have--and I'm fully prepared to carry out the action of the Commission--not of the one representative unless he is sustained by the Commission. That was not the case three different times that this was brought up and fully considered.

Gentlemen, the appeal of the Soviet delegate is before you. Is there any action desired beyond what I have already taken as your chairman and representing your wishes?

GEN. ROMULO: Mr. Chairman, just to help clarify the parliamentary situation as it exists now, it would seem that the Soviet delegate wants to restore the item in the agenda which has been dropped.

In so proposing that, once a vote is taken on that proposal we would have ended this matter whether the Commission is in favor of restoring to the agenda the item that has been dropped. Now that seems to be the gist of the statement made by the Soviet delegate this morning.

GEN. MCCOY: I have invited him at every other meeting to make a motion to that effect.

GEN. ROMULO: Well apparently that is made now. So, at least the Philippine delegation is ready for the question.

GEN. MCCOY: I'm informed he has not made a motion and has simply made a statement. That was the procedure that his former delegate also had. He is not asking a restoration of the original subject to the agenda but is now introducing a censure of the Chairman.

GEN. ROMULO: May I address an inquiry to the Soviet delegate? Is it not the gist of that statement that you request the Commission to restore the item on the agenda?

MR. PANYUSHKIN: Mr. Chairman, unfortunately I wasn't present at that meeting at which the violation of procedure occurred, but I was informed by my alternate, Mr. Bazykin, of the proceedings here and I am acquainted with the question from the minutes and the papers. This subject was on the agenda of the Far Eastern Commission. There was no proposal on the part of the members of the Commission to remove this item from the agenda, and consequently this question was not put to a vote, since there was no proposal to remove this paper from the agenda. The Chairman of this Commission, General McCoy, according to his own wish, removed this item from the agenda.

GEN. MCCOY: That was with approval of the Commission.

MR. PANYUSHKIN: There was no such approval, Mr. Chairman.

GEN. MCCOY: Well there is a difference of opinion then.

MR. PANYUSHKIN: If you don't consider that in the Far Eastern Commission there is also the Soviet delegation, if you consider that there were no Soviet delegation in the Far Eastern Commission, perhaps according to your own conclusion you could have thought that

there were no objection. You say that it is now too late to restore this question because you have already made the ruling, but I believe that it is better to be late than never to correct the mistake that has been made. And I believe it is necessary also to say that a similar statement was made by Mr. Bazykin at the last meeting of the Commission. The Soviet representative said at that time that you were acting incorrectly. Therefore I believe that your statement that it is too late to speak on this subject is without foundation. You didn't take into consideration the opinion of the Soviet representative and the Soviet delegation cannot agree with your action.

You say that this item has been for a long time on the agenda, but we have items which remain on the agenda for three years.

It is quite understandable that for the United States delegation it is not desirable that this item remain on the agenda. Naturally that is your business. But the Soviet delegation cannot pass by this violation which was made by you, General. Therefore, today we introduce a proposal as a procedural question.

GEN. ROMULO: Mr. Chairman, referring back to the parliamentary situation as it exists now, I read this statement of the Soviet delegate, and he says: "The Soviet delegation insists that it be kept on the agenda of the Commission". Thus I take it that this is a proposal. If that is a proposal submitted by the Chairman to the Commission, I am sure we are ready to act on that matter now.

GEN. MCCOY: Is that the wish of my colleagues? This is a procedural question which the Chairman now puts as the proposal of the Soviet delegate for restoring the item to the agenda. Is that your wish?

MR. MAKIN: But what is the item?

GEN. ROMULO: Patents.

MR. GRAVES: Mr. Chairman, could it be identified by a serial number so that we can know then--

GEN. MCCOY: We will do that if the Soviet, if I am correctly

interpreting his wish and his desire for a vote on the subject.

MR. PANYUSHEIN: Now certain representatives have referred to parliamentary rules. But this is not a parliament here--it is an international organization. A parliament is an internal organization of a state.

I do not make a proposal to re-instate the paper FEC-333/7 on the agenda; I introduce a procedural question.

GEN. MCCOY: Please state exactly what you wish the Chairman to do.

MR. PANYUSHEIN: Mr. Chairman--

GEN. MCCOY: I don't understand: are you speaking of the paper FEC-333/7 or FEC-341?

GEN. ROMULO: First of all, Mr. Chairman, I must say that when I speak of a parliamentary situation I don't mean and I have no reference to parliaments. In international bodies when we speak of a parliamentary situation we speak of the procedural stage where we are. You see, we are not referring to any parliamentary rules of order. Second: I am referring to the item FEC-333/7 which has been removed from the agenda, and I take page 2 of this Soviet statement in which he says that the Soviet delegation, and so forth, insists that it be kept on the agenda of the Commission. Now, since he insists that it be kept on the agenda of the Commission, having expressed no desire to discuss it when the action was taken to remove it from the agenda, if the chair, I say, proposes that it be kept on the agenda now as a proposal of the Soviet delegation I think the Commission is ready to act in consonance with its action of silence at the last meeting when we discussed this.

GEN. MCCOY: Will the Soviet delegate make a motion, please, so that I can put it before the Commission.

MR. PANYUSHEIN: I have already made a proposal.

GEN. MCCOY: Well, please state it so that we will know what he means. There is apparently a difference of opinion as to what he means.

MR. PANYUSHKIN: I made the proposal. I proposed to include into the agenda the paper FEC-341 as a procedural question.

GEN. MCCOY: Will you please submit in writing the proposal of the Soviet delegate?

MR. PANYUSHKIN: We have circulated today's statement and it is a proposal.

GEN. MCCOY: Well I must say that I don't know yet what the Soviet Ambassador wants action on and I would be very glad to have his wishes expressed so that I can put it before the Commission as he wishes. Now it's up to him to present to me exactly what he wants the Chairman to do.

MR. PANYUSHKIN: I believe, Mr. Chairman, that I was quite clear, that I wanted the inclusion into the agenda of this Commission the paper FEC-341, and I believe that in my statement I was quite clear.

MR. GRAVES: Mr. Chairman, this statement as made by the Soviet representative at the last meeting is already in the minutes.

GEN. MCCOY: Yes.

MR. GRAVES: Therefore we have a record of it and I don't see what we should gain by having a second record of it.

GEN. MCCOY: That's why I want to make sure that I understand what the Soviet delegate wants us to do. The paper FEC-341 is already a matter of record with the full statement of the Soviet representative; it has been circulated; it's a matter of record in the minutes. Now from his statement he wants it included again. I can't feel that I am understanding him until I see exactly in writing what he wishes. It's a question apparently of my misunderstanding—we will not point the finger at him. I don't understand what the Soviet Ambassador wants me to do as Chairman representing this Commission. I will put before the Commission anything that he puts to me in writing. I can't conceive he wants this paper, FEC-341, voted on because it's already a matter of record in the Commission and has been acted on in the Chairman's effort to interpret the wishes of the Commission.

MR. PANYUSHKIN: Mr. Chairman, it is natural that if one wishes quite clear questions could be turned to be unclear and such a conclusion may be made after what you said, that you don't understand the wish of the Soviet representative. I'll repeat once again, Mr. Chairman, that my wish is that the paper FEC-341 be included into the agenda of the Far Eastern Commission for discussion of your actions, Mr. Chairman.

GEN. ROMULO: Mr. Chairman, may I be allowed to clarify this situation. It would seem that the Soviet delegate wants this item, Soviet Statement on Chairman's Ruling regarding Removal of FEC-333/7 from Commission Agenda, to be an item in our agenda here. He makes that proposal. Now if the chair submits that proposal to the Commission now I think we'll act on it.

GEN. MCCOY: Is it the desire of the Soviet delegate to have this voted on now--today?

MR. PANYUSHKIN: Mr. Chairman, there is nothing to vote on because each member has the right to introduce any subject he wishes. There are the rules that each member can introduce any subject. Mr. Chairman, do you agree with me?

GEN. MCCOY: Well I generally do on that subject, but this has been one that has already been considered so carefully and the action of the Commission has been taken on the substance of the matter, and I would think that we have had enough discussion on the subject already. So that if the Commission is ready for a vote on this request of the Soviet delegate to have FEC-341 put on the agenda--is that what I understand he wishes?

MR. PANYUSHKIN: There is nothing to vote on; there are no reasons for voting. Do you wish to introduce a new procedure in the Far Eastern Commission? Any member has the right to introduce any subject into the agenda of the Far Eastern Commission and now I wish to use that right. And I will ask you, Mr. Chairman, not to mix this question. I do not ask to restore the paper FEC-333/7 into the agenda;

I ask to include into the agenda a new paper, FEC-341. This paper says that you have violated the rules of procedure, and I ask to include this item into the agenda of the Far Eastern Commission.

MR. LAKING: Mr. Chairman, I wonder whether we couldn't perhaps postpone any further consideration of this; otherwise we may find ourselves meeting on Friday against our own wishes. We could perhaps examine the implications of this and, if necessary, consider it next week.

GEN. ROMULO: Week after next.

MR. LAKING: The week after, Mr. Chairman.

GEN. MCCOY: Under the circumstances, the Chairman will put FEC-341 on the agenda for discussion and action at the next meeting of the Commission, calling attention to the fact that due to the King's birthday the meeting will be two weeks from today.

We stand adjourned.

(The meeting adjourned at 12:05 P.M.)

CONFIDENTIAL

FAR EASTERN COMMISSION

Transcript of 157th Meeting of the Far Eastern Commission

Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.

Thursday, June 16, 1949

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

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FAR EASTERN COMMISSION

Transcript of 157th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, June 16, 1949

Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
Mr. D. J. Munro	(Australia)
Mr. R. E. Collins	(Canada)
His Excellency Dr. W. K. Lee	(China)
Mr. J. C. Winckler	(France)
Mr. S. N. Banerji	(India)
Mr. O. Reuchlin	(Netherlands)
Mr. G. R. Laking	(New Zealand)
Mr. Emilio Abello	(Philippines)
His Excellency Mr. A. S. Panyushkin	(U.S.S.R.)
Mr. J. F. Ford	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

Reporter: Mr. R. Holtz, Department of State--FEC

(The 157th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:35 A.M., 16 June 1949, Major General Frank R. McCoy, Chairman.)

GEN. MCCOY: Good morning, gentlemen: the session is open.

ITEM 1 - CORRECTION AND APPROVAL OF PROVISIONAL MINUTES OF 156th MEETING

GEN. MCCOY: The minutes of the last meeting are for your routine consideration. Have you any, Mr. Secretary General?

MR. JOHNSON: I have no reports of any.

GEN. MCCOY: The Secretary General has no corrections that have been submitted to him. If there are no other remarks or comments on the minutes, they will be made a matter of record as usual.

ITEM 2 - CHAIRMAN OF STEERING COMMITTEE (FEC-206/34)

GEN. MCCOY: I have to announce that Sir Carl Berendsen, our colleague from New Zealand, in view of his additional duties at the United Nations, and for other good reasons, has resigned as Chairman of the Steering Committee. That Committee is of course a very important one, and I think the members have wisely asked you to consider his replacement as Chairman by the representative of Holland, Mr. Reuchlin. If that is your wish, I would accept that recommendation and make it the sense of this Commission, that Mr. Reuchlin continue as he has been acting as Chairman of the important Steering Committee. If there are no objections that will be so ordered.

MR. REUCHLIN: Mr. Chairman, I feel greatly honored by my appointment as Chairman of the Steering Committee. In the first place I would like to express my gratitude to the initiators of this proposal, which was the New Zealand representative in the Steering Committee; also express my thanks to the members of the Commission for having voted for this proposal. May I at the same time tender my resignation now that I have been appointed Chairman of the

Steering Committee as Chairman of Committee No. 7, which is the military committee.

GEN. MCCOY: Committee No. 7?

MR. REUCHLIN: Yes. It's the military--disarmament committee.

GEN. MCCOY: Are there any remarks as to the request of Mr. Reuchlin and his proffer of his resignation as Chairman of Committee No. 7 in view of his acceptance of the chairmanship of the Steering Committee?

(No response)

GEN. MCCOY: There seems to be no objection and it will be made a matter of record of your resignation of Committee No. 7, Mr. Reuchlin. The Secretary General will take note and consider a replacement there.

ITEM 3 - JAPANESE PARTICIPATION IN INTERNATIONAL RELATIONS (FEC-339, FEC-339/2, /3)

GEN. MCCOY: Item 3 is before us for continuing consideration. There have been a number of views expressed. The subject was also referred to Committee No. 4 and is under consideration there. Is there any comment before the Commission this morning on that particular paper?

MR. LAKING: Mr. Chairman, I have a short statement of my Government's views which I would like very much to read, if we might distribute these copies.

(Copies of the following New Zealand statement were distributed to representatives.)

MR. LAKING: "The New Zealand Government are not convinced that Japan has the competence in advance of the conclusion of a peace treaty to undertake the wide international responsibilities comprehended under the United States' proposal (FEC-337), and so long as the technical state of war continues they do not see the way clear to accept that proposal in its present form. The New Zealand Government would not be able to accept the participation

of the Japanese Government, prior to the conclusion of a peace treaty, in arrangements of a predominantly political character. Even in the case of technical conferences they feel that a somewhat anomalous position would be created if the Japanese Government were to enjoy full voting rights. Nor do the New Zealand Government consider that it would be appropriate to delegate to SCAP full discretion over Japanese future international relationships.

"While they cannot agree at this stage to a proposal which would permit Japan to participate in international relations of a political character, the New Zealand Government, having considered the views advanced by the United States Government, would be prepared to consider sympathetically in Far Eastern Commission proposals that Japan should be permitted to adhere to technical agreements in which Japanese participation was agreed to be desirable. Should it not be possible to agree upon a satisfactory definition of such technical agreements the New Zealand Government would be willing to consider each case on its merits.

"The New Zealand Government note that the Far Eastern Commission has already provided for the travel outside Japan of Japanese 'commercial representatives' and would wish to know more about the additional benefits expected to accrue from the establishment of 'consular arrangements' between Japan and other countries before they could agree to the authorization of such arrangements."

GEN. MCCOY: You are conscious of the reply of the United States to the United Kingdom query on that consular subject?

MR. LAKING: Yes, Mr. Chairman.

GEN. MCCOY: Are there any other comments this morning on this important subject?

MR. PANYUSHKIN: Mr. Chairman, the Soviet delegation considers that the proposal of the United States representative of April 21,

1949, that the Supreme Commander be granted the right at his own discretion to permit Japan to participate in international relations, conventions, meetings, consular arrangements and other bilateral and multilateral agreements, as unacceptable since it is in contradiction with the policy decision of the Far Eastern Commission of June 19, 1947, Basic Post-Surrender Policy for Japan, in accordance with which the Japanese Government may, subject to the discretion of the Supreme Commander, exercise functions which are connected only with the questions of their relations. The Supreme Commander is thus not authorized to decide by himself the question of Japanese participation in international relations.

GEN. MCCOY: Are there any other comments from those who have not already stated their views?

(No response)

GEN. MCCOY: These statements and opinions of my colleagues are being considered by my Government and these two this morning will also be carefully considered. With your permission, the item will be kept on the agenda for continued consideration.

ITEM 4 - JAPANESE MEMBERSHIP IN INTERNATIONAL CONVENTION OF TELECOMMUNICATIONS (FEC-334, /1, /2, /3, /4, /5, /6)

GEN. MCCOY: Item 4, a like paper with respect to the International Convention of Telecommunications, has been before us and there have been certain statements submitted by representatives of the Soviet, Australian, New Zealand, Filipino, and Chinese delegations. Are there any other comments on that particular subject this morning?

MR. BANERJI: Mr. Chairman, just for the matter of record, I think we have expressed the views of our Government also on this question. It is not indicated in the summary, but I believe we have.

GEN. MCCOY: Yes, I remember now.

MR. BANERJI: It doesn't matter, Mr. Chairman, except merely to remind the Commission that we have.

GEN. MCCOY: I remember, but it isn't here in my memorandum.

But it is a matter of record, without doubt. Is that the case?

MR. JOHNSON: Yes, Mr. Chairman.

ITEM 5 - LABOR POLICY IN JAPAN (FEC-318/20, /22)

GEN. MCCOY: FEC-318/20 is a proposed policy decision approved by the Steering Committee on the 31st of May by a vote of 6 in favor to 1 opposed with 4 abstentions. On the 2nd of June the Soviet representative re-introduced the proposal shown in FEC-318/22, which had been formerly considered and rejected by the Joint Committee on Labor Policy in Japan and by the Steering Committee. However, the Soviet representative, calling attention to the fact that this subject was introduced on Soviet initiative, wishes it now considered before the full Commission and it is now before you for any further statements on the part of the Soviet representative or any discussion that may be considered pertinent.

I believe in the Steering Committee there was not much discussion on this particular paper in view of the fact, as stated by the Chairman, that there had been very full consideration and discussion in the working committee on the subject. So I presume that you are familiar with that discussion. However, the Soviet Ambassador has introduced it for the purpose of full consideration here before the Commission. I made the ruling, I think, at the time that in view of the action of the Steering Committee on the Australian proposal which was forwarded by the Committee, the Soviet statement was in the nature of a substitution for the Australian paper and that I would, under the normal rules of procedure, consider that first in its form, that, although it is not worded in such a way, I would assume that the Soviet Ambassador would consider it as a substitution for the paper forwarded by the Steering Committee. If that is agreeable to the Soviet representative, we will consider it in that light and when the Commission, or he, desires to have a vote on it I will accept that proposal as a substitute for the Australian paper for the purpose of this Commission and having a formal vote on it. Is that

agreeable to you, Mr. Ambassador?

MR. PANYUSHKIN: I haven't clearly understood of what voting you are speaking of now. I haven't understood your proposal just now.

GEN. MCCOY: Well I'm trying to consider it the way the Ambassador wishes. If my proposal is not acceptable to him I would be very glad to consider what he wishes done.

MR. PANYUSHKIN: At the last meeting of the Far Eastern Commission I introduced this proposal in order that the Commission consider it thoroughly. It is true that the Soviet proposal was considered at the Steering Committee and at the working committee, but I wouldn't say that it was considered to the extent desired. At those discussions no representative denied the facts adduced in the Soviet statement. Thus the members of the Steering Committee and the working committee recognized that violations of the policy decisions adopted here took place.

As regards the statement made by the Chairman that the Soviet statement is a substitute for the Australian proposal, I cannot agree. The Soviet proposal is a separate one and a basic one. As is known, the Soviet statement adduced facts of the violations by the occupation authorities and the Japanese Government of policy decisions of the Far Eastern Commission. Besides this the Soviet proposal suggests that the Supreme Commander take necessary measures to abrogate the revised National Public Service Law and the revised Public Corporations Labor Relations Law. There is also a suggestion in the Soviet proposal that the Supreme Commander take necessary measures to abrogate the revised Trade Unions Law and the Labor Relations Adjustment Law. In the third paragraph of the Soviet proposal it is said that:

"The Far Eastern Commission draws the attention of the Supreme Commander to the necessity of taking actions to prevent in the future the adoption by the Japanese Government and the Japanese Diet of measures which violate the Potsdam Declaration

in respect to Japan and the policy decisions of the Far Eastern Commission."

I am not going to quote from the Australian resolution. Even without this it is seen that both proposals cannot be considered as a substitute of each other.

GEN. MCCOY: Well I was just trying to clarify the situation. I'm perfectly willing to consider the wishes of the proponent of the paper. What does the Ambassador wish me to do now?

MR. PANYUSHKIN: I would like, Mr. Chairman, that the Soviet proposal be thoroughly discussed and after the discussion be put to a vote.

GEN. MCCOY: Gentlemen, the paper now is before you in its original form for the purposes of your consideration and discussion.

MR. REUCHLIN: Mr. Chairman, if the Soviet proposal is not a substitute of the Australian, then in my opinion the Australian proposal is first and should be discussed before we discuss the Soviet proposal. If, on the other hand, the Soviet proposal is a substitute then we should discuss the substitute first. So in my opinion--

GEN. MCCOY: That was my proposal, that, in view of the background, it seemed to me that was the best way to consider it. However, for the moment we will hold in abeyance procedural matters in the sense that it is now before you for the purpose of discussion.

Are there any particular points that you wish to query the Commission about, Mr. Ambassador, that would bring about the discussion that you wish?

MR. PANYUSHKIN: No, Mr. Chairman. I have no queries. I believe that on the contrary the members of this Commission might have some queries.

GEN. MCCOY: Well I was hoping so. I was hoping to be informed and know more about it from the different points of view. So that I join with the Ambassador in hoping that we might have some enlightening opinion and some discussion from different points of view on this very

important subject which will continue to be before us, no doubt, from time to time.

The laws that have been passed by the Diet have just reached the Commission. I don't think they have been circulated, have they?

MR. JOHNSON: They have just arrived.

GEN. MCCOY: I understand that the revised Trade Union Law has been received by the Secretariat in its final form and will be circulated as soon as possible. The final version of the Labor Relations Adjustment Law has not yet been received but will be available shortly and will also be circulated.

I'm informed by the Secretariat in this sense:

"In the discussion of the subject of Labor Policy in Japan references have been made to recent changes in Japanese labor legislation. The members of the Commission may wish to consider an analysis of these changes which was prepared immediately after the amended laws were passed and which I'm circulating to the Commission. It may be found advisable to issue a revised analysis to conform as strictly as possible to the Japanese original.

"In the meantime, it is hoped that this analysis may be of use to the members of the Commission."

I will have that circulated to the members of the Commission.

While you are considering this general problem, I believe the Soviet representative made certain charges that the revised Trade Union Law and the Labor Relations Adjustment Law are in violation of Far Eastern Commission policy decisions. I am informed that the American, that is the United States representative on the Steering Committee, took pains to state that that was not the fact. So that that part of the statement of the Soviet representative is a statement which I counter by stating that it is not the case and that the American representative in the Steering Committee, after it had been stated before the Steering Committee, that there was no

need of further discussion there because it had been thoroughly discussed in the working committee, whose minutes are at your disposition, that the American, the United States representative, was very decisive in his countering the inaccurate and misleading statement with regard to the conflict between the laws and the policy of this Commission. And I emphasize that now, that the United States does not so consider them. But after long and careful effort to meet the actual situations in Japan which have ceased to be a labor problem largely but are political problems of a subversive minority, that is the consistently trying to make the peaceful and orderly occupation of Japan one of confusion and revolution. And I am happy to state to this Commission that those efforts have not been successful so far.

DR. LEE: Mr. Chairman, in view of the fact that these two laws, the revised Trade Union Law and the revised Labor Relations Adjustment Law, have not been circulated to the Commission, as you have stated, would it not be wiser to refer the two proposals, one by the Soviet delegation and the other by the Australian delegation, back to the working committee and at the same time retain these two proposals on the agenda of the Commission? As to whether these two revised laws are in harmony or in contradiction with policy decisions of the Far Eastern Commission, we cannot tell unless we see these two revised laws, and so that the members of delegations may have a full opportunity to deliberate on these two laws and to make comparative studies of the policy decision and these two revised laws we think that would be a constructive step.

GEN. MCCOY: What is the sense of the other members on that proposition?

MR. MUNRO: Mr. Chairman, I am afraid I cannot agree with the suggestion made that the Australian paper be referred back to the committee. I do agree that there is some need for further examination

of these revised laws and I would heartily agree that the Australian paper and perhaps the paper of the U.S.S.R. be kept on the agenda of the Commission and discussion be postponed until we do have time to consider these revised laws. But I would object to referring back the Australian paper to the Committee.

GEN. MCCOY: Are there any other comments? Is there anything further this morning, gentlemen?

(No response)

GEN. MCCOY: I accept the statement of the Australian representative that he would object to it being referred to the working committee, and if there is no objection on the part of the members of the Commission I will ask further consideration now and we will be obtaining continuing information on this subject. If there is no further comment this morning, I will retain this on the agenda for continuing consideration.

MR. LAKING: Mr. Chairman, I take it that the ruling that you gave a little while ago about our consideration of the Soviet paper doesn't exclude us from consideration of the Australian paper. I take it that that is immediately in front of the Commission at the moment. I wonder whether it--it would certainly clarify my mind and it might expedite the thing in the Commission--if it were possible to get some indication of the number of members of the Commission who are in a position to vote on the Australian paper. I for my part would be willing to take part in a vote immediately on that. But I appreciate that there may be some members who are not in a position to do so. Possibly you would be willing to ascertain informally just how many members are in a position to vote on it.

MR. MUNRO: Mr. Chairman, I too would be interested to learn how many members of the Commission would be prepared to vote on this paper and to get the sense of the feeling on it, but I had intended to ask the indulgence of the Commission in deferring consideration

of this paper until next week as the Ambassador is unavoidably absent on important business and he would very much like to express views on this paper and participate in the discussion of the Commission. I would hope that our New Zealand colleague would not press for a vote this morning.

MR. LAKING: I am not pressing for a vote, Mr. Chairman; I would just be glad to have an indication as to how many members might be in a position to vote. But as the Australian delegate would like to have it deferred until next week, that is perfectly satisfactory to me.

GEN. MCCOY: If there is no objection, Item 5 will be continued on the agenda pending circulation of the final laws that have been just received and to give continued study to this very important and trying subject.

ITEM 6 - JAPANESE REPARATIONS AND LEVEL OF INDUSTRY (FEC-340, /1)

GEN. MCCOY: In the following item with reference to Japanese reparations and economic conditions in Japan, I think at the last meeting or possibly the meeting before the last there was a request from, was it from the New Zealand representative or was it Australia, as to certain information?

MR. LAKING: We did submit certain questions, Mr. Chairman.

GEN. MCCOY: That is being considered, I find, but I have not yet received the reply from my Government. At former meetings statements on that subject, that is on the subject of the United States statement of May 12th, were made before the Commission by the representative of the Philippines and by the representative of China. At that time they exercised their right and stated to this Commission that they were giving their statements to the press. My Government has considered the subject and I'm now making a matter of like record some press releases on the same subject on the part of the State Department. I will have them circulated. Oh, this has been circulated?

MR. JOHNSON: Yes, sir.

GEN. MCCOY: Yes. I find that the Secretariat has gotten ahead of me and has already circulated the press release on the subject of Japanese reparations issued by the United States Department of State on the 10th of June, and attention is invited to the fact, in the nature of a reply to the statements of the Philippine and Chinese representatives.

ITEM 7 - a LEVEL OF ECONOMIC LIFE IN JAPAN; POLICY TOWARDS JAPANESE INDUSTRY (FEC-242/32; /35, /37)

- b LEVEL OF ECONOMIC LIFE IN JAPAN; POLICY TOWARDS SHIP-BUILDING AND SHIPPING (FEC-297/10)

ITEM 8 - REPORT OF COMMITTEE NO. 1 TO THE FEC REGARDING DIVISION OF REPARATIONS SHARES (FEC-219/25, 219 series)

ITEM 9 - REPARATIONS REMOVALS; ACCESSORY FACILITIES, BUILDINGS, TECHNICAL DATA (FEC-299/5; /6, /7, /8, /9, /10)

GEN. MCCOY: Are there any comments this morning on any of the following items under 7, 8 and 9?

(No response)

GEN. MCCOY: If not, I will proceed to Item 10.

ITEM 10- REPLACEMENT OF LOST CULTURAL OBJECTS (FEC-272/19; 272 series)

GEN. MCCOY: This paper is FEC-272/19 and is before you for the first time on action of the Steering Committee. This was passed to the Commission by a vote of 8 to 1, the United States in opposition, with 2 abstentions, Australia and the U.S.S.R. I take it that the Commission desires to consider this in the most sympathetic way and I might ask the Chinese delegate if he has any further statement to make in relation to the paper this morning?

DR. LEE: No. I don't have any statement to make this morning. This was accepted by the majority in the Steering Committee last Tuesday and I wish to make a further study of it. But off-hand, I may say that the Chinese Government and people attach a great deal of importance--significance to the settlement of this problem. In the working committee and in the Steering Committee the Chinese

delegation has repeatedly made clear that this question of the replacement of cultural objects differed from the question of war booty because these cultural objects were made by the Chinese people, were of Chinese origin, were in Chinese possession and were not made by the Japanese or in Japanese possession. It's just an equitable arrangement to settle a problem which has given rise to Japanese deliberate action during their invasion. I understand that this problem has been before the Commission for a long time and careful consideration and attention has been given the problem. The very fact that this paper was accepted by the majority vote, if not an overwhelming majority vote in the Steering Committee, indicates that the various delegations on this Commission are in favor of this proposal advanced by the Steering Committee to the Commission. I would feel gratified if the Commission would consider it sympathetically and have it adopted.

GEN. MCCOY: Is there any comment on this this morning on the part of any other members?

(No response)

GEN. MCCOY: It will be continued on the agenda.

MR. PANYUSHKIN: Mr. Chairman, since the Soviet amendments to this paper have not yet been formally introduced at this level, I would like to introduce the Soviet amendments to this paper. So the Soviet delegation proposes the following amendments to FEC-272/19. The first amendment is--

GEN. MCCOY: Pardon me, to what paper is this an amendment?

MR. PANYUSHKIN: To FEC-272/19, Replacement of Lost Cultural Objects.

GEN. MCCOY: Oh, that is Item 10, yes. The amendment is proposed by the Soviet representative to FEC-272/19.

MR. PANYUSHKIN: Yes, Mr. Chairman. The first amendment is to delete paragraph 3 in its entirety and substitute the following:

"3. The Japanese Government should replace cultural objects which were in national and public use."

The second amendment is to delete paragraph 7 g.

These amendments were originally introduced in the Steering Committee and circulated as SC-272/13. There was some discussion of these amendments at the Steering Committee, and now I formally introduce these amendments for discussion at the Commission level.

In introducing these amendments the Soviet delegation has the following reasons: The Soviet delegation believes that the replacement of cultural objects should be on the basis of their use and not on the basis of their ownership. The second amendment to delete paragraph 7 g is quite clear. The Soviet delegation doesn't consider that the objects enumerated in paragraph 7 g could be required for the purposes of the occupation.

GEN. MCCOY: Could the Chairman of the Steering Committee, at which level these amendments were discussed and voted on, give the background there?

MR. REUCHLIN: Mr. Chairman, I don't think that the first time we discussed these proposals or the amendments was in the Steering Committee; I think they were discussed at great length in the working committee. The usual practice of the Soviet delegation is to re-introduce them at every different stage and therefore they were again introduced in the Steering Committee and there they were voted down again. I don't remember at the present moment the exact discussions, but if the Soviet representative would be good enough to look up the records of the Steering Committee and of the working committee he can find the arguments which were brought forward by the other members against his proposals.

GEN. MCCOY: I have no doubt that he is familiar with them--I was seeking the light.

MR. REUCHLIN: I just don't remember it in detail. It is a rather complicated question and I would be glad to look it up.

GEN. MCCOY: Well we will be prepared to consider it.

MR. REUCHLIN: Mr. Chairman, I have some additional information. Both these proposals were voted on on the 8th of March and I am

informed that Sir Carl was in the chair then. The first proposal, that is, referring to paragraph 3, was lost by a vote of 1 in favor, 7 against; the second proposal, the deletion of paragraph 7 g, was also lost by 1 in favor, 5 against.

GEN. MCCOY: I take it then there wasn't any particular discussion before the Steering Committee for the reason that it had been fully discussed in the working committee. Is that correct?

Are there any other queries this morning on this subject of the Chinese proposal and the amendments offered by the Soviet delegate?

DR. LEE: Mr. Chairman, I understand that the Australian delegation has withdrawn its reservation on its position with reference to this matter in the Steering Committee. I wonder whether my colleague would be kind enough to confirm it?

MR. MUNRO: Mr. Chairman, I would like to say that at the meeting of the Steering Committee I abstained pending receipt of instructions from my Government. I have now received instructions from my Government and would be prepared to vote affirmatively on the Chinese paper.

GEN. MCCOY: Is there any comment this morning on the amendments offered by the Soviet delegate?

(No response)

GEN. MCCOY: The paper having just come up from the Steering Committee, both the paper and the amendments will be carried on the agenda for future consideration.

ITEM 11- ECONOMIC STABILIZATION IN JAPAN

GEN. MCCOY: Any comments on Item 11 this morning?

(No response)

ITEM 12- SOVIET STATEMENT ON CHAIRMAN'S RULING REGARDING REMOVAL OF FEC-333/7 FROM COMMISSION AGENDA (FEC-341)

GEN. MCCOY: Gentlemen, the next item on the agenda is the Soviet statement on the Chairman's ruling regarding removal of FEC-333/7 from the Commission agenda. I would put that before you

for consideration in view of its attack on your Chairman in making a ruling sustained twice by the Commission. So that it's now at issue between the Soviet Ambassador and the Commission--not between the Soviet Ambassador and the Chairman. The Chairman acted on his own responsibility. It's not a question of policy; it's not a question of instructions from the United States Government; it is the Chairman of this Commission acting on his responsibility as your Chairman attempting to consistently follow the procedure and well-founded action of this Commission for four years. So that the issue is not just the ruling of the Chairman himself--the ruling was the action of the Commission. There was no objection on the part of anybody except the Soviet representative. So that it's a matter for you to consider in that light, as the Soviet representative is challenging the rest of the Commission as represented by the Chairman.

MR. PANYUSHKIN: Mr. Chairman, I am surprised at your putting this question in this form as you did just now. You have just said that this is an issue not between the Soviet representative and the Chairman of the Commission but between the Soviet representative and the Commission as a whole. I think that by doing so you try to remain under the cover of the Commission. I would like to make it quite clear and state categorically that the Commission as a whole is not responsible for this matter because it was done only by the Chairman.

Unfortunately, I was not present at the meeting when you just unilaterally removed this item from the agenda without consulting the Commission. What were the reasons for that action? That paper could have been withdrawn from the agenda of the Commission only in case the Soviet delegation, which introduced this paper, would desire to withdraw it, and if you wanted to remove that item from the agenda you could have made a proposal to remove it from the agenda. But no one of the representatives made such a proposal. And since that item was not desirable for the United States delegation we should not

close our eyes about this. You have removed that item from the agenda. The Soviet delegation cannot agree with such actions of the Chairman since they are in direct violation of procedure. The Soviet delegation once more affirms that this is not an issue between the Soviet representative and the Commission but an issue of the violation by the Chairman of this Commission's rules of procedure. That is all I wanted to say, Mr. Chairman.

GEN. MCCOY: I have nothing further to say, gentlemen. I have stated my opinion and it is an issue between the Commission and the Soviet delegate.

MR. ABELLO: Mr. Chairman, my recollection is that this item was removed from the agenda of the Commission on the suggestion of the Chairman, and when he put in the suggestion he asked the Commission if there were any objection to removing the item from the agenda. There was no objection on the part of the Commission except that raised by the Soviet delegate^{and} at the last meeting of this Commission the Soviet delegate presented a statement attacking the decision of the Chairman supported by the Commission on the ground that he was arbitrary. At that meeting the Philippine delegate thought that there was in the statement of the Soviet delegate an indication of a motion or a motion itself on restoring the item on the agenda and declared his readiness to vote on that motion. But the Soviet delegate immediately replied that it was not his intention to present any motion to that effect. Therefore the position of this question as far as the Commission is concerned would seem to be that, if I understand the position of the Soviet delegate correctly, he has appealed the decision. So that it would seem that the Commission can now decide on that appeal. Probably by attacking the problem in that fashion the termination of this incident could be expedited and action of the Commission could be taken in today's meeting. My motion therefore is to support the decision of the Chairman.

GEN. MCCOY: Is there any comment on the motion of the Philippine delegate?

MR. LAKING: Mr. Chairman, I would just like to say, and it is not the first time that I have said it, that my own views are entirely in accord with those of the Philippine representative. In the original issue which concerned a question on patents there were two things involved as I saw it:--the issue of substance as to the views of other members of the Commission on the issuance of an interim directive by the United States Government, and on that particular point, as I have said before, while my Government on many occasions have had occasion not to agree with things that the United States Government has done, in this particular occasion and on any similar occasion, where the United States has used its best efforts over a long period to get agreement in the Commission and has succeeded except for the objection of one member--whoever that member might be--then my Government see no objection at all to the issue of an interim directive. In fact it seems the obvious and reasonable course to adopt.

Proceeding from that particular point, there was a question of procedure as to whether this paper on patents should remain on the agenda or be removed. It has been the custom, I understand, to keep papers on the agenda when any member asked for that to be done, but it seems to me a completely futile and sterile arrangement unless, in keeping the paper on the agenda, we hope to accomplish something and it concerns me lest by taking no action on this the other members of the Commission and particularly my own delegation should be held to acquiesce in the implications of leaving the paper on the agenda. For that reason I support entirely the motion put up by the Philippine delegate. I see no point in having papers on the agenda unless something is going to be done about them, and I would be quite prepared to vote in favor of the motion submitted by the Philippine delegate.

MR. PANYUSHKIN: In connection with this statement of the Philippine representative, I have a question to ask, whether the Philippine proposal to remove that item from the agenda was put to

a vote? Was the Philippine proposal to remove that item from the agenda put to a vote?

GEN. MCCOY: Not that particular motion of the Philippine representative, because I think at the time when he considered it the Soviet Ambassador took some reaction against it and as I remember General Romulo withdrew it, didn't he?

MR. ABELLO: Yes, he withdrew it, Mr. Chairman.

GEN. MCCOY: The only vote was the procedural vote that we very often take when I see that there's no further discussion. It had been on the agenda for over a month at the time and the request of the Soviet Ambassador was for discussion, and as I remember for five meetings I asked for discussion and there was no discussion desired other than the reply of the United States made by me as its representative to the Soviet Ambassador. On that the United States still stands and there was no further desire on the part of the United States member to discuss it further--his position as representing his Government was definitely stated. No other discussion through the successive meetings was desired by any other member. So on my own responsibility as Chairman--not representing the United States but representing the Commission--I asked and suggested that it be removed from the agenda for the reason that it didn't require any action on a substantive matter of policy--it was an attack on the United States that had been before you for a considerable period and on which there was no discussion desired on the part of the others. So it was a natural feeling on my part as Chairman, since it was an attack on my Government, to ask that it be removed and in both cases that I asked for its removal I put it before the Commission, first for discussion and then if there were no further discussion I suggested that it be removed if there were no objection. There was no objection on the part of any other delegate but the Soviet, so that I removed it from the agenda. That is the history of the case.

The matter is now before you on a motion to remove the

item which I put on the agenda at the last meeting at the request of the Soviet Ambassador.

MR. ABELLO: The motion is to sustain the position of the Chairman.

GEN. MCCOY: Yes, to sustain the ruling of the Chairman.

MR. ABELLO: That it has been removed from the agenda.

GEN. MCCOY: It is now before you, gentlemen. Are you ready for a vote?

DR. LEE: Mr. Chairman, before we go to a vote I wish to make a few remarks with reference to this matter. All along the Chinese delegation has been of the opinion that in the Commission we have to stress the individual interest of delegations and also the cooperative interest of the Commission as a whole. I think only in this way can we hope to achieve something to meet the claims of the various delegations in the first place and create a harmonious and pleasant atmosphere in the Commission.

Now, according to my recollection, on May 19th, when the Chairman proposed the removal of this item of business from the agenda, he did ask for our opinion and he did try to see whether there would be serious objections to his proposal or not and, according to my recollection again, except for the objection of the Soviet delegate, there was no other object and the Chairman, taking this acquiescence on the part of the majority of the Commission as the sense of the majority, dropped this item from the agenda. I believe, in doing so, both the Chairman and the majority of the Commission did it in good faith. But, on the other hand it is the practice in this Commission as pointed out by the delegate of New Zealand, that in case any delegation desires to retain or keep any item on the agenda it has a right to do so. Now had I known that the Soviet delegate would insist so much on the retention of this item on the agenda I could have proposed to have it retained on the agenda in the first instance. But I didn't make use of the opportunity; I did not construe the intention of the Soviet delegate correctly. Therefore we all remained

silent. Now in solving this problem I think we had better look forward rather than backward. It is no use to wrangle over the rights and wrongs of this matter but better to pave some way for a more smooth, harmonious working in the Commission which I think is in the interest of every delegation here on the Commission. Now if we should do anything to criticize the Chairman in his action of taking this item from the agenda, I think we are not going to impair the authority of the Chairman; we did acquiesce to his action which is a fact on record. But, on the other hand, if one delegation should insist so much on the retention of one item on the agenda which does not commit any delegation to the merits or demerits of the question, now why couldn't we be more generous and broad-minded as to allow the retention of that item on the agenda?

I don't know what should be the wording of a motion because I don't have any motion in mind, but I am thinking along this line. I don't know whether that would meet with approval or not. If it does, I wish to keep the item on the agenda without going into the legality--the rights or wrongs of the case. Would that solve the problem? I don't have any concrete motion at hand.

GEN. MCCOY: Well there is a motion before the Commission now. Of course, I catch your implications and the Chairman has always been very conscious of the importance of complying with the requests of any member. But this was not a question of policy; it was a question, as the Soviet Ambassador remarked, that we have kept many other things on the agenda for months--some for years--but those were papers that were subject to continued consideration and ironing out of difficulties and finally in most cases we have successfully agreed on them. But this was just an uncalled for, irresponsible attack in a way that I thought, after giving the Commission an opportunity for some weeks to discuss it as the Soviet delegate wished, and finally, on my own responsibility as Chairman, I posed it to the

Commission for consideration in view of the unusual points. There seemed to be nothing to act on--nothing to discuss. Full opportunity was given for that. So that it's not inconsistent with my continuing desire to meet the wishes of any individual as to the agenda; it's a particular case which is now at issue on the part of the Chairman of this Commission in making a ruling with your full approval on a procedural matter, and under the general rules of international bodies and other bodies questions in challenge of the ruling of the chairman should be decided at once--not continuing irritation for all concerned.

So that the motion is now before you and if there is no further discussion desired, I will ask the Secretary General to call for a vote.

MR. JOHNSON: Mr. Chairman, the vote is upon a motion by the Philippine delegate to sustain the ruling of the Chairman in removal of FEC-333/7 from the agenda.

MR. MUNRO: Yes.

MR. COLLINS: In favor.

DR. LEE: Abstain.

MR. WINCKLER: In favor.

MR. BANERJI: In favor.

MR. REUCHLIN: In favor.

MR. LAKING: In favor.

MR. ABELLO: In favor.

MR. PANYUSHKIN: Against.

MR. FORD: In favor.

GEN. MCCOY: Abstain.

MR. JOHNSON: The vote, Mr. Chairman, is 8 in favor, 1 opposed, with 2 abstentions. Being a question of procedure, the motion is carried.

MR. PANYUSHKIN: Mr. Chairman, the Soviet delegation has not only once pointed out the illegality of the Chairman's action in removing that item from the agenda of the Commission. That item,

raised by the Soviet delegation, was removed at that time by the Chairman of the Commission without putting to a vote the proposal to remove the item from the agenda. The Soviet delegation considers that the Chairman of this Commission violated the principles on the basis of which this international organization as the Far Eastern Commission is working. The Soviet delegation considers that the question of illegal actions of the United States Government in issuing interim directives in respect patents is a very serious problem and should have been discussed. In spite of the fact that the Soviet delegation was against the illegal action of the United States Government in issuing the interim directive, and in spite of the fact that the Soviet delegation was against the removal of that item from the agenda, the Chairman of this Commission unilaterally removed that item from the agenda of this Commission. The Soviet delegation affirms its previous statements that that item was removed from the agenda illegally and that it should remain on the agenda of this Commission.

As regards the results of today's voting, it is clear that the majority of the Commission approves the illegal actions of the Chairman which are contrary to the basic principles of this Commission, and the fact that the Soviet representative voted against the Philippine motion speaks to the fact that this item remains on the agenda of the Commission. That is all, Mr. Chairman.

(After a short discussion of Item 13 the Commission resumed discussion of Item 12 under "Other Business" as follows.)

MR. PANYUSHKIN: Mr. Chairman, I would like to clarify the results of voting on Item 12, that is the motion made by the Philippine representative. I would like to clarify it because the Chairman did not make any statement after my statement was made.

As I have already said, the Philippine motion cannot be considered as adopted. My statement is based on paragraph V-2 of the Terms of Reference, which says that:

"The Commission may take action by less than unanimous vote provided that action shall have the concurrence of at least a majority of all the representatives including the representatives of the four following Powers: United States, United Kingdom, Union of Soviet Socialist Republics and China."

Since the Soviet Union voted against the Philippine motion to sustain the ruling of the Chairman, this proposal is not accepted. Therefore the Soviet delegation desires to draw the attention of the Commission to the fact that the Chairman tried to justify his action and also to the fact that the Secretary General incorrectly interpreted the results of the vote on the Philippine motion when he stated that the motion was carried. Once again I repeat that as is seen the Philippine motion was not carried and that by the results of the vote the Commission condemns the actions of the Chairman. That is all.

GEN. MCCOY: I believe in the course of our discussion on the subject that you agreed that this was a procedural question?

MR. PANYUSHKIN: There is no difference on voting procedure between procedural questions and questions of substance as said in the appropriate paragraph of the Terms of Reference.

GEN. MCCOY: Well I will leave these statements for the consideration of the Commission. Under the circumstances I will leave that before the Commission.

ITEM 13 - SECRETARY GENERAL'S PROPOSAL FOR A SUMMER SCHEDULE FOR 1949
(FEC-006/4)

GEN. MCCOY: The Secretary General has a proposal to submit in reference to the summer schedule for this coming hot season.

MR. JOHNSON: Mr. Chairman, this proposal, which is numbered FEC-006/4, is in response to numerous indications which the Secretariat has received that a formal recess period for the Commission is desirable. It is recommended that both the Commission and its committees agree to stand in recess subject to the call of the Chairman from August 1 until September 6, the first working day after the Labor Day holiday. The Secretariat will continue to operate as usual.

Information studies and special reports will continue to be circulated. The Secretary General will be responsible for keeping the Chairman of the Commission and the Chairmen of the committees advised of any important matters which may arise during the recess period which might necessitate the convening of special meetings. It is further suggested that all delegation members who plan to leave Washington during the recess period advise the Secretary General of their vacation addresses in order that it may be possible to reach them in case of necessity.

GEN. MCCOY: I ask your consideration of this suggestion of the Secretary General.

DR. LEE: Me. Chairman, personally I would most welcome this proposal from the Secretary General. Even during these days I already feel the heat in Washington. On the other hand there are important questions before the Commission and I don't know whether it would be proper to stay away from meetings for a month and six days. I don't know whether it is a convenience to other delegations, but can't we find some way out by having meetings regularly held and if some chiefs of delegations should go away can't they arrange to have their alternates at meetings so that there would be no interruption of business? Personally I would welcome it but I am afraid that a vacation might interrupt the business before us, since there are important questions for us to decide.

MR. ABELLO: Mr. Chairman, we have no objection to the Secretary General's proposal in declaring a recess from August 1 to September 16 because we are certain that in case of important matters coming up during that recess the Chairman will call meetings of the Commission.

GEN. MCCOY: I will leave this for your consideration until the next meeting, gentlemen.

ITEM 14- OTHER BUSINESS

(Continued discussion of Item 12 took place at this stage of the proceedings. See pp. 23-24).

GEN. MCCOY: If there is no other business, the meeting is adjourned.

(The meeting adjourned at 12:20 P.M.)

CONFIDENTIAL

FAR EASTERN COMMISSION

Transcript of 158th Meeting of the Far Eastern Commission

Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.

Thursday, June 23, 1949

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

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Transcript of 158th Meeting of the Far Eastern Commission
Held in Main Conference Room, 2516 Massachusetts Avenue, N.W.
Thursday, June 23, 1949

Representatives Present

Major General Frank R. McCoy, Chairman	(United States)
His Excellency Mr. N. J. O. Makin	(Australia)
Mr. H. W. Bullock	
Mr. R. E. Collins	(Canada)
His Excellency Dr. W. K. Lee	(China)
Mr. J. Daridan	(France)
Mr. J. C. Winckler	
Mr. S. N. Banerji	(India)
Mr. O. Reuchlin	(Netherlands)
Mr. F. Corner	(New Zealand)
His Excellency General C. P. Romulo	(Philippines)
His Excellency Mr. A. S. Panyushkin	(U.S.S.R.)
Mr. J. F. Ford	(United Kingdom)

Secretary General

Mr. Nelson T. Johnson

Reporter: Mr. R. Holtz, Department of State--FEC

(The 158th meeting of the Far Eastern Commission, 2516 Massachusetts Avenue, N.W., Washington, convened at 10:35 A.M., 23 June 1949, Major General Frank R. McCoy, Chairman.)

GEN. MCCOY: Good morning, gentlemen. The session is open.

ITEM 1 - CORRECTION AND APPROVAL OF PROVISIONAL MINUTES OF 157th MEETING

GEN. MCCOY: We'll have the usual consideration of the minutes of the last meeting.

The Secretary General has a correction to announce.

MR. JOHNSON: Mr. Chairman, at the request of the Soviet delegation, on page 7 of the minutes of the 157th meeting, paragraph 52, delete the words "which are contrary to the basic principles of the Commission" and substitute therefor these words: "and thus supported illegal actions of the United States Government in issuing an interim directive on priority for patent applications in Japan".

GEN. ROMULO: Interim directives?

MR. JOHNSON: I will read it again, sir. Substitute the words "and thus supported illegal actions of the United States Government in issuing an interim directive on priority for patent applications in Japan".

GEN. MCCOY: Please read what this was substituted for again. The deletion of what?

MR. JOHNSON: It takes the place of the words "which are contrary to the basic principles of the Commission".

GEN. MCCOY: Are there any other corrections, gentlemen?

DR. LEE: Mr. Chairman, on page 6, the last line, I wish, if I may, to add three words after the word "practice" so that the revised edition would read: "Nevertheless, it was true that it had been the practice in the Commission...". That would be more clear.

GEN. MCCOY: If there are no further corrections, the minutes of the last meeting will be made a matter of record.

ITEM 2 - DEPUTY CHAIRMAN OF STEERING COMMITTEE (FEC-206/36)

GEN. MCCOY: Item 2 has to do with the election of a Deputy Chairman of the Steering Committee and is a recommendation unanimously approved by the Steering Committee on the 21st of June that Mr. R. E. Collins of the Canadian delegation be elected Deputy Chairman of the Steering Committee, vice Mr. Reuchlin of the Netherlands delegation. That is a very agreeable and appropriate selection and if there is no objection on the part of any delegate I will assume that the action of the Steering Committee is concurred in by the Commission and approved, and that Mr. Collins will henceforth act as Deputy Chairman of the Steering Committee.

MR. COLLINS: Mr. Chairman, I wish to thank the Commission on behalf of my delegation and, incidentally, myself for this action.

ITEM 3 - JAPANESE PARTICIPATION IN INTERNATIONAL RELATIONS (FEC-339, /2, /3, /5, /6)

GEN. MCCOY: Item 3 contains a United States statement and a proposed policy decision that has been retained on the agenda of the Commission to enable any representative to make a general statement in regard to it or have discussion on the level of the Commission, while the broad subject is being very earnestly given detailed study by Committee No. 4.

Are there any remarks or discussions desired here this morning?

GEN. ROMULO: Mr. Chairman, on this Item 3, Japanese Participation in International Relations, I would like to reserve the position of my Government until I receive instructions on this question.

GEN. MCCOY: If there is no further comment this morning this will be retained on the agenda while it is receiving active consideration in Committee No. 4.

ITEM 4 - JAPANESE MEMBERSHIP IN INTERNATIONAL CONVENTION OF TELECOMMUNICATIONS (FEC-334, /1, /2, /3, /4, /5, /6)

GEN. MCCOY: Item 4 is the item retained on the agenda for some time concerning Japanese membership in international convention of telecommunications.

Is there any discussion this morning on this item?

(No response)

GEN. MCCOY: There seems to be none. It will, with your approval, remain on the agenda.

ITEM 5 - LABOR POLICY IN JAPAN (FEC-318/20, /22)

GEN. MCCOY: FEC-318/20 is a proposed policy decision approved by the Steering Committee on the 31st of May by a vote of 6 in favor to 1 opposed with 4 abstentions. On the second of June the Soviet representative re-introduced the proposal shown in FEC-318/22, which had been formerly considered both in the Joint Committee on Labor Policy in Japan and by the Steering Committee. Discussion and action were postponed at the last meeting at the request of the Australian representative. That puts before us two papers which, as you will remember, were before us at the last session, one coming from the Steering Committee, which is known as the Australian proposition, and the paper introduced by the Soviet representative, which brings up the question that must be decided procedurally, and I would like some help here because my efforts at the last meeting to consider the Soviet paper, which had been initially presented by the Ambassador, and which I was trying to make it more easy for consideration, at once as a substitute for the Australian paper which had come from the Steering Committee, so that the Soviet paper would be considered first. But the Soviet Ambassador, I believe, does not consider it a substitution for the Australian paper and wishes it considered as a paper presented by him to the Commission having no connection, I take it, with the Australian paper on the agenda. Am I correct in that, Mr. Ambassador?

MR. PANYUSHKIN: Mr. Chairman, it seems to me that this question, for the first time on this level, should be thoroughly considered.

GEN. MCCOY: Should be what?

MR. PANYUSHKIN: Thoroughly considered.

GEN. MCCOY: Yes.

MR. PANYUSHKIN: Mr. Chairman, it seems to me that at this time there is no necessity to put the question in the sense of a substitute for this but to begin thorough discussion. If we start from the position of discussion of this subject on its substance then the basis for such discussion would naturally be the Soviet proposal. I would like to repeat that it is important to discuss this subject in its substance. I would like to begin today's statement from this point.

"In connection with the discussions by the Far Eastern Commission of the Soviet proposal which provides that on the part of the Supreme Commander appropriate measures should be taken to abrogate the revised National Public Service Law and the Public Corporations Labor Relations Law, adopted by the Japanese Diet last year, as well as the laws revising the Trade Unions Law and the Labor Relations Adjustment Law, adopted by the Japanese Diet on May 22 this year, I wish to draw the attention of the Commission members to the statement of the Soviet delegation in the Steering Committee on May 24 (SC-318/18) in which statement concrete examples were adduced to the effect that these new revisions in the Japanese labor legislation as well as the revisions of labor laws, which were made last year, are contrary to the Far Eastern Commission policy decision FEC-045/5 and other policy decisions of the Far Eastern Commission in respect to the democratization of Japan.

"These revisions of labor laws in the main come to the following:

a. Revised Labor Relations Adjust Law

"1. The Prime Minister is given the right to include additional enterprises in the category of 'public utility' enterprises in order to restrict the rights of the workers in such enterprises in regard to acts connected with labor disputes.

"As a result of this revision the Prime Minister has received the right to include any enterprise or any industry in the category of 'public utility' enterprises and to declare the labor conflicts of the workers in such enterprises as illegal.

"2. A very important provision prohibiting the employer to discharge workers or create discriminative conditions for them for taking part in labor conflicts has been deleted from the Labor Relations Adjustment Law.

"Thus employers have received the right to discharge workers or create discriminative conditions for them because of their participation in labor conflicts.

"3. There have been introduced additional provisions prohibiting the workers from engaging in labor conflicts during a period established for the settlement of their differences with the employer in respect to the interpretation of the agreement reached, as well as a number of other restrictive provisions.

"4. Besides other repressions, the worker who does not fulfill these rules may be subjected to a fine of 100,000 yeh, that is, a sum exceeding the yearly wage of a Japanese worker.

"All these provisions of the revised Labor Relations Adjustment Law are clearly contrary to the policy decision FEC-045/5, in particular, to paragraph 5 of this decision which reads that:

'Strikes and other work stoppages should be prohibited only when the occupation authorities consider that such stoppages would directly prejudice the objectives or needs of the occupation'.

b. Revised Trade Union Law

"1. The new law has introduced provisions regarding the structure of the labor relations committees as a result of which these committees are turned into government agencies under the Labor Ministry (Chapter 4, Article 19, and other articles). These government labor committees receive the right to interfere directly and control all the activities of trade unions and, besides that, to determine the question of 'constitutionality' of trade unions.

"According to the new law the Central Labor Relations Committee, which is directly under the Labor Ministry, have received the right to reject and modify the decisions adopted by local labor relations committees.

"It is absolutely clear that this new system of organization for labor relations committees, in which the role of the representatives of the workers' organizations has been reduced to nothing, cannot secure the protection of the workers' interests.

"It is not difficult to convince anyone that this new provision for labor relations committees is contrary to paragraph 4 of the policy decision FEC-045/5.

"2. Several categories of Japanese workers are prohibited from joining trade unions (Article 2, 1). According to the press reports the adoption of this amendment to the law deprives 30,000 workers of their right to join trade unions.

"For the violation of the provisions of this law severe repressive measures are established including imprisonment for a period up to one year and a fine up to 100,000 yen.

"These provisions of the Trade Union Law are in contradiction

with the policy decision FEC-045/5, in particular, its paragraphs 2, 6 and 10.

"It will be pertinent to note that in the Analysis of Recent Changes in Labor Legislation (FEC-318/23) of June 20, 1949, circulated by the Secretariat of the Far Eastern Commission and prepared by the Labor Division of General MacArthur's headquarters, the provisions of the new laws which are contrary to the policy of the Far Eastern Commission are systematically ignored or presented in a quite different light as if, allegedly, improving the labor legislation in Japan.

"I feel that after the acquaintance with the examples adduced in the statement of the Soviet delegation of May 24 (SC-318/18) as well as in my statement made this morning the members of this Commission can easily be convinced that as a result of the adoption of the new labor laws there was created in Japan a situation such that for the participation in any labor conflict, both in government as well as private enterprises, the workers may be not only discharged from the job but also subjected to the most severe police repressions including trial, imprisonment and fine.

"It is quite clear that since these new anti-labor laws are clearly contrary to the policy decisions of the Far Eastern Commission, they should be abrogated together with the revised National Public Service Law and the revised Public Corporations Labor Relations Law adopted last year.

"One cannot help but note that the realization in Japan of recent legislative measures which deprived the Japanese workers of their inalienable rights to fight for the protection of their legitimate interests is accompanied by suppression of legal activities of trade unions, arbitrariness and mobbing by the Japanese police of the trade union leaders, progressively-minded persons and participants in various labor demonstrations and meetings.

"Lieutenant General Derevyanko, the Soviet representative on the Allied Council for Japan, in his letter of June 11 to General MacArthur drew his attention to the illegal actions of the present Japanese Government in resorting to the brutal suppression of the democratic movement by methods of violence and repression similar to those existing during the period of the militaristic domination in Japan as well as to the fact that these illegal actions of the Japanese Government are taking place before the eyes of the United States occupation authorities who do not take any measures to prevent these actions flagrantly violating the Potsdam Declaration and policies of the Far Eastern Commission in respect to the democratization of Japan.

"I feel that such facts as the brutal mobbing by the police of representatives of trade unions and other public organizations who participated in a peaceful demonstration in Tokyo on May 30 and 31; the murder by the police of the worker Hashimoto, who participated in the demonstration; the mobilization of 2,000 policemen for the dispersion of the demonstration before the Tokyo Metropolitan Assembly Hall, hundreds of participants in this demonstration being wounded and injured by them, deserve the serious attention of the Far Eastern Commission.

"General MacArthur's 'comments' of June 13 in respect to the above-mentioned letter of Lieutenant General Derevyanko can be regarded only as an approval by the United States authorities of these police measures of the Japanese Government and only as an encouragement of the Japanese Government to increase the pressure upon the democratic rights of the Japanese people as well as to suppress the legal activities of trade unions in Japan.

"It will be pertinent to note that on the second day after these 'comments' by General MacArthur, namely, on June 14, there