

DECLASSIFIED

E.O. 11652, Sec 3(E) and 5(D) or (E) NND

760050

740.00119 CONTROL (JAPAN)/9-146 -- 10-3146

Tokyo correspondent of Sunday Observer states that new land reform bill will not remedy evils of the present land system in Japan. The bill differs from recommendations presented to the Allied Council by Mr. Ball, representing the United Kingdom. Mr. Ball's proposals would have broken up large estates limiting holdings to 7 1/2 acres, whereas the present bill places no limit on the amount of land which any family may own. Thus the whole purpose of land reform is defeated.

STATE
RAM

ACTION COPY
Office of
FAR EASTERN AFFAIRS
SEP 3 1946
12:30 pm
DIRECTOR
Department of State

September 3, 1946
9:08 a.m., 3rd.

*No action
AK 9-10-46*

- REC
- A-C
- A-H
- SA/M
- SPA
- OOD
- SPD
- PC
- CY
- OIC
- OPI
- PL
- DC/R

PI

7931, Third.

Sunday OBSERVER carried despatch from its Tokyo correspondent asserting that publication of Japanese Govt's new land reform bill shows how little opinion and advice of Allied representatives in Tokyo including British count in administration of Japan. Story declares: "On the surface the bill appears to herald the long-awaited redemption of the Japanese peasant from his age-long impoverishment but many allied experts here point out that it lacks any compulsory clause and is full of loopholes through which its purpose could be wrecked. One of the most significant aspects of the bill is that it runs counter to the comprehensive land reform recommendations which were presented to the Allied Council by Mr. MacMahon Ball representing the United Kingdom."

Correspondent says recommendations had been requested by General MacArthur and were approved by Allied Council but that next development was Mr. Ball's reading in local newspapers that Japanese had submitted their new bill to General MacArthur and that he had heartily endorsed it.

OBSERVER story continues: "A prepared statement by the Japanese recognizes that the new bill differs considerably from the solution recommended by some members of the Allied Council but it provides a solution which in many respects is more liberal, workable and without violence to any basic human rights, an obvious slur directed at the British. Due note has been taken of the fact that this is the first time that the Japanese Govt with General MacArthur's backing has felt itself in a position only to reject proposals made by Allied Powers other than the United States. Mr. Ball has pointed out to me that by the

British

*BR
No list*

FILED
OCT 3 1946

740.00119 CONTROL (JAPAN) /9-346

PLAIN

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

DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE INCOMING TELEGRAM

ACTION COPY Office of FAR EASTERN AFFAIRS SEP - 3 1946 12:30 pm Department of State

17

London

Dated September 3, 1946

Rec'd 9:03 a.m., 3rd.

Action: FR

Info :

S

U

C

EUR

DC/L

ITP

ESP

A-B

A-C

A-H

SA/M

SPA

CCD

SPD

PC

CY

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DC/R

PLAIN

Control 241

SECSTATE

JA	<input checked="" type="checkbox"/>
VE	<input checked="" type="checkbox"/>
CA	<input type="checkbox"/>
JA	<input checked="" type="checkbox"/>
SEA	<input type="checkbox"/>
PI	<input checked="" type="checkbox"/>

Ⓟ No action 9-10-46

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British

BR No list

740.00119 CONTROL (JAPAN) / 9-346

FILED SEP 3 1946

PLAIN

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

PLAIN

-2- #7931, Third, from London.

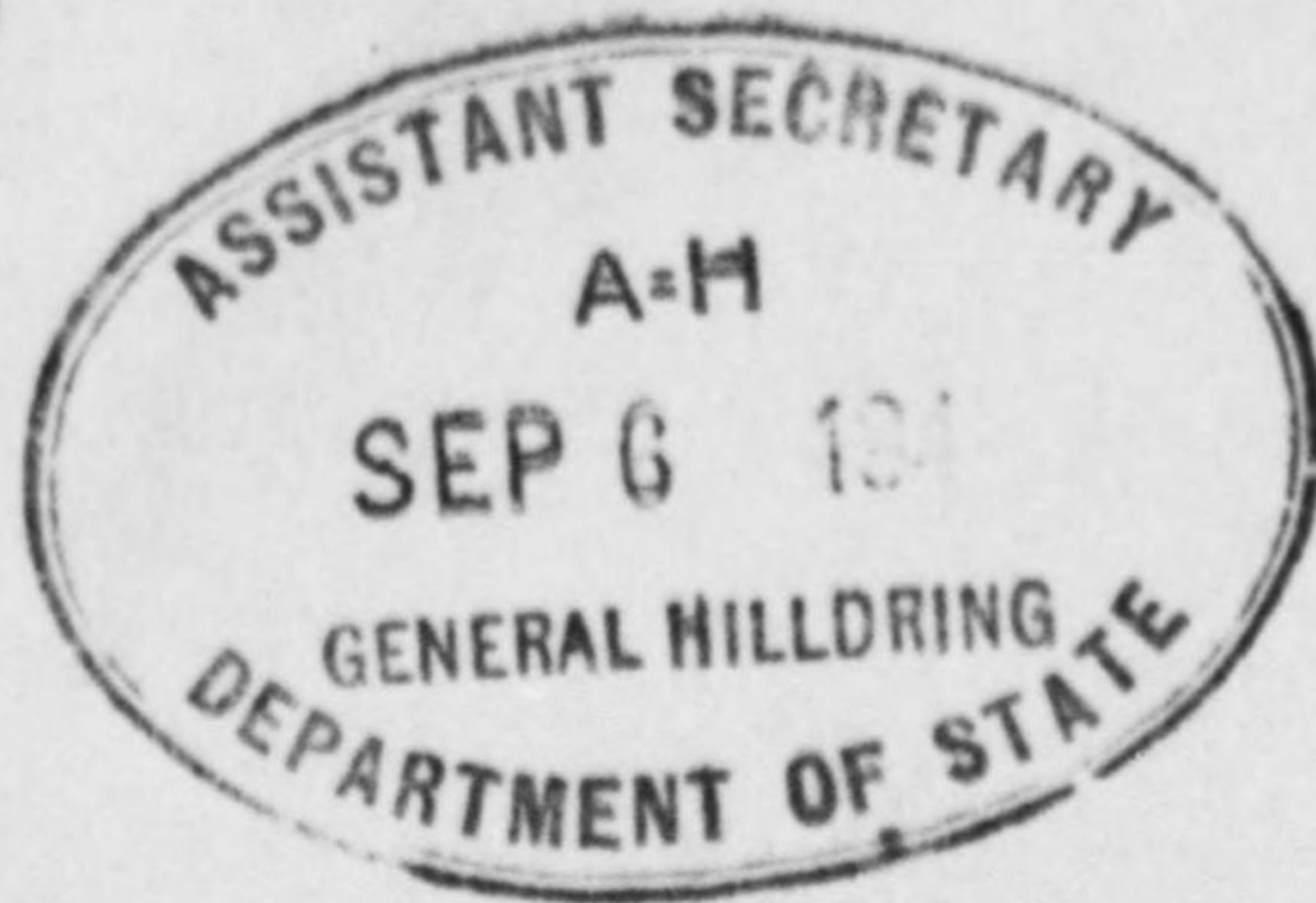
British proposals the Japanese would have had to break up the big estates in holdings of a maximum of seven and one-half acres. The Japanese bill puts no limit on the amount of land which any family may own. There is nothing to prevent a wealthy farmer from buying a large area provided he cultivates himself. The whole purpose of land reform is thus defeated and Japan is merely converted from a country of tenant farmers to one of big estates worked by hired labor."

Repeated SCAP

GALLMAN

LMS:ES

PLAIN



WAR DEPARTMENT
OFFICE OF THE BUDGET OFFICER
WASHINGTON 25, D. C.



4 September 1946

Mr. J. H. Hildring
Assistant Secretary of State
Washington 25, D. C.

Dear Mr. Hildring:

Reference is made to your letter of 24 May 1946 and War Department letter of 6 July 1946 concerning estimated occupation costs incurred by the U. S. Government in Japan and Korea. *740.00119 PW*

Supplemental to the schedule of costs submitted in the above mentioned War Department letter, you are advised additional repatriation costs of \$32,918,456 incurred as of 31 May 1946 have been reported, bringing the total repatriation costs to \$35,655,656. *740.00119 Control (Japan)*

Indigenous procurement data will not be furnished as was indicated in the War Department letter, as it has been determined such procurement does not constitute a drain on U. S. economy.

The above completes the available information on occupation costs incurred by the U. S. Government in Japan and Korea.

Sincerely yours,

George J. Richards

GEORGE J. RICHARDS
Major General, GSC
Budget Officer for the War Department

740.00119 Control (Japan) / 9-9-46

A-H-103-9/13

DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE INCOMING TELEGRAM

Office of FAR EASTERN AFFAIRS SEP 19 1946 10:50 AM Department of State

ACTION COPY

13

Action: Fr
Info:
FUR
A-H
OCD
FC
DC/L

SECRET

JA	
Information	
FE	✓
CA	
JA	✓
SEA	
PI	✓

CORRECTED COPY 9/19/46 9:15 a.m.
CORRECTIONS UNDERSCORED

Tokyo via War
Dated September 4, 1946
Rec'd 9:38 p.m., 5th.

Control 1356

No paraphrase necessary.

DIVISION OF JAPANESE AFFAIRS SEP 19 1946 DEPARTMENT OF STATE

SECSTATE

394, September 4.

REURAD 468 August 28.

Clearance granted for J. R. Van Osselen to come to Japan as member staff Netherlands Military Mission.

ATCHESON

NOTE: This is a corrected copy of War Dept message #C64849 (CM-IN-726) of 5 September 1946.

JS
CSB:ES

SECRET

Card Corrected Feb-18-1946 ch

DC/B Correction Desk

SECRET FILE

SEP 24 1946

FILED

Confidential File

740.00119 CONTROL (JAPAN) / 9-446

740-00119 Control (Japan) 9-446

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

DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE INCOMING TELEGRAM

Mr. [Signature] INFORMATION COPY

REPRODUCTION OF WAR DEPT MESSAGE TO STATE FOR INFO

13

ACTION COPY

Tokyo

Dated Sept. 5, 1946

Rec'd 9:38 p.m., 5th

Info: EUR FE A-H OCD FC

SECRET

Control 1356

No paraphrase necessary

Notes to Outlet 9/11/46
Replaced Dupl
9/11/46
DIVISION OF JAPAN
DEPARTMENT OF STATE

From: SCAP, Tokyo, Japan

To : War Department for WARCOS (pass to SECSTATE)

Nr : C-64849 September 1946

394 Sept 4 REURAD 468 A 28

Clearance granted for G. Van Osselen to come to Japan as member staff Netherlands Military Mission.

468 is CM-IN-6503 (29. [unclear]) CAD [Signature]

ACTION: CAD

CM-IN-726 (5 Sept 46)

JS

SECRET

ACTION COPY

Table with columns for 'To', 'Via', 'Dist' and handwritten initials.

FEB 5 - 1947

SECRET

SECRET FILE Confidential File

File this copy

740.00119 CONTROL (JAPAN) / 9-546

CONFIDENTIAL

THE STATE-WAR-NAVY COORDINATING COMMITTEE
WASHINGTON, D. C.

ASSISTANT SECRETARY
A-H
SEP 13 1946
GENERAL HILLDRING
DEPARTMENT OF STATE

DIVISION OF JAPANESE AFFAIRS
SEP 19 1946
DEPARTMENT OF STATE

SWN-4724
9 September 1946

MEMORANDUM FOR THE STATE MEMBER, SWNCC:

Subject: Consultation with the Supreme Commander for the Allied Powers Relative to Extraordinary Taxation in Japan.

Pursuant to the request of the State-War-Navy Coordinating Committee, the Joint Chiefs of Staff on 6 September 1946 dispatched to the Supreme Commander for the Allied Powers, as WAR 99688, the contents of the enclosure to the memorandum from the State Department Member on the above subject dated 30 August 1946.

The following message has been received from the Supreme Commander for the Allied Powers as a reply to WAR 99688:

"In view of the fact that the complete set of tax bills have not yet been passed by the Japanese Diet, publicity upon the subject of treatment of Allied Foreign Nationals at this time is considered premature and no press releases in Tokyo are contemplated. A release on this subject now will gravely embarrass the administration of the comprehensive program now in process of legislative action and will greatly increase the difficulties which confront the execution of the basic policies involved. Until action has been taken by the Diet on the series of complex bills under contemplation I recommend no press release be made. There can of course be no objection to such a release after the accomplishment of these administrative measures."

The foregoing is furnished for your information and any action considered appropriate.

For the State-War-Navy Coordinating Committee:

Office of Unit
[Signature]
DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
DEPARTMENT OF STATE

SEP 10 1946

A. D. Reid
A. D. REID,
Secretary

CONFIDENTIAL

740.00119 CONTROL (JAPAN)
/9-946

CS/A

FILED

SEP 23 1946

*740.00119 Control (Japan)
/9-946*

DCR

178

XR 894.512

DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE INCOMING TELEGRAM

ACTION COPY

Office of FAR EASTERN AFFAIRS SEP 10 1946 11:45 AM Department of State

JA	
FE	✓
CA	
JA	✓
SRA	
PL	✓

- 8
- Action: FE
- Info:
- S
- U
- C
- EUR
- DC/L
- A-B
- A-H
- A-R
- SPA
- OCD
- FC
- CY
- OIC
- OPI
- PL
- DC/R
- SA/M

PLAIN Control 2805

Moscow Dated September 9, 1946 Rec'd 7:54 a.m., 10th.

SECSTATE

3439, Ninth

DIVISION OF JAPANESE AFFAIRS No action SEP 10 1946 DEPARTMENT OF STATE

Commenting on MacArthur's speech on anniversary Japanese capitulation, PRAVDA September 9 international review states that its purpose was to justify his policy protection Japanese reactionary elements and nonfulfillment Potsdam decision by reference to "Communist menace".

NEW YORK HERALD TRIBUNE'S polemic with State Department on this subject is not without interest. This paper, which could hardly be suspected of sympathy with Leftist elements in Japan, was compelled nevertheless to conclude that MacArthur's statement does not correspond to US officially declared policy on Japan, adding that "State Department finds itself in difficult position".

However, State Department rose in arms not against MacArthur but against HERALD, indicating that MacArthur's statement does not contradict US policy. Thus, article concludes, State Department itself assumes responsibility for nonfulfillment Potsdam decisions and for MacArthur's anti-democratic policy in Japan.

Department please repeat Tokyo.

DURBROW

Note: This message has been repeated to Tokyo (CWO-M 9/10/46)

SW:ME

PLAIN

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

740.00119 CONT (JAPAN) / 9-946

LRC

SEP 10 1946 DEPARTMENT OF STATE

SEP 13 1946

FILED

1555
740.00119 CONTROL (JAPAN)
/9-946

124 EAST SIXTY-FIFTH STREET

New York, 21, N.Y.

September 9, 1946

Mr. Gordon Bowles,
Department of State,
Japan and Korea Division,
Washington, D.C.

OIC OCCUPIED AREAS DIVISION
(ADD)
telephoned
PAS
SEP 11 1946
answ 12/9/46
9/11/46
Department of State

My dear Mr. Bowles,

I did not make my application to the Department of State for a passport to Japan after our telephone conversation for the reason that letters came to me from Tokyo saying that certain papers were being sent which might be useful to append to my application. Those have all arrived and my application together with all pertinent matter is ready to present.

However, I feel that it might be wiser if I were to show the letter to you for your comment and suggestion before it is sent in. I shall come to Washington on Thursday of this week, September 12, and would like to see ^{you} that afternoon, if possible. I shall call your office on my arrival.

Cordially yours,

Ruth F. Sasaki
Ruth F. Sasaki

DIVISION OF JAPANESE AFFAIRS
JAN 6 - 1947
DEPARTMENT OF STATE

RECEIVED
JAN 13 1947

CS/V

740.00119 Control (Japan)

Incl 2



UNITED STATES POLITICAL ADVISER FOR JAPAN

Tokyo, September 9, 1946

Unrestricted

No. 596

DEPARTMENT OF STATE
DIVISION OF FOREIGN REPORTING SERVICES
OCT 10 1946

SUBJECT: Daily Report of Non-military Activities

The United States Political Adviser has the honor to refer to his despatch no. 594 of September 9, 1946 entitled "Reporting Services" and to transmit five copies of General Headquarters, Supreme Commander for the Allied Powers Staff Memorandum no. 24 of August, 1946 with regard to the transmission to the War Department of a daily unclassified telegraphic report of non-military activities in Japan and Korea.

XK 740.00119 Control (Korea)

Enclosure:

5 copies of GHQ, SCAP Staff Memorandum no. 24.

ACTION
JA noted
YES
TO:
1 FE
1 JK-

No action required
Jmg

Original and valid to Department.

1 FC
1 IR
1 TTP
1 ED
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1 DA

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3-war files

DEPARTMENT OF STATE

1946 SEP 19 PM 4 56

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DOE NE Unit
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OCT 14 1946

FILED

9-946
GMB

740.00119 CONTROL (JAPAN) / 9-946

740.00119 Control (Japan)

Enclosure no. 1 to despatch no. 596 dated
September 9, 1946 from the United States
Political Adviser for Japan, entitled,
"Daily Report of Non-military Activities".

POWERS

UNITED STATES ARMY FORCES, PACIFIC

AG 370.2 (15 Aug 46)SRS

APO 500

27 August 1946

STAFF MEMORANDUM)

NO.....24) (SCAP)

DAILY REPORT OF NON-MILITARY ACTIVITIES

1. Staff Memorandum 6, General Headquarters, United States Army Forces, Pacific (Advance Echelon) 21 September 1945, is rescinded.
2. In order to provide the War Department with information concerning non-military activities of this theater, two daily radios (one for Japan and one for Korea) will be assembled and dispatched by the Statistical and Reports Section.
3. All significant action taken by the various General Headquarters, Supreme Commander for the Allied Powers staff sections, other than strictly military matters, will be included. (Actions being considered or in the process of preparation will not be included.)
4. a. The daily radio for Japan will consist of four parts:
 - (1) Part One is a general section covering economic conditions specifically, and any other subjects which do not fall into the other three parts. The bulk of this material is prepared by the Economic and Scientific and Natural Resources Sections, with additional items from Public Health and Welfare, Civil Communications and Legal Sections.
 - (2) Part Two deals with the developments of new governmental institutions, and any other subject which is clearly governmental or political in character, prepared by the Government Section.
 - (3) Part Three concerns itself with attitudes of peoples toward new governments, Allied occupational forces, and other nations, including reports on public or newspaper opinion and reactions. The Civil Information and Education, G-2 Civil Intelligence and Government Sections are primarily interested.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
UNITED STATES ARMY FORCES, PACIFIC

AG 370.2 (15 Aug 46)SRS

APO 500

27 August 1946

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(SI 24)

(4) Part Four concerns the status and allocation of Japanese shipping, prepared by the Economic and Scientific Section.

b. The daily radio for Korea will parallel the radio for Japan; the material used will be prepared by the Government Section.

c. All material for these daily reports will be unclassified.

5. Classified items which would fall into one of the four categories listed above will be made the subject of a special report by the section concerned, and will be channeled through the Statistical and Reports Section to the Office of the Chief of Staff.

6. a. Effective immediately, General Headquarters, Supreme Commander for the Allied Powers staff sections concerned will submit appropriate material (in condensed form) to the Statistical and Reports Section by 0945 hours daily. Negative reports are desired.

b. Although the daily routine reports will be telegraphic and normally in general terms, all General Headquarters, Supreme Commander for the Allied Powers staff sections concerned will retain complete files to permit rendition of detailed reports upon request.

BY COMMAND OF GENERAL MacARTHUR:

PAUL J. MUELLER,
Major General, General Staff Corps,
Chief of Staff.

OFFICIAL:

John B. Cooley
JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
UNITED STATES ARMY FORCES, PACIFIC

AG 370.2 (15 Aug 46)SRS

APO 500

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(SI 24)

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
UNITED STATES ARMY FORCES, PACIFIC

AG 370.2 (15 Aug 46)SRS

APO 500

27 August 1946

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Chief of Staff.

OFFICIAL:

John B. Cooley
JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.



UNITED STATES POLITICAL ADVISER FOR JAPAN

FR
~~FR~~

APD 500
Tokyo, September 9, 1946

DCR

DEPARTMENT OF STATE
DIVISION OF FOREIGN REPORTING SERVICES
SEP 24 1946

CONFIDENTIAL

o. 595

SUBJECT: The "Shibuya Incident" of July 19, 1946.

XR
793.94
894.108

RECEIVED
DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington.

Sir

SEP 23 PM 4 00
1946

RECORDS BRANCH
DCR

Handwritten initials and marks: J, MA, bc, E, D

1/

I have the honor to enclose copies of a note dated July 21, 1946 from the Chinese Mission in Japan to the Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, on the subject of a shooting incident which took place in the vicinity of Shibuya Station, Tokyo, on July 19, 1946, involving Japanese police and several truck loads of Formosans, and of a reply, July 25, 1946, from the Diplomatic Section to the Chinese Mission.

2/

There are also enclosed copies of subsequent exchanges of third person notes between the Diplomatic Section and the Chinese Mission with regard to various matters pertaining to this incident, as follows:

3/

(a) From the Chinese Mission, July 31, 1946, setting forth instructions received by the Mission from the Chinese Government regarding the incident, charging that Japanese policemen forcibly demolished fifteen wooden houses belonging to Chinese-Formosans on July 24 and alleging that the Japanese press has indulged in a defamatory newspaper campaign. Attached to this note is a copy of a memorandum, July 22, 1946, from the Chief Provost Marshal on the subject of misinterpretation of the preliminary report on the incident of July 19, 1946.

ACTION
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1JA
1FE(ERD)
1DRF

3Wan

5/

(c) From the Chinese Mission, August 13, 1946, requesting the release of 40 Chinese nationals detained for questioning following the Shibuya incident.

6/

(d) From the Diplomatic Section, August 20, 1946, listing

Handwritten circled number 24 and the number 17 below it.

Form with fields for 'Unit' and 'Dist'. The 'Unit' field contains handwritten initials 'NS'.

the
11
1946

FILED

740.00119 CONTROL (JAPAN) / 9-946

CS/A

740.00119 Control
Japan / 9-946

- 2 -

Tokyo's no. 595
September 9, 1946

the 40 persons who claim to be Chinese nationals and who are held by the Occupation authorities for possible trial.

- 7/ (e) From the Chinese Mission, August 26, 1946, complaining with regard to alleged difficulties in obtaining information from General Headquarters in regard to the progress of the investigation and expressing the opinion that the Japanese nationals involved in the incident should be tried before an Allied tribunal.
- 8/ (f) From the Chinese Mission, August 27, 1946, advising the Diplomatic Section of an agreement reached with General Headquarters regarding the composition of a mixed commission and enclosing a copy of a letter to the Chief of the Legal Section, General Headquarters, August 27, 1946.
- 9/ (g) Copy of check sheet dated August 27, 1946 from Chief of Staff to Diplomatic Section referring to the Chinese Mission's note of August 26, 1946 together with the Diplomatic Section's reply to the Chief of Staff, August 29, 1946.
- 10/ (h) From the Diplomatic Section to the Chinese Mission, August 29, 1946 acknowledging the Mission's notes of August 26 and 27, 1946.
- 11/ (i) From the Chinese Mission, August 29, 1946, requesting a copy of the testimony expected to be used for the trial of the accused persons in connection with the Shibuya incident.
- 12/ (j) From the Diplomatic Section to the Chinese Mission, September 5, 1946, advising that it is impracticable to supply a copy of the testimony but suggesting the designation of a representative to peruse available testimony by working through and with defense counsel.

As indicated by the enclosures, the so-called Shibuya incident has resulted in considerable comment in the Japanese press and has presented a difficult problem. A complete investigation of the incident has been made by various agencies of General Headquarters and numerous interviews and affidavits have been recorded, with the result that voluminous documents are available to the prosecuting authorities for use in the pending trial of all persons concerned. The Formosans involved in this incident appear to be persons who for many months have been engaged in illegal blackmarket activities and generally appear to have a reputation as an organized gang of criminals. These individuals have caused great concern to the Japanese police authorities who, by virtue of directives which prevent them from interfering with United Nations nationals, have been unable to cope with the situation. It is also understood that the Chief Provost Marshal of Tokyo is unable entirely to control the blackmarket activities of Formosans (and Koreans) because of a shortage of personnel.

Conversations with the Judge Advocate of the 8th Army, who is charged with arranging for the trial of the Formosan suspects, indicate that it will be extremely difficult, if not impossible, to obtain sufficient specific evidence against the various individuals to prove

individual

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Tokyo's no. 595
September 9, 1946

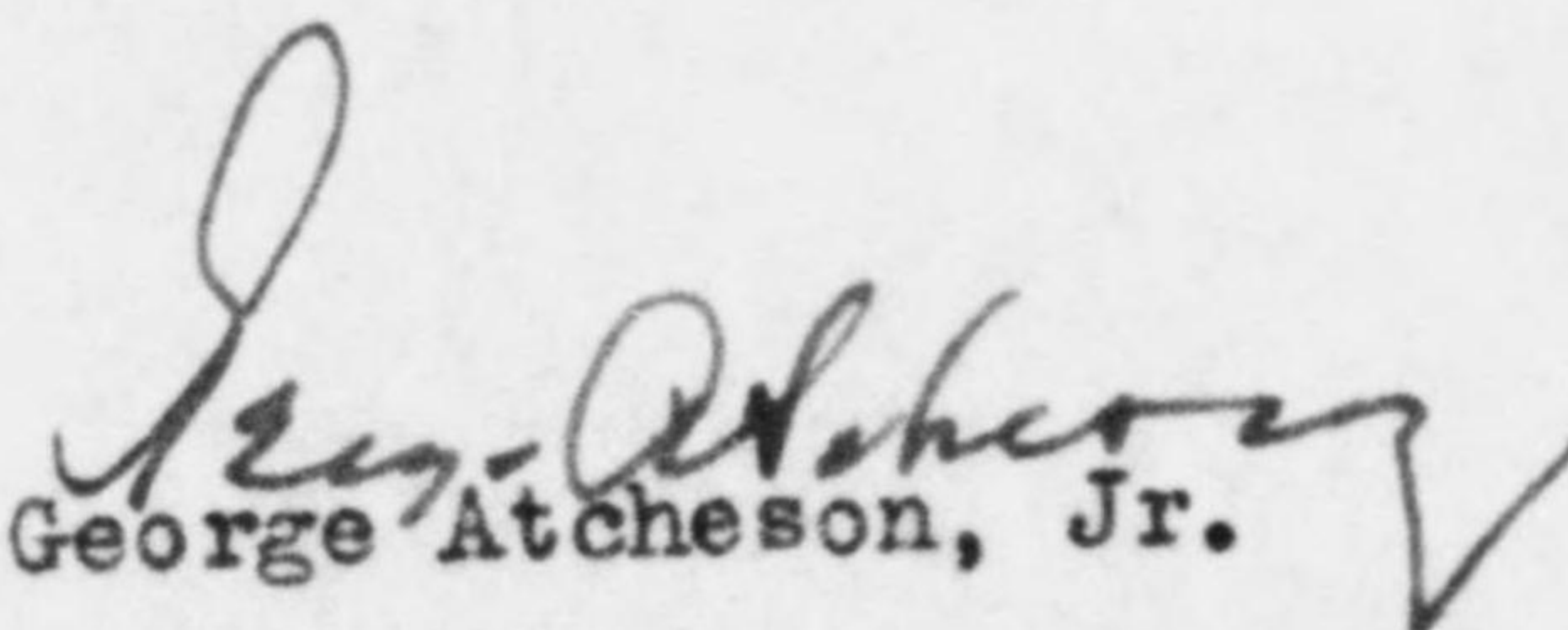
individual guilt. The arrangement whereby a representative of the Chinese Mission has been designated to sit as a member of the military commission and the assurances that adequate counsel will be provided, however, would appear to militate against further complaint by the Chinese Mission that the individuals concerned are not receiving a fair treatment and trial.


The Shibuya incident is only one of a long series of similar incidents on a smaller scale which took place during July. These incidents generally arose out of fights between Formosan blackmarketeers and Japanese members of the organized Matsuda Gumi which had previously held a monopoly of blackmarket activities in the Shimbashi and Shibuya areas. The Chief Provost Marshal of Tokyo, however, has recently ordered the Japanese police to "clean up" these areas of blackmarket activities, an order which has been carried out and has resulted in the practical elimination of difficulties of this kind.

While the Shibuya incident was unfortunate, it in fact marked the culmination of a long-brewing unhealthy situation in which Formosans, Chinese, Koreans, and Japanese were striving for supremacy in the operation of blackmarkets. The incident focussed attention upon this sore spot in Tokyo as well as in Kobe and Osaka, and has resulted in forceful measures being taken by the Japanese police to solve the problem.

The Department will be advised of the results of the trials which are scheduled to take place shortly before a mixed military commission.

Respectfully yours,


George Atcheson, Jr.

Enclosures: 

1. From Chinese Mission to Diplomatic Section, July 21, 1946 (with enclosure).
2. From Diplomatic Section to Chinese Mission, July 25, 1946.
3. From Chinese Mission to Diplomatic Section, July 31, 1946 (with enclosure).
4. From Diplomatic Section to Chinese Mission, August 16, 1946.
5. From Chinese Mission to Diplomatic Section, August 13, 1946.
6. From Diplomatic Section to Chinese Mission, August 20, 1946.
7. From Chinese Mission to Diplomatic Section, August 26, 1946.
8. From Chinese Mission to Diplomatic Section, August 27, 1946 (with enclosure).
9. Check sheet, August 27, 1946, from Chief of Staff to Diplomatic Section and reply.

from

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Tokyo's 595
September 9, 1946

- from Diplomatic Section, August 29, 1946.
10. From Diplomatic Section to Chinese Mission, August 29, 1946.
 11. From Chinese Mission to Diplomatic Section, August 29, 1946.
 12. From Diplomatic Section to Chinese Mission, September 5, 1946.

Original and hectograph to Department.
Copy to: American Embassy, Nanking.

701 China/810.8
WJSebald:lh

Enclosure no. 1 to
Tokyo's no. 595
September 9, 1946

CONSULAR AFFAIRS OFFICE
CHINESE MISSION IN JAPAN
T O K Y O

The Consular Affairs Office of the Chinese Mission presents its compliments to the Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, and has the honor to state the following in connection with Friday night's incident in which Japanese policemen in the Shibuya station area fired on truckloads of Formosans killing and wounding many of them.

1. The serious nature of the incident in which the police opened fire on a large crowd of civilians, hardly needs to be emphasized. A thorough investigation should be carried out with the view to prompt punishment of the responsible persons and prevention of similar incidents occurring in the future.
2. Statements given out by Japanese police officials place the responsibility for the incident upon the Formosans. These are contradicted by eye-witness reports that the police opened fire without provocation.
3. This office reserves the right to make appropriate demands on the Imperial Japanese Government which must be held responsible for the action of its armed agents.
4. Desirous of cooperating with the occupation authorities in carrying out a thorough and impartial investigation, this office will send witnesses to the competent authorities for questioning.
5. This office desires to have a representative or interpreter present at the questioning of all Formosan witnesses. This is deemed advisable in the light of surprising examples of faulty interpretation.
6. For example, two Formosans - Lin Sui-gen and Jin Sen-do - questioned by the C.I.D. are said to have "admitted that the Formosans in the rear truck had opened fire on the Japanese police." This statement appears in a report issued to the press by the Provost Marshal of Greater Tokyo. Interviewed later by Mr. Lin Ting-ping and Major Chien Ming-nien of the Chinese Mission, the two Formosans emphatically denied having said anything like that to the C.I.D. interpreter. What they actually told him was that they had not seen anybody fire on the police.
7. Following the incident, reports circulated among the Formosan community that Japanese ronins, aided and abetted by the police, contemplated further violence to "wipe out" the Formosans. While this office is exerting its utmost to allay nervousness and excitement among the Formosans, it is requested that the occupation authorities take special precautions to prevent further bloodshed.

Enclosed herewith is a summary of events leading to the Shibuya incident.

Tokyo, 21 July 1946.

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Enclosure no. 1 to
Tokyo's no. 595
September 9, 1946.

In the last few weeks fights and quarrels have occurred between Japanese and Formosans over the right of keeping open-air stalls in the Shimbashi area. With most of Tokyo's stores destroyed during the war, the street vendors have been doing a good business. A group of Formosans who had rented space from an organized Japanese gang known as the Matsudagumi, had until recently about one hundred stalls in Shimbashi. Following the recent death of Matsuda, the leader of the gang, the Matsudagumi tried to recover the lots rented to Formosans, but the latter, threatened with the loss of their living, refused to quit. Negotiations dragged on unsuccessfully and the Matsuda gang, a few days ago, used violence to oust the Formosans. Many Formosan stalls were demolished by members of the Matsuda group, none of whom is known to have been arrested by the police. The Formosans suffered considerable losses. A very ugly situation was created with the Matsuda gang determined to enforce their will by force and the ousted Formosans smarting under their grievances and pecuniary losses.

At about 4 o'clock p.m. last Friday, some 600 Formosans held a protest meeting at the Chinese Residents Association. When Mr. Lin Ting-ping, Chief of the Consular Affairs Office of the Chinese Mission, heard of this meeting, he went to the Association and urged the Formosans there to disperse. The gathering was apparently well disposed to follow his advice. Upon his return to his residence around 6 o'clock, Mr. Lin was informed, however, that some 300 Formosans were still lingering in the Association. He then enlisted the help of one of his colleagues, Maj. Gen. Lee Li-bai, and together they went to the Association once more. Not finding any Formosans there, they were told that the latter had departed in several trucks. The two officials left the Association and, later, met the truck-loads of Formosans in the Shimbashi area. Maj. Gen. Lee commanded them to return to the Association and disperse. Then a few persons in the excited crowd shouted, "Let's go to the Chinese Mission." Anxious to see the crowd move away from Shimbashi, which had been the hotbed of trouble in the last few days, the two officials allowed the Formosans to proceed in the direction of the Chinese Mission and followed them there. Upon arrival at the Mission, Maj. Gen. Lee warned them against violence and ordered them to disperse. The Formosans showed signs of compliance and seemed ready to return home.

Just on the point of departure, Mr. Lin was informed by one of the Formosans that in the neighborhood of the Shibuya police station there had gathered a very large number of armed Japanese policemen and ronins seemingly ready for action. Mr. Lin then told the Formosans to wait while he, accompanied by an interpreter, went to the office of the Provost Marshal asking for a posse of Military Police to be dispatched to Shibuya. Shortly afterwards, a Chinese Mission jeep returned to the Mission compound. During the confusion the driver, Low Cho-Kuin was ordered to accompany the trucks loaded with Formosans back to their homes. Five Formosans got into the jeep and with it leading the way, followed by one black sedan and two trucks fully packed with Formosans, the procession of vehicles drove away from the Chinese Mission. Then another Chinese Mission jeep driven by Mew Segi was ordered to escort two more Formosan trucks. A third Chinese Mission jeep driven by Chen Kwang-heng led still two other Formosan trucks to Shimagawa. The three groups of vehicles left the Mission

compound

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Enclosure no. 1 to
Tokyo's no. 595,
September 9, 1946.

compound at about 8:30 o'clock p.m. The Formosans were well aware that there was a large force of armed policemen in Shibuya. There was not the least sign of the Formosans contemplating an attack on Shibuya police station which lies on their way home. On the other hand, they were anxious about their own safety.

Shortly before 9:00 o'clock two trucks and the first jeep turned to the Mission, the occupants reporting that they had been fired upon by Japanese policemen in the vicinity of the Shibuya police station. Twelve wounded were removed from the trucks and brought to the Mission building. One of them was fatally shot while three others were critically wounded. Mr. Lin of this office again went to the headquarters of the Provost Marshal to inform them of the shooting and in response to telephone calls from the Chinese Mission a number of American army doctors came to attend the wounded. The serious cases, together with the body of one dead, were taken in two army ambulances to the 42nd General Hospital. Other wounded were also picked up from the scene of shooting by American ambulances.

Nothing happened to the jeep and trucks that went to Shinagawa. The passengers of these two trucks returned home safely.

The Formosan dead and wounded, insofar as has been reported to this office, are:

1. Young, Yung-lien	dead
2. Huang, Li-teh	dead
3. Fan-Chiang, Li-ting	dead
4. Ou, Yung-tsai	dead
5. Liu, Wei-chang	wounded
6. Liang, Chi-fa	wounded
7. Chuang, Ting-piou	wounded
8. Yang, Wan-shen	wounded
9. Ling, Chuan	wounded
10. Chang, Yu-shun	wounded
11. Yung, Tien-lang	wounded
12. Fang, Yan-ching	wounded
13. Cheng, Teh-wan	wounded
14. Lo, Teh-fu	wounded
15. Hung, Chung-jen	wounded
16. Liou, Yung-ching	wounded
17. Huang, Chin-pao	wounded
18. Chiang, Hung-kai	wounded
19. Hsu, Yu-chang	wounded
20. Chen, Shen-ming	wounded

In addition, a few are still reported missing.

Enclosure no. 2 to
Tokyo's 595,
September 9, 1946

Diplomatic Section

The Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, presents its compliments to the Chinese Mission in Japan and refers to a memorandum dated July 21, 1946 from the Consular Affairs Office of the Mission on the subject of the incident which took place during the evening of July 19, 1946 in the vicinity of Shibuya Station, Tokyo.

The Chinese Mission is assured that the Supreme Commander has full cognizance of the serious nature of this matter and that a thorough investigation is presently being carried out by the Occupation authorities. Upon completion of this investigation and a careful evaluation of all available facts, it is hoped that the Occupation authorities will be in a position to fix responsibility and to bring to trial all persons who were responsible for this unfortunate incident.

General Headquarters appreciates the desire of the Chinese Mission to cooperate in carrying out a thorough and impartial investigation and would welcome the attendance of representatives or interpreters from the Mission at interrogations of persons who may be summoned as witnesses or held in custody by the Occupation authorities for further investigation.

The assistance and cooperation of the Chinese Mission in exerting efforts to allay nervousness and excitement among the Formosan community is appreciated. In this connection, the Occupation authorities have taken, and continue to take, special precautions to prevent further outbreaks of disturbances of the kind under consideration.

Tokyo, July 25, 1946.

701-China
WJSebald/blc

cc to: CinC
C/S (for approval)
G-2 (CIS)
G-2/Ln
Provost Marshal
Legal Section
AG

Enclosure no. 3 to
Tokyo's 595,
September 9, 1946.

Ref. No. 0103/ST

The Chinese Mission presents its compliments to the Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, and has the honor to acknowledge receipt of the Diplomatic Section's note dated July 25, 1946, concerning the unfortunate incident which occurred in the evening of July 19 in the vicinity of Shibuya Station, Tokyo.

The Chinese Mission appreciates the assurance that the Supreme Commander has full cognizance of the serious nature of the matter and that a thorough investigation is being carried out by the Occupation authorities.

Under instructions just received from Nanking, this Mission is directed to state the following views of the Chinese Government regarding the incident:

- 1) Adequate steps should be taken by all concerned to prevent similar incidents and safeguard Chinese life and property in Japan;
- 2) The Chinese Mission in Japan is to cooperate fully with the Occupation authorities in the investigation of the incident;
- 3) The Chinese Government reserves the right to make appropriate demands on the Imperial Japanese Government in connection with the incident;
- 4) Pending completion of the investigation, partial statements from whatever sources are to be discouraged, and
- 5) The Japanese Government and newspapers should be directed to cease their press campaign tending to incite the populace.

While points (1), (2) and (3) are similar to the contents of a previous note addressed to the Diplomatic Section by the Consular Affairs Office of the Chinese Mission concerning the same subject, it remains to be pointed out here that the Japanese police have shown a dangerous tendency to use violence in dealing with Chinese civilians. In the afternoon of July 24, at about 4 o'clock, a group of armed policemen forcibly demolished fifteen wooden houses which Chinese-Formosans had erected on vacant lots in the vicinity of Shibuya Station, and the occupants were thus rendered homeless.

In regard to points (4) and (5), it is to be stated that for days following the incident of July 19, Japanese officials and newspapers have indulged in a deplorable campaign which seeks not only to whitewash the police but tends further to embitter the feelings between Japanese and Formosans. While the Formosans are smeared as a bad lot, the Japanese are called upon to support the police in dealing with them. (Clippings enclosed herewith).

Japanese

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Enclosure no. 3 to
Tokyo's 595,
September 9, 1946.

Japanese newspapers further misconstrued some words contained in the Provost Marshal's preliminary report to prejudice the name of the Chinese Mission. Although the Provost Marshal issued a second statement (copy enclosed herewith) to clarify matters, Japanese vernaculars, with one exception, failed to publish it. (Unfortunately, the Stars and Stripes which published the preliminary report also failed to carry the second statement.)

In bringing to the attention of General Headquarters the views of the Chinese Government regarding the incident, the Chinese Mission requests in particular that the police be warned against improper use of their weapons and such other violence as forcible destruction of houses, and that the Japanese press be directed not to indulge any further in their mischievous campaign while an investigation is being carried out by the Occupation authorities.

Tokyo, July 31, 1946.

Inclosure:

Copy Provost Marshal's letter
and Japanese clippings.

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Enclosure no. 3 to
Tokyo's 595,
September 9, 1946.

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Tokyo, July 31, 1946.

Inclosure:

Copy Provost Marshal's letter
and Japanese clippings.

Enclosure no. 3 to
Tokyo's no. 595,
September 9, 1946.

OFFICE OF THE PROVOST MARSHAL
TOKYO, JAPAN
APO 181
San Francisco, California

22 July 1946

SUBJECT: Misinterpretation of Preliminary Report on
Incident 19 July 1946.

TO : Provost Marshal, Eighth Army, APO 343.

1. It has been brought to our attention that the certain statements contained in the preliminary report prepared by this office and released by PRO, Eighth Army on 20 July concerning the incident between the Chinese-Formosans and Japanese Police on the night of 19 July 1946 in the vicinity of Shibuya Station have been misinterpreted particularly by the Japanese Press.

2. The statement which appears to have been misconstrued or incorrectly translated is "_____several truckloads of Formosans had been assembled earlier in the evening to receive instructions regarding future actions and to talk over recent altercations between the Formosan-Chinese and Japanese merchants in the Shibuya and Shim-bashi Station areas. Mr. Ling reported that these trucks with occupants had left the mission when Major General Li had told them that it was all right to depart".

3. The Formosans had been assembled at the mission to be lectured on behaving lawfully and when this had been accomplished were instructed by Major General Li to go home and avoid all violence. The Japanese press apparently has misconstrued the words "actions" and "depart" to mean that the Formosans were bent on offensive action. This conception is obviously erroneous.

4. Recommend that so much of this as may refute erroneous conception in the Japanese Press be released by PRO, Eighth Army.

C. S. FERRIN
Brigadier General, U.S. Army
Provost Marshal

Enclosure no. 4 to
Tokyo's no. 595,
September 9, 1946.

Diplomatic Section

The Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, presents its compliments to the Chinese Mission in Japan and has the honor to refer to the Mission's note of July 31, 1946 concerning the incident which occurred during the evening of July 19 in the vicinity of Shibuya Station, Tokyo.

The Chinese Mission is once again assured that a full and complete investigation of this incident by the Occupation authorities is in continuing process and that the Chinese Mission will be apprised of the results of this investigation.

With reference to the matter of removal of a number of wooden structures during the afternoon and evening of July 24, mentioned in the Mission's note of July 31 as having occurred in the vicinity of Shibuya Station, an investigation has now been made. As determined by this investigation, it appears that on July 20, 1946 the Tokyo Provost Marshal's office, having inspected the street stalls in the vicinity of Shibuya Station, gave instructions to the Japanese police authorities to remove structures which had been illegally placed on private property without permission from or notice to the owners of such property. In consequence of this order, the Japanese police gave due notice that all street stalls in the neighborhood of Shibuya Station, irrespective of the nationality of the owners, must be removed within forty-eight hours from 6 p.m., July 20, 1946. Dwellings, semi-permanent structures, and all buildings legally erected were specifically excepted from the order. Among the reasons given by the Japanese police authorities for this order were:

- a. That an order had been received from the Tokyo Provost Marshal's office;
- b. That the owners of the stalls were in illegal possession and were trespassing on private property;
- c. That the owners of the stalls were engaged in illegal sales of goods; and
- d. That a number of the structures concerned had been erected in violation of sanitary and other regulations.

At about 6 p.m. on July 22, the time of expiration for carrying out the order referred to above, it was learned by the Japanese police authorities that a majority of the street stalls were still under operation. Steps were thereupon instituted to remove the structures, whereupon the owners requested permission themselves to undertake the removal. At about 5 p.m. on July 24 a great majority of the structures were still being operated and several which had previously been damaged had again been repaired. Consequently, a total of fourteen street stalls (including three owned and operated by Japanese nationals) were removed. The Japanese police authorities have reported that twelve semi-permanent structures owned and operated by Formosans, though built in contravention of the land owners' rights and without licenses to build or operate, were not molested pending determination of the rights of the owners by due legal process. No instances have come to the

attention

- 2 -

Enclosure no. 4 to
Tokyo's no. 595,
September 9, 1946.

attention of General Headquarters where Chinese nationals were rendered homeless as a result of demolition or removal of semi-permanent or permanent structures in the area under discussion.

General Headquarters has carefully investigated the attitude of the Japanese press regarding the Shibuya and similar incidents. No evidence has been found which would warrant a conclusion that the Japanese press is deliberately carrying on a campaign tending to incite the populace. The Japanese press in general and Jiji Mainichi, and Asahi in particular have been warned to exercise great care in reporting incidents involving Chinese nationals. They were particularly directed, when reporting such incidents, to be factual, free from bias, and to avoid pre-judgment in the issues involved.

Tokyo, August 16, 1946.

Copies to: Cinc
C/S - approval
G-2
CPM
LS
AG
G-2/LN

701 China
WJS:lh

Enclosure no. 5 to
Tokyo's no. 595,
September 9, 1946

CHINESE MISSION IN JAPAN

TOKYO

CONSULAR AFFAIRS OFFICE

The Consular Affairs Office of the Chinese Mission presents its compliments to the Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, and has the honor to request the release of 40 Chinese nationals detained for questioning following the Shibuya incident of July 19. As the competent authorities of General Headquarters have been assured verbally, satisfactory guarantee will be given to ensure that the persons whose release is being requested will be available for further questioning should it be considered necessary.

Of the 40 people under detention, 28 were taken into custody by the Japanese police on the night of July 19, when their truck driver was fatally shot by the police. The latter detained them for nine days before turning them over to the Occupation authorities. Another two were questioned and detained the same night by the Occupation authorities, while 10 others wounded in the incident were taken into custody when they were discharged from St. Luke's Hospital.

This Office, which has been given to understand that these men are being detained for the sole purpose of interrogation, has received repeated representations from their near relatives submitting that their prolonged detention is a great hardship not only for the men themselves, the majority of whom have been kept behind bars for almost one month, but for their dependents as well. In all cases the assurance is given that persons of good standing in the Chinese community are willing to guarantee their future presence, if required, either at the court of trial or before the Occupation authorities for further questioning.

It is therefore requested that the matter be favorably considered by the competent authorities.

Tokyo, August 13, 1946.

Enclosure no. 6 to
Tokyo's no. 595,
September 9, 1946.

Diplomatic Section

The Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, presents its compliments to the Chinese Mission in Japan and has the honor to refer to the Mission's note of August 13, 1946 in which the release of forty Chinese nationals is requested.

As stated in this Section's note of July 25, 1946, General Headquarters has been carrying out a thorough investigation of the incident which took place during the evening of July 19, 1946 and is gathering all available facts and evidence which might be of assistance in determining responsibility on the part of individuals concerned. In consequence of this investigation, the following forty persons who profess to be Chinese nationals have, among others, been turned over to the proper authorities for possible trial, should available evidence indicate their probable responsibility for the above-mentioned incident:

Shukan, Lo	Mo, Cho
Ahey, Tei	Shutei, You
Shakufuku, Kyo	Riuto, Sai
Eilitsu, Cho	Enghong, Ong
Raimel, Gan	Kabun, Rin
Shiukau, Kaku	Bojo, Ri
Baito, Di (Ri)	Shoko, Ryu
Bokushow, Kan	Eiritsu, Chou
Bunchi, Ri	Chin, Sen Do
Tokufu, Shu	Gin, Lin Lui
Jyushi, Cho	Pao, Huang Ching
Yunho, Fan	Chong, Chi Yu
Seisen, Wou	Chang, Liu Yi
Junkei, Ryu	Ching, Liou Yung
Rito, Sai	Ming, Ching Sen
Hogi, Fan	Kai, Chiang Hung
Syokei, Ryu	Yung, Tien-Lang
Iyusyan, Rim	Cheng, Teh-Wang
Bunshiyo, So	Chuan, Ting-Piou
Kinei, Ryo	Hung, Chung-Jen

The Chinese Mission is assured that the above-named persons are being given proper treatment as United Nations nationals and, if it should be decided that they are to be tried before an Occupation court, full opportunity will be given to the Mission to observe such trials and, if desired, to assist the accused persons in obtaining proper counsel.

Tokyo, August 20, 1946.

Copies to: CinC
C/S (for approval)
G-2 (CIS)
G-2/In
CPM
LS
AG

Enclosure no. 7 to
Tokyo's no. 595,
September 9, 1946.

CHINESE MISSION IN JAPAN

TOKYO

Ref. No. 0114/ST

The Chinese Mission in Japan presents its compliments to the Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, and in regard to the Shibuya incident of July 19, 1946, has the honor to state as follows:-

At about 5 o'clock last Friday afternoon, the Chief of the Chinese Mission received a telephone call from the Chief of Staff of the Eighth Army saying that a number of Formosan-Chinese detained in the Shibuya incident would be arraigned on Saturday before the Provost Court of the First Cavalry Division. The Chinese Mission, which has hitherto had the utmost difficulty in obtaining information from General Headquarters as regards the progress of the investigation conducted by the Occupation authorities, cannot but express its surprise at the sudden development.

There seems to be the impression in General Headquarters that the Chinese Mission is trying to rush the investigation through. If there ever was such a misunderstanding, the Mission wants it corrected. The Chinese Mission has no desire to rush matters. The request hitherto made by its Consular Affairs Office is for the allowance of bail to those Chinese detained in the incident, it being pointed out that there are persons of good standing in the Chinese community willing to become bail for them.

The Chinese Mission has been informed unofficially that while the Chinese accused are to appear before the Provost Court for trial, the Japanese involved in the incident will be tried by a Japanese court. The Mission is of the opinion that the Japanese police who opened fire in the Shibuya incident, causing death or injury to no less than twenty-eight Chinese civilians, have committed a crime against occupation and should therefore be tried by an Allied tribunal. The firing was indiscriminate. One of the volley shots fired by the police hit the windshield of a Chinese Mission jeep, whose driver had a narrow escape from death. In the opinion of the Chinese Mission, it cannot be expected that the case will be dealt with properly if the Japanese are to be tried by their own national court.

The Chinese Mission, therefore, holds the view that all parties to be prosecuted in connection with the Shibuya incident should be brought before the same Allied tribunal for trial. It is further suggested that, in order to fully overcome the language difficulty that may arise in the course of the proceedings, the Chinese Government be represented on the bench, as well as in the prosecuting of the accused, by qualified members of the legal profession.

Tokyo, August 26, 1946.

Enclosure no. 8 to
Tokyo's no. 595,
September 9, 1946.

CHINESE MISSION IN JAPAN

TOKYO

Ref. No. 0117/ST

The Chinese Mission in Japan presents its compliments to the Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, and has the honor to refer to a note addressed to the Diplomatic Section under date of August 26, 1946.

In connection with the suggestion made therein regarding the trial of persons involved in the Shibuya incident, an agreement has been reached with General Headquarters as summarized in the accompanying inclosure.

Tokyo, August 27, 1946.

Incl: Ltr to Colonel A. C. Carpenter.

Enclosure no. 8 to
Tokyo's no. 595,
September 9, 1946.

Ref. No. 0116/ST

27 August 1946

Colonel A. C. Carpenter
Chief of Legal Section
General Headquarters
S C A P

Dear Colonel Carpenter:

This is to confirm our telephone conversation this afternoon concerning the formation of a mixed commission to try the parties involved in the Shibuya incident of July 19, 1946.

The Chinese Mission recommends Mr. Henry Chui who is working with the Chinese Division of the International Prosecution Division, General Headquarters, to be the Chinese Member of the Commission.

It may be added that Mr. Chui is a member of the Chinese Law Association and has practised law in Shanghai for a good number of years.

Sincerely yours,

CHU SHIH-MING
Lieutenant General
Chief, Chinese Mission in Japan

Enclosure no. 9 to
Tokyo's no. 595,
September 9, 1946.

GENERAL HEADQUARTERS
UNITED STATES ARMY FORCES, PACIFIC

CHECK SHEET

Subject: Shibuya Station Incident.

From: CofS To: Diplomatic Section Date: 27 August 1946

1. Reference is made to communication from Chinese Mission in Japan to the Diplomatic Section, Reference No. 0014/ST, dated August 26, 1946, in which certain statements are made in regard to the Shibuya incident of July 19, 1946.
2. General Chu, Chinese Ambassador in Tokyo, conferred with the Chief of Staff this date on the subject, and furnished him with a copy of reference document.
3. Following this conference, instructions were issued to Colonel Carpenter, Chief, Legal Section, to prepare draft of letter to Commanding General, Eighth Army, requiring that the Formosans now in custody of Eighth Army awaiting trial be tried by a military commission consisting of three members, instead of the Provost Court before which they were arraigned on 24 August. One of the members of the military commission will be a Chinese, selected by General Chu. The trial was to be expedited.
4. In preparation of draft of reply to reference document, the foregoing action will be referred to, which meets the Chinese Ambassador's request in that respect. With reference to trial of the Japanese police, the statement will be made that this matter is receiving adequate consideration by this headquarters. In addition, it is desired to invite General Chu's attention to the statement in paragraph 2, last sentence, in which he indicates the Chinese Mission has had the utmost difficulty in obtaining information from GHQ, and so forth. This statement and the language used therein are uncalled for, and in our opinion the statements made are not correct.

----- P. J. M. * -----
GA/WJS/blc
29 August 1946

From: DS To: C/S

1. As instructed in c/n 1, there is attached for approval a reply to the Chinese notes of 26 and 27 Aug 46, copies of which are enclosed.
2. Although the statement by the Chinese Mission of its alleged difficulty in obtaining information regarding progress of the investigation may not in all respects accord with the facts, nothing of an offensive nature from the standpoint of diplomatic language is found in the Chinese note of 26 Aug. Therefore, especially in view of the natural language translation difficulty, attention is merely drawn to the statement in question pointing out that it does not reflect the attitude of General Headquarters

3 Incls: Notes as stated.

-----G.A., Jr.-----

Enclosure no. 10 to
Tokyo's no. 595,
September 9, 1946.

Diplomatic Section

The Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, presents its compliments to the Chinese Mission and has the honor to refer to the Mission's third person notes of August 26 and August 27, 1946, concerning the Shibuya incident of July 19, 1946.

It is noted from the Mission's note of August 27 that an arrangement satisfactory to the Chinese Mission has been made with General Headquarters whereby the Formosans now in custody of the Eighth Army and awaiting trial are to be tried by a military commission consisting of three members, of whom one will be a Chinese selected by the Chinese Mission.

It is noted that the Chinese Mission in its note of August 26 expresses the view that Japanese involved in the incident should be tried by an Allied tribunal as perpetrators of a crime against the Occupation. No decision has been reached in this regard but the Chinese Mission is assured that this matter is receiving full consideration by General Headquarters.

In its note of August 26, the Mission states that it has hitherto had the utmost difficulty in obtaining information from General Headquarters with respect to the progress of the investigation conducted by the Occupation authorities. In view of the constant and continuing desire on the part of General Headquarters to keep the Chinese Mission fully advised and to furnish the Chinese Mission with prompt replies to any inquiries which might be made, it is felt that the Mission's statement under reference does not reflect the attitude of General Headquarters. The absence of any desire on the part of the Mission to rush consideration of or decision regarding this matter is noted. It is believed that the arrangement made with General Headquarters will provide a solution satisfactory to all concerned.

Tokyo, August 29, 1946.

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Enclosure no. 11 to
Tokyo's no. 595,
September 9, 1946.

CHINESE MISSION IN JAPAN

TOKYO

Ref. No. 0122/ST

The Chinese Mission in Japan presents its compliments to the Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, and has the honor to request a copy of the testimony expected to be used for the trial of the accused involved in the Shibuya incident of July 19, 1946. The Mission understands that a copy of the testimony is now available for its reference.

Tokyo, August 29, 1946.

Enclosure no. 12 to
Tokyo's 595,
September 9, 1946.

Diplomatic Section

The Diplomatic Section of General Headquarters, Supreme Commander for the Allied Powers, presents its compliments to the Chinese Mission in Japan and has the honor to refer to the Mission's note of August 29, 1946 in which the Mission requested a copy of the testimony expected to be used in the trial of the accused involved in the Shibuya incident of July 19, 1946.

The Diplomatic Section has been advised by the Judge Advocate of the 8th Army that the available documentation pertaining to the accused persons is voluminous and as yet incomplete, and that no extra copy is presently available. It is expected that Messrs. Herbert Berman and Ting Lin, both lawyers of considerable experience who have previously been consulted by the accused Formosans, will be assigned as defense counsel. It is suggested that the Mission may desire to have one of its representatives peruse the available testimony and for this purpose have such representative work through and with the defense counsel. As a practical matter, it is believed that in this manner the Chinese Mission will best be able to be kept fully informed concerning the trial.

Tokyo, September 5, 1946.

cc. C/S - approval
G-2/Ln - despatch
CG 8th Army (Att:JA)
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AG Records

701 China



UNITED STATES POLITICAL ADVISER
FOR JAPAN

September 10, 1946.

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DIVISION OF FOREIGN REPORTING SERVICES
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No. 599

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SUBJECT: Progress Report of Natural Resources Section, General Headquarters, Supreme Commander for the Allied Powers.

The United States Political Adviser has the honor to forward seven copies of a "Progress Report" dated August 29, 1946 prepared by the Natural Resources Section of General Headquarters, Supreme Commander for the Allied Powers, covering that Section's activities during the period from October 2, 1945 to April 2, 1946, inclusive. In addition to outlining the organization and functions of the Natural Resources Section, the Report (on page 2) summarizes the accomplishments of the Section during its first six months of operation, and on the following pages lists specific problems and actions taken by the Section during the period under review.

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INTERNATIONAL RESOURCES DIVISION
DEPARTMENT OF STATE
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Enclosures (in seven copies):
"Progress Report 2 October 1945 -
2 April 1946".

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Enclosures (in seven copies) to Despatch No. 599, dated September 10, 1946, from the United States Political Adviser for Japan, Tokyo, on the subject Progress Report of Natural Resources Section, General Headquarters, Supreme Commander for the Allied Powers".

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Natural Resources Section

AFO 500
29 August 1946

PROGRESS REPORT

2 OCTOBER 1945 - 2 APRIL 1946

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Natural Resources Section

PROGRESS REPORT
2 OCTOBER 1945 - 2 APRIL 1946

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Natural Resources Section

PROGRESS REPORT

2 OCTOBER 1945 - 2 APRIL 1946

1. Organization and Functions

The Natural Resources Section of the SCAP Special Staff was created on 2 October 1945 to recommend policies for natural resources administration in Japan and Korea. It was given authority by General Order No. 6 to:

"a. Arrange for and co-ordinate surveys and reports on agricultural, forestry, fishery and mining activities, as required, including production potentials, inventories, machinery and equipment and related subjects.

"b. Locate and arrange to secure as required, source data in Japan relative to agricultural, forestry, fishery, and mining activities in countries formerly occupied by Japan.

"c. Inform concerning, and recommend policies relative to, organizations, financial structures, cartels, trade and rental agreements, subsidies, incentive payments, debt conciliation, and similar matters affecting the production, processing and distribution of agricultural, fishery, forestry, and mining products and by-products.

"d. Recommend measures to insure the development, exploitation, production, processing and distribution of basic industry products to the full extent required for rehabilitation of the national economy within the terms of the Potsdam Declaration and to meet the needs of the occupation forces.

"e. Make recommendations relative to the conservation of natural resources and the operation or nonoperation of basic industries and of related scientific activities."

The character of these general instructions was further defined in memoranda allocating responsibility for basic occupational directives (particularly JCS 1380/15, SWNCC 52/4, JCS 1380/8, and SWNCC 176/8).

To meet its responsibilities the Section was organized into six divisions, four with research and policy-recommendation functions (Agriculture, Fisheries, Forestry, Mining and Geology Divisions), and two service divisions (Administration, and Library and Production Divisions). Each of the four technical divisions has been concerned with all phases of the

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the original directive as applied to its special field. The two service divisions have made the operations of the Section more efficient by centralizing all routine operations common to the technical units.

From an initial group of ten officers, the section had grown by 2 April to a strength of 174 staff members, organized into 27 subordinate units. The Staff included 48 officers, 34 enlisted personnel, 43 scientific consultants, 32 other civilian personnel, 16 Japanese nationals, and one Siamese.

2. Summary of Accomplishments

During the first six months the Section pursued an intensive program of basic research, and at the same time answered increasingly heavy demands for policy recommendations, or other special information.* It established effective liaison with all Japanese and Allied Agencies which are sources of information in its field. The Section further set up working arrangements with agencies responsible for executing its recommendations. Finally it sought an effective general dissemination of information on its accumulated data and upon its policy advice, where such publication was compatible with security. Toward this objective the Section had published 25 technical reports by 2 April, issued Weekly Summaries of its activities, given periodic press releases, and submitted a Daily Radio Operational Report. The technical reports, which totalled 678 pages, were being distributed to 261 destinations per issue at the end of the period.

Besides its principal function as an advisory agency for the Supreme Commander, the Section has assisted a number of other agencies within SCAP and AFPAC, and several visiting missions. On request it provided data, advice, or policy recommendations on natural resources in Japan and Korea to the following units of the occupying forces: G-1, G-2, G-4, Economic and Scientific Section, Civil Information and Education Section, Public Relations Office, Public Health and Welfare Section, Office of the Chief Engineer, FLTLOSCAP, The Far Eastern Commission, Civil Communications Section, Quartermaster General, USASCOM-C, and the RAAF. The following visiting missions were serviced: Japan Reparations, Smaller War Plants Corporation, U S Food, Edwards (Zaibatsu), U S Education, and Locke. Requests from UNRRA, the China Command, the War Shipping Administration, and the War Department Civil Affairs Division also were answered.

3. Specific Problems and Actions:

a. Preparation of an Inventory of Past, Present, and Potential Productive Capacity of Natural Resources of Japan and Korea

Operations of the Section were made complex by the necessity of dealing with emergencies, and making interim policy recommendations at

*Where duties and responsibilities were shared with other sections of the Special Staff action was taken only in close co-ordination with those sections.

the time when it was collecting a reservoir of basic data. Contrary to the general foreign impression about Japan, the country had no well-organized compilation of statistical information on which the Section could draw immediately for background data. Serious deficiencies in Japanese methods of collecting, organizing, and reporting made data from many Japanese sources unreliable until checked. Even reliable statistical data had to be re-organized to suit SCAP needs. A large share of the Section's activity therefore was devoted to the accumulation and organization of data for a natural resources inventory. An effort was made to reach this objective in a systematic manner, but emergency problems in several phases of primary production were influential in shaping basic research during this period.

By April the more important phases of statistical compilation had been completed. Data available in Japanese Government agencies and from private sources had been canvassed. Field checks had been made on the most needed data, and some field studies were completed to supplement information from secondary sources. These data were organized into usable form and projects started for eliminating the remaining major informational gaps.

(1) Agriculture

All basic data on past and current crop production; farm population; livestock census; fertilizer, insecticide, and equipment consumption; and other production items complete in preliminary form. Data were compiled (in collaboration with the Economic and Scientific Section) on normal Japanese food consumption, existing stockpiles, normal flow and destination of agricultural products, exports, and imports. Reconnaissance soil surveys had been made in Honshu, Hokkaido, and Kyushu, and the Japanese Government was directed to make a land utilization map.

(2) Fisheries

Conflicting data on past production, personnel, and equipment were analyzed and estimates prepared. Data were gathered on current capacity of authorized fishery areas, and destinations of products. Estimates of past production and facilities of postwar prohibited areas were prepared (e.g. Kamchatka, Philippines, Korea, and the Antarctic). Information was also obtained on Japanese overseas fishery activities.

(3) Forestry

Japanese information on forestry was more accurate and more readily usable than similar data in other phases of primary production. These data were supplemented by field work. The two sources were sufficient to enable the publication by 1 April of reports on forest ownership and administration.

stockpiles of logs and lumber, forest composition, and the volume of standing timber. Statistics were also available on growth rates, annual production by type, and processing industries.

(4) Mining and Geology

Information was assembled on all phases of the Japanese mining industry and mineral deficiencies. Because of the critical fuels problem, figures on the coal industry and coal resources were more complete than on any other aspect. However, basic data on the current status and past production were prepared also for iron, lead, copper, zinc, silver, gold, and minor minerals. These included general characteristics of the deposits, number of employees, processing facilities, and wartime damage. A survey was made of the petroleum industry of Japan, including a historical review, area geology, structural geology, production, potential reserves, drilling methods, and equipment.

b. Forecasts of Critical Problems in Japanese and Korean Primary Production, Recommended Emergency Solutions, and Expedition of Emergency Measures

(1) The Food Crisis

When the Section began its activities it immediately received a major share of responsibility for coping with the food supply problem. By early November the available Japanese food supply for 1946 was forecast at an average of 1,375 calories (including 41 grams of protein) per person per day compared with a prewar normal consumption of 2,160 calories and 76 grams of protein. Critical shortages were forecast for April, May, and June, 1946, with a deficit of at least 3,000,000 tons rice equivalent before the 1946 harvest. Even by early winter, consumption in some localities fell below the low average which was foreseen. The Agricultural and Fisheries Divisions devoted much of their early efforts toward obtaining supplements for the visible food supply. With the assistance of the Japanese Government a day-by-day check was maintained on food stocks. In co-operation with the Economic and Scientific Section the distribution and consumption of foods was carefully watched, and negotiations begun for importation of staple items in readiness for the coming critical period. Increase of home production was sought through increasing acreages of food crops and expedition of procurement of fertilizers, seeds, draft animals, and farm tools. A number of secondary actions were related, including close examination of alcohol production, discouraging the dismantling of sulfuric acid plants (fertilizer), and review

of all requests for export of agricultural materials. The Fisheries Division contributed through procurement recommendations for fuel oil, nets, vessel construction and vessel repair facilities, and the promotion of aquiculture. That division also sought the establishment of authorized fishing areas, and it was one of the first units in SCAP to recommend a clearly defined policy. The policy included: (a) self-sufficiency in fisheries products for Japan; (b) a 3,000,000-metric ton annual production goal for fishery products (approximate Japanese consumption); (c) prohibition of fisheries products export; (d) importation of fishery products for food where possible; and (e) expedition of procurement for production equipment and supplies.*

(2) The Fuel Crisis

A second critical problem in the early stages of the occupation was the sharp decline in coal production. The wartime monthly production of 4,000,000 tons or more had dropped in October 1945 to less than 600,000 tons. Since coal is the only industrial fuel of importance in Japan, it was obvious that the whole economy would be seriously crippled if immediate action were not taken. The Section took the initiative in solving the problem by arranging numerous conferences among SCAP officials, the Eighth Army, coal producers, the Coal Control Association, and Japanese Government officials. The Section report, "Basic Problems of the Coal Industry" (No 3, 14 November 1945) received wide circulation, as did its later "The Coal Industry of Japan in Recent Years" (No 22, 20 February 1946). A daily check on production was maintained, and a detailed analysis was made of basic problems confronting the coal industry. This analysis included prices, the labor situation, and equipment or materials needed to increase production. Subsequently, in joint action with G-4 and the Eighth Army, the Section suggested to the Japanese Government, the Coal Control Association, and the large coal producers of Japan measures to obtain the needed supplies and labor required for the coal industry. Additional food rations for the coal miners also were expedited. By the first of November production had risen, and by the end of the period it stood at nearly twice the October low. Although still deficient, the most dangerous period had been passed, and some needed labor reform was considered permissible. On the instigation of the Natural Resources Section, with the concurrence of the Eighth Army and the Economic and Scientific Section, the Japanese Government worked out a plan

* Statement to U S Food Mission to Japan, 12 March 1946.

for eliminating women from underground work and night employment at the mines. The plan provided for minimum interference with production. Although its effects were not so far reaching, or its solutions so complex as for coal, a household fuel problem also faced the Section at its inception. Charcoal production had struck a low for modern times and stockpiles were comparatively small. Recommended action, particularly in the nature of price revision, soon increased the supply.

(3) Construction Materials

Since many thousands of people in urban areas throughout Japan were without permanent homes, and distribution of lumber was thoroughly disorganized, efforts were made to get stockpiles into use as soon as possible. The major accomplishment within the period was the disposal of approximately 25,000,000 board feet of dead storage logs in the Tokyo-Yokohama area to sawmills in the metropolitan area. Efforts also were made to secure shipment of critically needed timber to Southern Korea, which has a chronically deficient supply.

c. Encouragement of Efficient Resource Utilization in Japan and Korea

Measures directed toward efficient resource utilization in many instances originated in an effort to make Japan as self-sufficient as possible within a minimum time. They were of three types: (1) expedition of procurement; (2) technical advice; and (3) encouragement of Japanese research relating to primary production.

(1) Expedition of Procurement

Every effort was made to reduce waste and promote effective utilization of all possible foods and raw materials. To reduce food spoilage the Section suggested measures for the procurement of such needed items as salt, ice, tin-plate, fruit crates, cold-storage facilities, and timely transportation for perishables. It offered plans for improved fish distribution, which would provide more fish at lower costs than previously. The Section also attempted to increase the consumption of edible but hitherto unused materials. The principal effort in this direction was the diversion of fish meal to food instead of fertilizer production. In this connection also the Japanese program for the production of "substitute flour" (from acorns, leaves and vines, seaweeds, and insects) was reviewed.

(2) Technical Advice

As opportunities arose in connection with emergency problems, or the preparation of the basic inventory, the Section's growing staff of specialists provided professional advice on production methods and production programs to Japanese agencies, corporations, and individuals. The Agriculture Division reviewed the Japanese 6,000,000-acre land reclamation Program, and revised it in detail. That Division assisted further by facilitating procurement of equipment and supplies needed for the initial steps in the reclamation program. It also formulated a plan for increasing the efficiency of present grazing areas of the islands. The Mining and Geology and the Fisheries Divisions also were active as advisory agencies. Suggestions were offered for the improvement of fishing methods in the authorized fishing area. The technical problems of a number of individual mines were reviewed in consultation with Japanese technicians, and recommendations were made for improvement. New methods of petroleum exploration were suggested and petroleum surveys started. Even the Japanese Government organization underwent critical review. Recommendations were made for the improvement of statistical reporting in conformity to SCAP needs.

(3) Encouragement of Japanese Research

From a long-term point of view a major SCAP responsibility lay in the redirection of Japanese research effort toward problems on the Japanese Islands and problems with a peaceful objective. By the end of March Japanese experimentation and research had resumed some activity. Some of the main subjects under investigation with Section encouragement were: plant breeding; livestock breeding; fertilizer manufacture and application; crop pest and disease control; fiber testing; erosion control; tree breeding; charcoal production; wood qualities; lignin use; rayon and paper-pulp production; population studies of marine fisheries; industrial utilization of fishery by-products; biological study of control of the oyster drill; production of carp in rice paddies; effect of land reclamation projects on fish populations; aquiculture; fishing gear design; coal properties; ore reduction; and metallurgy. In all cases an effort was made to check the character of research. Where any doubt existed concerning its military value recommendations for temporary or permanent suspension were made.

d. Democratizing Economic Institutions connected with Natural Resource Exploitation

The Section, according to instructions allocating staff

responsibility for basic occupational directives, shared in the responsibility for eliminating monopoly control and fascist economic institutions in Japan. In view of the importance of attempting to establish democracy in Japan, the Section laid plans for the reorganization of offending institutions within its sphere.

A tentative policy for much needed agrarian reform was developed. Because of the small size of farms, unequal distribution of land ownership, high rentals, and inflated land values, the economic condition of most tenants in Japan was very low. Upon the initiative of the Section and by SCAP directive the Japanese Government submitted in March a program of reform, which was judged by the Section to be inadequate, although it included: (1) a program for the transfer of land from noncultivating owners to tenants; (2) improved agricultural credit and crop insurance facilities; (3) a program of farm education; and (4) reorganization of the Agricultural Co-operative Association. The Japanese program did not meet the Section requirements because it made provision for only a small part of tenant-farmed land, because conditions by tenancy were undefined, and because administration of the program was given to officials under landlord influence. Negotiations on agrarian reform were still under way at the beginning of April. Informal supervision of the Ministry of Agriculture and Forestry, however, had already brought about a reorganization of the Agricultural Co-operative Association, with assurance of election of officers by free choice.

The activities, responsibilities, controls, and financial structure of the Japanese mineral industries likewise were studied for the purpose of reorganizing them independent of government supervision. Recommendations were made for price control, elimination of subsidies, and control or sale of government-owned monopolies. The most important of these was the recommendation for the dissolution of the Coal Control Association, and transfer of the Association's functions to an organization of acceptable form.

The structure of the fishery association, the functions of the Japan Lumber Company, and of the Imperial Forests also were investigated.

Finally, a general check was instituted to see that Japanese plans for the future within the Section's range of responsibility were compatible with Allied objectives.

c. Analysis of the Japanese Resource Position to Determine Indispensable Imports and Possible Exports for Exchange and Reparations

A series of isolated requests at a very early date in the Section's history, and the later demands of the Japan Reparations Mission prompted an extended analysis of possible Japanese materials surplus, exploitive equipment needs, and materials deficit. The Section's first report was issued on the subject (31 October 1945), and a series of supplemental investigations provided further details. Some general policy recommendations followed and a number of specific requests were examined.

Results of investigations showed that possible sources of exports for exchange and reparations existed in (1) sericulture, tea, and pyrethrum cultivation; (2) some fishery specialties, like cultured pearls, pearl shell, agar-agar, seed-oysters, and fish livers; (3) cement; (4) sulfur; and (5) precious metals.

The inadvisability of lumber and coal exports, and the doubtful benefits to be achieved from the export of iron, copper, petroleum, and fertilizer were pointed out. Refusals were recommended to the following specific requests for immediate export to Allied countries: canned crab, fish meal, whale oil, and whaling and fishing vessels. On the other hand, the export of mine timbers to China and charcoal to Korea was recommended in compliance with urgent requests. Recommendations were also issued for the export of silkworm eggs and mulberry seedlings to several destinations.

f. Conversion of Japanese Military Facilities to Peaceful Uses

Recommendations were made to G-4 for the return of former Japanese airfields in the main lowlands to cultivation, where those facilities were no longer needed by the Occupation Forces. Similar recommendations were made for the conversion of useless naval facilities to fishery harbors.

g. Assistance to the Occupation Forces

Assistance was provided whenever possible to other staff sections and the Occupation Forces. Many of the actions hitherto mentioned involved assistance to other Allied agencies in administering Japan. A few tasks concerned direct needs of the Forces. Data were provided to operational units on: (1) provision of cement, lime, sand, gravel, and building stone for construction; (2) lumber, coal, iron, magnesium, and aluminum stockpiles; and (3) the characteristics of Japanese soils and geology. An evaluation was made of Engineer Terrain Intelligence Reports for several strategic areas in Japan.

A general effort was made to provide efficient technical service to any Allied agency requesting information or advice. A library on Japanese natural resources was accumulated,* and a representation among all pertinent technical specialties was sought in recruiting personnel. Specialists on leave from several bureaus of the Department of Agriculture, (including the Forest Service), from the Geological Survey, and from private research institutions afforded an experienced professional consulting service. In addition the Japanese Government was directed to make available Japanese laboratories and research workers for any materials analyses or tests required by General Headquarters.

* By April the library had 8000 maps and over 1600 books and pamphlets.

h. Conservation Measures

Long-term conservational actions, although specifically charged to the Section in the original directive, necessarily were incidental to emergency action during the October-April period. Nonetheless they were kept in mind. Recommendations on minimal export of timber were made with thought of the certain effect of deforestation on water supply, hydroelectric power, soil erosion, and siltation damage. Present Japanese conservation regulations were supported, and in two cases directives were issued requiring adherence to international regulations previously ignored by Japan. Japan was required to comply with both the International Whaling Convention, and the International Fur Sealing Convention. Plans also were laid for investigation of general conservational possibilities in Japan, as other research revealed opportunities which had not been used to advantage.

4. Conclusion

During its first six months the Natural Resources Section began action on all of its directives. Because of the critical state and key position of food and fuel production in the Japanese economy, all matters relating to them received more attention than other less pressing duties. These activities required much time because the need for quick action, together with lack of specialized personnel elsewhere, often required informal supervision of operational detail. The concentration of attention, however, seemed justified in the results achieved by the end of the six-month period. The worst phases of the food and fuel crises had been passed, and a sound background acquired for recommendations on future operations. Reliable data on all major aspects of resource utilization had been acquired, although details remained to be filled in. Enough action had been taken to provide a general indication to Japanese of SCAP policy on natural resource utilization, and to begin reform on those aspects which obviously demanded reform. The Section's organization was near completion, and ready for efficient action along lines which it had laid down in compliance with directives. It was ready not only for emergency tasks, but for more complete determination of long-term policy, and the development of strategy for its execution.



HUBERT G. SCHENCK
Lt Col CE
Chief, Natural Resources Section

1 Incl:

Annex 1 List of Natural Resources Section Reports

ANNEX 1

LIST OF NATURAL RESOURCES SECTION REPORTS
2 OCTOBER 1945 - 2 APRIL 1946

<u>Report Number</u>	<u>Title</u>	<u>Date</u>
1	Possibility of Reparations from Japan's Natural Resources	31 Oct 45
2	Food Position of Japan for 1945 and 1946	13 Nov 45
3	Basic Problems of the Coal Mining Industry in Japan	14 Nov 45
4	Culture and Utilization of "Kozo" and "Mitsumata" for the Manufacture of High- Grade Paper in Japan	24 Nov 45
5	Ownership and Administration of Japan's Forests	27 Nov 45
6	Administration of the Japanese Mining Industry	1 Dec 45
7	Rice Crop Losses from Adverse Weather Conditions in Japan Proper in 1945	11 Dec 45
8	Stockpiles of Logs and Lumber in Japan	11 Dec 45
9	Unusual Materials as Foodstuffs in Japan	17 Dec 45
10	Food Position of Japan Proper in 1945	20 Dec 45
11	Estimate of the Forestry Situation in Hokkaido	28 Dec 45
12	Sources of Phosphate for Japan	31 Dec 45
	Supplement to NRS Report No. 12	15 Mar 46
13	Forest Areas, Forest Composition, and Standing Timber by Volume in Japan	10 Jan 46
14	Production of the Fishing Industry of Hokkaido	20 Jan 46
15	Livestock Feed Requirements for Japan Proper	21 Jan 46
16	Soils of Kyushu and Southern Honshu	26 Jan 46
17	Wartime Administration of the Japanese Mineral Industry	29 Jan 46
18	Oil Fields of Hokkaido	2 Feb 46
19	Soils of Hokkaido and Northern Honshu	4 Feb 46
20	Vegetable Seeds in Relation to Food Supply in Japan	14 Feb 46
21	The Coal Industry of Japan in Recent Years	20 Feb 46
22	Japanese Fishing Areas	25 Feb 46
23	Korean Mineral Industry Statistics	18 Mar 46
24	Foodstuffs Used in the Manufacture of Alcoholic Beverages in Japan	22 Mar 46
25	Characteristics of the Japanese Agricultural Cooperative Association	27 Mar 46

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The Chinese Ambassador presents his compliments to the Acting Secretary of State and has the honor to refer to the Department's note of May 13, 1946, concerning the establishment of a dollar credit account with the War Department for the purchase of essential supplies and services by Chinese establishments and personnel in Japan.

DIVISION OF CHINESE AFFAIRS
SEP 19 1946
DEPARTMENT OF STATE

The Ambassador begs to inform the Secretary that a communication is received from China's Representative on the Allied Council for Japan that an account has been established with the Headquarters of the Supreme Commander of the Allied Forces at Tokyo.

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Chinese Embassy

Washington, September 10, 1946

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DIVISION OF FINANCIAL AFFAIRS
OCT 3 1946
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TOP SECRET

No. 244

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

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

- Enclosures:
- 1. SWNCC 227/16, copy no. 45.
 - 2. Corrigendum to SWNCC 255/12, copy no. 45.
 - 3. Status of papers, SFE, 30 August, copy no. 2.

TO: Jpn

DATE: _____

DIST: _____

[Handwritten signature]

A true copy of the signed original.

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SEP 10 1946 P.M.

TOP SECRET

CONFIDENTIAL

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of China and has the honor to refer to the Embassy's note of September 10, 1946 concerning the procedure for financing the acquisition of essential supplies and services by Chinese establishments and personnel in Japan.

The Department has noted that a communication has been received by the Embassy from China's Representative on the Allied Council for Japan that an account has been established for this purpose with the Headquarters of the Supreme Commander of the Allied Forces at Tokyo. Pending further information, it will be presumed that this procedure meets the requirement for dollar payment for services and supplies purchased from United States facilities by Allied establishments and personnel in Japan.

740.00119 CONTROL (JAPAN)
/9-1046

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FROM: []
SUBJECT: []
DATE: []
INITIALS: []

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Department of State,

Washington,

October 1 1946

SEP 30 1946

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740.00119 Control (Japan) 9-1046

No. 51

FR
JA

AMERICAN CONSULATE GENERAL

Suva, Fiji Islands.

September 12, 1946.

DC/R

UNRESTRICTED

SUBJECT: TRANSMITTING COPY OF AN EDITORIAL ENTITLED
"FUTURE MENACE OF JAPAN" ABSTRACTED FROM
THE "FIJI TIMES & HERALD" OF SEPTEMBER
11, 1946.

1-1403
SEP 26 4 31 PM '46

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to attach hereto, in hectograph, abstract of an editorial entitled "Future Menace of Japan, which appeared in the local afternoon daily, the "Fiji Times & Herald", of September 11, 1946, in general reaction to a news item, dated Wellington, September 10, 1946, concerning American Army Administration in Japan, in which the amenities available to Americans and those available to New Zealanders and British troops were cynically discussed, and Tokyo was referred to as the Holy City in which McArthur was God.

Respectfully yours,

Winfield H. Scott
American Consul.

DIVISION OF JAPANESE AFFAIRS
OCT 11 1946
DEPARTMENT OF STATE

Enclosure:
Copy of editorial entitled:
"Future Menace of Japan".

File No. 800
W.H. SCOTT/bl.
To the Department in hectograph.

DEPARTMENT OF STATE
DIVISION OF FOREIGN
REPORTING SERVICES
SEP 30 1946
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740.00119 Control
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(Enclosure with despatch No. 51 of September 12, 1946, entitled: TRANSMITTING COPY OF AN EDITORIAL ENTITLED "FUTURE MENACE OF JAPAN" ABSTRACTED FROM THE "FIJI TIMES & HERALD" OF SEPTEMBER 11, 1946, prepared by Winfield H. Scott, American Consul at Suva, Fiji).

FUTURE MENACE OF JAPAN

The anxiety which many people are feeling concerning the future of Japan has not by any means been allayed by recent messages from correspondents in that country. The fact that Japanese war criminals have received lighter sentences simply because American witnesses were not prepared to travel across the Pacific to give evidence against them surely indicates that American determination to push home the war against the aggressors is slackening. To put it mildly, we could say that the reaction that swept America after Pearl Harbour has faded into the distance which time can generally be relied upon to provide. Time has marched on, and it seems that at the moment America, lacking leadership and direction, and very much concerned with the impending fight between labour and capitalism, is in grave danger of losing sight of the fact that she is very vulnerable in the Pacific, and that whatever Japan will do in the future depends largely upon what Russia decides to do today. The grave danger which faces America lies largely in the fact that American Labour is not founded on the idealism which is a strong feature of the Labour movement in Britain. This idealism is reflected in the fierce opposition which British Labour has always shown towards Communism. It is the same opposition as British Labour has always shown towards Fascism, resolutely opposing any attempt to impose any form of foreign interference upon the British form of democratic freedom. It is difficult to escape the conclusion that this softening of the American attitude to Japan does not offer much promise for the future peace of the Pacific. American preoccupation with troubles which may have their origin in her own mixed population, and the strong possibility that relations between America and Russia may become estranged to an extent even greater than at present may present Japan with all sorts of possibilities within the next 20 years. Our estimation of American common sense may be at fault, and we sincerely hope so, but we cannot escape the thought that the future safety of the Pacific and the Pacific countries, including Australia, New Zealand, and Fiji, demands more attention than is at present being given. If so soon after the surrender of Japan, such complacency can be shown as is indicated now, we hesitate to think of the attitude which will be shown ten years hence. We are justified in prophesying that long before then Japanese business signs will be proudly displayed in the streets of Suva and elsewhere in the Pacific islands.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A-H - General Hilldring

DATE: September 12, 1946

FROM : JK - Mr. Whitman

SUBJECT: SCAP Export Programs.

At a meeting in the War Department on August 30, Lt. Colonel Hartman, CAD, asked that JK review SCAP's export program to determine what exports should be governed by decisions of allocating authorities. In response to their request JK proposes the following message to SCAP:

DRAFT CABLE

SCAP

TOKYO

Following commodities included your export program Revision I are in world short supply and subject to allocation by international agreement: raw silk, cotton textiles, crude rubber, tartaric acid, sperm oil, antimony, tin, tea, lead, and coal. Compare above with list given our WCL 24101 March 11 and note omission silk fabrics and rubber manufactures and addition of tartaric acid, sperm oil, and coal. All other proposed exports uncontrolled.

2. Raw silk not allocated by formal body but present marketing plan provides for country quotas for US, UK, France, India and Australia, based on 1934-38 exports. See our 99338 of March 7. Revision silk quotas under discussion here.

3. Cotton textiles allocated by Combined Textile Committee. You will be notified of third and fourth quarter allocations which should govern exports until these allocations are filled. Good probability fourth quarter 1946 allocation will be last by Combined Textile Committee.

4. Crude rubber to be allocated by Combined Rubber Committee after shipment to US.

5. Tartaric acid allocated by IEFC committee. Your proposed exports approved subject full reporting to Washington all shipments.

6. Sperm oil allocated by Fats and Oils Committee IEFC. Shipment entire 1946 export production to US as per your program approved. We will notify IEFC of any actual shipment and U.S. allocations from other sources of supply will be adjusted accordingly if necessary.

7. Antimony

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7. Antimony not under formal allocation but US has agreed to plan for sharing 1500 ton export program with France and UK.

8. Tin allocated by Combined Tin Committee. Shipment all exportable surplus to U.S. for sorting and analysis prior to allocation authorized.

9. Lead is not under formal allocation but informal programming of procurement by US and UK authorities continuing for time being. Shipment exportable surplus to U.S. authorized.

* 10. ~~International trade in coal progressed by European Coal Organization. Shipment of exportable surplus to Korea and Hong Kong authorized to extent of requirements.~~

11. Japanese tea not allocated. Shipment may be made to any destination subject submission full reports to Tea Committee IEFC.

* Proposed coal exports will be discussed in later message.

R N Whitman

JK:RMPaige:bcb
9/12/46

A-H-199



UNITED STATES POLITICAL A
FOR JAPAN

Tokyo, September 12, 1946

DEPARTMENT OF STATE
DIVISION OF FOREIGN
REPORTING SERVICES
SEP 24 1946

~~Restricted~~

. 598

SUBJECT: Fourteenth Meeting of the Allied Council for Japan, September 4, 1946.

RECEIVED
DEPARTMENT OF STATE

SEP 25 11 33 AM '46

The Honorable
The Secretary of State
Washington

Sir:

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I have the honor to refer to this Mission's despatch 576, August 28, 1946, and to previous correspondence in regard to meetings of the Allied Council for Japan, and to forward as an accompaniment five copies each of the Agenda and Verbatim Minutes of the Fourteenth Meeting of the Council held on September 4, 1946.

The Meeting was taken up largely with procedural matters.

Under official matters, the first subject was "Policy with Regard to Ownership of Coal Mines and Subsidy Financing of Coal Production" which had been proposed by the Supreme Commander. Comment was requested on the question whether the coal industry should be nationalized or the present system of subsidy payments should be continued.

The British Commonwealth Member, disregarding the broad policy questions, stated that he desired detailed information on an immediate program under consideration for the increase of coal production before expressing his views on the problem.

The China Member put forth the view that the Government of China would probably favor eventual nationalization of the coal industry and made the suggestion that China, which has a surplus of coking coal and a shortage of fuel coal, might be interested in supplying coking coal, which Japan needs, in exchange for fuel coal.

As both the British Commonwealth Member and the Chinese Member desired further time for consideration and study, the subject was postponed until the next regular Meeting of the Council.

The Soviet Member proposed two questions for discussion (1) "The Demobilization Board" and (2) "The Progress of

Destruction

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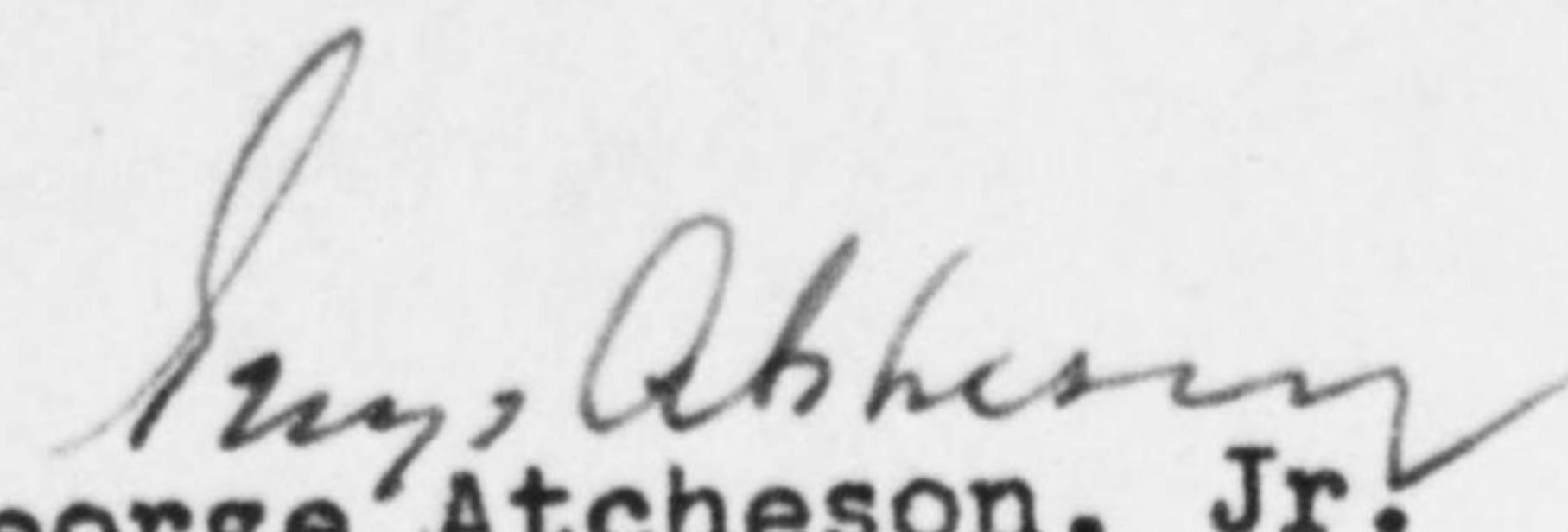
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"Destruction of Japanese Armaments and War Materials." Both of these subjects were postponed until the next Meeting.

Respectfully yours,


George Atcheson, Jr.

Enclosures: *att-2*

1. Agenda, 14th Meeting
2. Verbatim Minutes, 14th Meeting

Original and Hectograph to Department

Copies to: American Embassy, Moscow
American Embassy, London
American Embassy, Nanking
American Legation, Canberra
American Legation, Wellington
American Mission, New Delhi

500

GAbbey:cbk

Encl. No. 2 to
Tokyo's No. 598
September 12, 1946

14-904

RESTRICTEDCOPY NO. 52

VERBATIM MINUTES
of the
FOURTEENTH MEETING
ALLIED COUNCIL FOR JAPAN

Meiji Building, Tokyo, Wednesday, 4 September 1946 at 10:00 A. M.

MEMBERS PRESENT

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

His Excellency, Lieutenant General Chu Shih-Ming, Member for China

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

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

SECRETARY-GENERAL

Mr. Glenn Abbey

Office of the Secretariat
Allied Council for Japan
5 September 1946

THE CHAIRMAN: Gentlemen, shall we come to order? The Verbatim Minutes of the previous meeting have been circulated. In the absence of objection, they will be recorded as approved.

Under Procedural Matters we have the question of the revised rules of procedure to complete. Pursuant to the discussion of the last meeting, the Secretary-General went over the rules that had been adopted and grouped them under certain headings, rephrased some of them for the sake of preciseness and clarity. They were sent to the Members for comment. The British Commonwealth Member recommends a change in paragraph 1c. Paragraph 1c at present reads, "In case any Member desires that a draft directive of the Supreme Commander be discussed prior to a regular meeting of the Council, the Chairman will, at that Member's request, call within 24 hours a special meeting of the Council for this purpose." MR. BALL suggests that this be amended to express the following sense: "At the request of any Member, the Chairman may call a special meeting of the Council within 24 hours." Is that agreeable to you, GENERAL CHU?

LIFUTFNANT GENERAL CHU: I didn't quite catch what the change was.

THE CHAIRMAN: The rule, at least the wording, in the compilation attached to the Agenda is as follows: "In case any Member desires that a draft directive of the Supreme Commander be discussed prior to a regular meeting of the Council, the Chairman will, at that Member's request, call within 24 hours a special meeting of the Council for this purpose." My understanding is that MR. BALL would like to change the wording to read thus: "In case any Member desires that a draft directive of the Supreme Commander be discussed prior to a regular meeting of the Council, at the request of any Member the Chairman may call a special meeting of the Council within 24 hours." Is that correct?

MR. BALL: Yes. My intention, MR. CHAIRMAN, at the last meeting was to provide the opportunity for any Member to call a meeting

within 24 hours, on any kind of subject. I think we got a bit involved in our discussion, and I think that this is quite a faithful summary of what we said, but I was hoping that we might be able to alter this particular clause in order to bring it into line with my intention, which was that if the question, at whatever time, were to arise, not merely a draft directive, that a Member of the Council might be able to call a meeting within 24 hours. As it stands at present--as it stands at present, a Member of the Council can only call a meeting within 24 hours if it is to consider a draft directive at any such occasion. My feeling is that we should be able to call a meeting for any reason.

THE CHAIRMAN: This wording that you suggest, then, would comprise the entire rule.

MR. BALL: But we should be able--

THE CHAIRMAN: The wording you suggest would comprise the whole rule being as set forth, without reference to draft directives.

MR. BALL: That is right. I agree.

THE CHAIRMAN: Is that agreeable to you, GENERAL CHU?

LIFUTENANT GENERAL CHU: Yes, it is.

THE CHAIRMAN: Is that agreeable to the Soviet Member?

LIFUTENANT GENERAL DEREVYANKO: Yes, it is, and I have no comments to make.

THE CHAIRMAN: MR. BALL has a recommendation, also, in regard to paragraph 1d: "Meetings will be open to the press and general public." He suggests that the wording be changed to: "Official meetings will be open to the press and general public." All meetings are official.

MR. BALL: I beg your pardon.

THE CHAIRMAN: All meetings are official, are they not?

MR. BALL: Well, what I had in mind there, MR. CHAIRMAN, was that there might be some time in the future in which we might want to discuss some particular question in a hurry and it might

be more convenient to discuss that privately. I thought it would be a pity for us to adopt rules of procedure which would preclude forever the possibility of having an informal, quick, private meeting.

THE CHAIRMAN: I perceive no objection to the suggested change. Is the Soviet Member agreeable to MR. BALL's suggestion?

LIFUTFNANT GENERAL DERFVYANKO: No objection, sir.

THE CHAIRMAN: GENERAL CHU?

LIFUTFNANT GENERAL CHU: I agree, too.

THE CHAIRMAN: That change will be made.

With reference to paragraph 3b (2), now reading: "Any Member of the Council may raise at the end of the Agenda a question of substance and express his preliminary views on that question. Other Members of the Council shall have the privilege of requesting that discussion on such question be postponed until the next meeting. The question so raised shall, as a matter of course, be placed on the Agenda of the succeeding meeting upon receipt by the Secretary-General of a duly written notification from the Member concerned," MR. BALL suggests that the phrase, "as a matter of course," be deleted from the last sentence.

MR. BALL: That was purely a verbal amendment. There is no question of substance involved in it. I felt it redundant.

THE CHAIRMAN: Is that agreeable to you, GENERAL?

LIFUTFNANT GENERAL DERFVYANKO: MR. CHAIRMAN, I made an amendment to item 2, paragraph b, section 3, and I would like to know whether this amendment was taken into consideration in the final wording.

THE CHAIRMAN: MR. SECRETARY-GENERAL, have you a copy of GENERAL DEREVYANKO's amendment?

SOVIET INTERPRETER: MR. CHAIRMAN, here it is.

(Soviet Interpreter hands paper to Chairman.)

THE CHAIRMAN: The Soviet Member suggests that paragraph 3b (2)

be worded as follows: "Any Member of the Council may raise at any meeting at the end of the Agenda a question of substance and express his preliminary views on that question. Other Members of the Council shall have the right to ask that a discussion at length of that question should be postponed until the next meeting, on the Agenda of which the question so raised shall, as a matter of course, be automatically placed." The essential difference between MR. BALL's proposal and GENERAL DEREVYANKO's proposal is, I think, that MR. BALL suggests omitting the phrase, "as a matter of course," and GENERAL DEREVYANKO suggests leaving it in and omitting the phrase, "upon receipt by the Secretary-General of duly written notification." It seems to me the written notification would be useful because with it the Member can outline the precise information that he desires and the nature of the subject matter which he wishes discussed.

MR. BALL: I am quite agreeable to GENERAL DEREVYANKO's proposal.

THE CHAIRMAN: I have no preference as between the two. GENERAL CHU, are you agreeable?

LIEUTENANT GENERAL CHU: I think we might as well leave it as it stands in original form.

SOVIET INTERPRETER: Would you mind speaking a little louder, sir?

LIEUTENANT GENERAL CHU: I just suggested no change. There might be some repetition there, but I think it certainly covers all points.

THE CHAIRMAN: I think the original covers all points. It is helpful to all the Members to have a copy of the written communication outlining the information desired and the scope of the subject matter for discussion. In order to have the rule come into effect we must have the agreement of all Members to the wording of it.

MR. BALL: May we have GENERAL DEREVYANKO's amendment again, MR. CHAIRMAN?

THE CHAIRMAN: "Any Member of the Council may raise at any meeting at the end of the Agenda a question of substance and express his preliminary views on that question. Other Members of the Council shall have the right to ask that a discussion at length of that question should be postponed until the next meeting, on the Agenda of which the question so raised shall, as a matter of course, be automatically placed."

Under the present wording, it shall "...as a matter of course be placed on the Agenda of the succeeding meeting upon receipt by the Secretary-General of a duly written notification of the Member concerned."

MR. BALL: I would be quite agreeable to GENERAL DEREVYANKO's proposal.

THE CHAIRMAN: You don't see any advantage in having written notification outlining the scope of information and the scope of the subject to be discussed?

MR. BALL: As I understand it, if the Member does not give written notification there would not be any discussion at the next meeting, would there?

THE CHAIRMAN: Not under the original wording.

MR. BALL: I mean, the Member might want to give some thoughts on the subject without wishing to have that developed at the next meeting, and I think that GENERAL DEREVYANKO's proposal does provide for that. I would support that, MR. CHAIRMAN.

THE CHAIRMAN: GENERAL CHU is in favor of the original wording. You and GENERAL DEREVYANKO are in favor of the Soviet-suggested amendment.

MR. BALL. You are in favor of the original wording--

THE CHAIRMAN: It is a more orderly way to proceed. It gives all the Members an opportunity to know more or less precisely what the scope of the subject matter will be, gives an opportunity to prepare to discuss it.

LIEUTENANT GENERAL CHU: I think there would be less chance of misunderstanding if we add to what we say orally with a written statement before the next meeting. I think it would be a good thing.

MR. BALL: Perhaps GENERAL DEREVYANKO could explain again the reason for his desire to change this wording.

LIEUTENANT GENERAL DEREVYANKO: I don't insist upon my amendment, but I made it in order to make the wording more precise and I thought that it was necessary.

THE CHAIRMAN: The essential difference is that the Soviet Member's suggestion is that we eliminate the provision that a Member raising a question at one meeting give the usual notice in writing in order to place it formally on the Agenda for the succeeding meeting.

LIEUTENANT GENERAL DEREVYANKO: Yes, sir.

THE CHAIRMAN: Then, GENERAL DEREVYANKO is agreeable to the original wording?

LIEUTENANT GENERAL DEREVYANKO: I made the amendment in written form, sir, and I have no other opinion on the subject.

THE CHAIRMAN: We seem to have reached a stalemate in the matter, and the rule can't go into effect without agreement by all the Members.

LIEUTENANT GENERAL CHU: Actually, I think that we all agree in substance. The only point at issue is whether we will put in another written notification, which appears to me not too much of a burden on any Member. If we consider that subject important enough to bring up in a previous meeting, we certainly could take the trouble to send in another written notification to the Secretary-General. I really don't think the point is very important.

MR. BALL: I feel in the light of indications here this morning it is better to leave it as you have it here.

THE CHAIRMAN: Is that agreeable to GENERAL DEREVYANKO?

LIEUTENANT GENERAL DEREVYANKO: I have given my point of view

and I have nothing new to add.

THE CHAIRMAN: That would seem to eliminate rule 3b(2).

MR. BALL: MR. CHAIRMAN, would it be worth while to ask GENERAL DEREVYANKO whether he is ready to agree to the point of view that has been expressed by GENERAL CHU and yourself and by me, even though it does not correspond exactly with his own point of view?

THE CHAIRMAN: I think I have asked him several times. I don't want to be too persistent.

Under Official Matters, the first item on the Agenda is the question of policy with regard to ownership of coal mines and subsidy financing of coal production. This subject has been proposed by the Supreme Commander who requests the comments of the Members of the Council. I would like to introduce MR. REDAY of our Economic and Scientific Section, who will be glad to endeavor to answer any detailed questions that the Members may have.

Attached to the Agenda form is a partial staff study on the problem, which has been distributed to all the Members, made public, distributed to the press. There would seem to be no need to read it at this time.

MR. BALL?

MR. BALL: Well, MR. CHAIRMAN, I fully realize the very great importance of increasing coal production. It appears that the shortage of coal is the most important single reason for the failure to rehabilitate Japanese industrial life. On the other hand, I am rather puzzled about exactly what kind of advice you desire from the Council today. I had noticed in a SCAP Public Relations release of 30 August that MR. REDAY gave a press conference in which he referred to a plan of the Japanese Government and asked for the support of the Japanese people for this plan. He said that it was important that the public, as well as the mine owners and miners, should support the new production plan for which

the Japanese Economic Stabilization Board had assumed the responsibility. Now, I personally am very anxious, and I think that the other Members of the Council will be, too, to give any kind of advice and help that we can on this question, but it would be difficult for us to put forward any concrete and specific plan without knowledge of the plan that has been put forward by the Japanese Government. We have no information about that plan. The Japanese Government has put forward a plan which has received SCAP's official approval, and it would be unfortunate if we were to put forth some other plan which might perhaps clash with this plan that has received SCAP's approval. In these circumstances, although we are very anxious to help, I feel that the first thing is for us to be given information about the Japanese Government's plan, and to be given some opportunity to know the minds of experts like MR. REDAY, and then in a fortnight's time, having received that information, we shall certainly do our best to give any advice we think might be helpful.

THE CHAIRMAN: You would like to postpone discussion, then, until two weeks hence and in the meantime receive additional information?

MR. BALL: Well, the main point I made, MR. CHAIRMAN--I have tried to make--is that we are asked for advice on how to rehabilitate the coal industry, but already some days ago a representative of SCAP explained to the Japanese press that the Japanese Government has got a plan for rehabilitating the coal industry. We have no information about that plan.

THE CHAIRMAN: I think the essential question here is whether the coal mines should be nationalized or whether the subsidy financing should be continued, but MR. REDAY may be able to enlighten you on the other aspects of the matter.

MR. REDAY: Perhaps I can enlighten you on one feature. The Japanese Government has a program rather than a plan. It is

being worked out now by the Japanese Government and the Economic Stabilization Board has assumed the responsibility for working it out, but so far it is merely a program which includes four or five major features which would be included in any program for increasing coal production. But there are no details yet evolved to form a concrete plan within that program, and the purpose of referring this question to the Council was this--that this program for which detailed plans are being developed by the Japanese Government involves operational and executive matters, as distinct from such important policy questions as ownership and financing of industries.

MR. BALL: But wouldn't MR. RFDAY feel, MR. CHAIRMAN, that it is not really the business of the Allied Council to work out a detailed plan by which the Japanese might rehabilitate their coal industry? It is surely for the Japanese to do that.

THE CHAIRMAN: There is no request before the Council to work out a detailed plan to increase coal production. The Supreme Commander has requested the advice of the Council on the question of whether the coal industry should be nationalized or whether the present system of subsidy financing should be continued. I think it would be possible to present to the Council the program of the Japanese if you wish to see it.

MR. BALL: Yes--

THE CHAIRMAN: We didn't want to overburden you with too much technical information.

MR. BALL: We certainly have not been overburdened, MR. CHAIRMAN. My feeling is that if the Japanese Government put forward a plan which is inconsistent with Allied Occupation policy, it would then--it would be wise and proper to ask the Allied Council to put forth comments and to ask them for their helpful and constructive criticism of this plan, but at the moment, my position is that

there is a plan, that that plan has received the approval of SCAP, and I feel that it would be very difficult and embarrassing for us to put up alternative proposals, to put up new proposals, without knowing the nature of the plan that has already been worked out by the Japanese Government.

THE CHAIRMAN: That plan can be presented to the Council. I'm quite agreeable to postponing the matter until the next meeting. GENERAL DEREVYANKO?

LIEUTENANT GENERAL DEREVYANKO: Yes, sir.

THE CHAIRMAN: GENERAL CHU?

LIEUTENANT GENERAL DEREVYANKO: I have some questions to ask.

THE CHAIRMAN: MR. BALL has suggested that the entire matter be postponed for discussion at the next meeting, two weeks hence.

LIEUTENANT GENERAL DEREVYANKO: I concur with MR. BALL's proposal, but before postponing the entire question, I would like to ask some questions connected with the problem.

THE CHAIRMAN: Surely.

LIEUTENANT GENERAL DEREVYANKO: What are the reasons for such low coal output during this year?

THE CHAIRMAN (To MR. REDAY): Can you answer that?

MR. REDAY: It is a pretty big question. There are very, very many reasons. One major reason would be the fact that the miners had been entirely Korean until the end of the war. They have been replaced by Japanese miners since that time, to whom coal mining is an entirely new profession, and the second major factor would be the fact that food has been very short in Japan for some months and the miners feel themselves forced to spend a great deal of time looking for food rather than mining for coal. The third factor would be the general run-down condition of the mines at the end of the war through lack of maintenance and lack of replacement machinery and so on and the difficulty of finding it now.

LIEUTENANT GENERAL DEREVYANKO: What measures are being taken by the Japanese Government to increase coal production?

THE CHAIRMAN: That would be outlined in the program which will be presented to the Council at the request of MR. BALL.

MR. REDAY: Yes.

LIEUTENANT GENERAL DEREVYANKO: What number of workers is now employed in the coal industry of Japan as compared with the average number of workers in this industry during the preceding years?

MR. REDAY: I can only answer in rough figures, in the neighborhood of 275,000 and 300,000 and it compares pretty closely with what has been employed in previous years.

LIEUTENANT GENERAL DEREVYANKO: The exact figures are not available, sir?

MR. REDAY: I will provide them in this outline which we present at the next meeting.

LIEUTENANT GENERAL DEREVYANKO: What are the reasons of numerous strikes in the coal industry of Japan?

MR. REDAY: I can advance an opinion. The general shortage of food makes labor restless. Probably the most important is the general fact that the shortage of food in the mine and the general poor conditions. Poor working conditions have made labor restless.

MR. BALL: Do you mean, MR. REDAY, a general shortage of food or a maldistribution of food?

MR. REDAY: Both. There has been a general shortage of food in the country for several months. Coal miners are not in an occupation which permits them to grow food on the side and to look around for food except at the expense of time being spent for coal. There are many other factors involved here.

LIEUTENANT GENERAL DEREVYANKO: What is the average productivity of one worker now as compared with that during the preceding years?

MR. REDAY: You mean the output per worker?

LIEUTENANT GENERAL DEREVYANKO: Yes.

MR. REDAY: Well, taking an average, we can say that productivity now is roughly a million and a half tons per month and it averaged possibly twice that in previous years. Relatively, the same number of workers. This is all a very rough answer, but for the moment it would be roughly half.

LIEUTENANT GENERAL DEREVYANKO: I would like to make my question clear and I will repeat it. What is the average productivity of one worker now as compared with that of preceding years. I do not mean in general, but the productivity of one worker.

MR. REDAY: Well, you would have to mean an average worker.

LIEUTENANT GENERAL DEREVYANKO: An average worker, yes.

MR. REDAY: Well, roughly, it is half of that during the war, and immediately prior to the war, in tons. Roughly, one and one-half million tons a month divided by 300,000 workers --you would get a very rough answer. I can provide more concise figures on that too.

LIEUTENANT GENERAL DEREVYANKO: What is the actual self-cost of output of one ton of coal and its cost to the consumer?

MR. REDAY: I can't answer that now. I would have to break down the figures from the various fields in the country. I can provide that in the information.

MR. BALL: I think it would be very interesting, MR. REDAY, if you could give us the output per worker now, in comparison with the output per worker in 1938 or 1939.

MR. REDAY: It is bound to be rough, though. They say you can never tell how many miners are mining coal. You can get the number of miners registered as miners, but at a given time how many are mining coal--it is pretty difficult. But I can provide a close estimate--and I can give you that later.

LIEUTENANT GENERAL DEREVYANKO: The last question. What is the value and the condition of installations and equipment of the coal industry at present?

MR. REDAY: I am preparing that figure. I had hoped to have it ready for this morning, but I don't. It will have to come later.

LIEUTENANT GENERAL DEREVYANKO: I would like to have answers to these questions before the Agenda of the next meeting has been sent to the Members of the Council.

THE CHAIRMAN: We will endeavor to provide the information requested. GENERAL CHU, do you have any comment?

LIEUTENANT GENERAL CHU: MR. CHAIRMAN, I share with MR. BALL the feeling that we don't have all the information we would like to have. However, I have formed certain opinions with the information available to me, and I would like to put them before the Council. I have no objections of taking up this subject again at the next meeting. This problem is of great interest to us. For years, the Japanese have depended on China for the supply of coking coal for metallurgical purposes. On the other hand, we are now suffering from a shortage of ordinary fuel coal, so we are using some of our high grade coking coal for fuel. So, if we could work out a program whereby we could supply Japan with all the coking coal they want, at the same time getting fuel coal from Japan at a reasonable cost, I think it would work to the mutual benefit of both countries. That is the first point I would like to place at the disposal of MR. REDAY. The policy of ownership was mentioned in your partial staff study. Our opinion on this point is that we would favor nationalization. Whether we should do that immediately or gradually, we will be able to express our opinion better after we have more information on the subject. On the question of management of these coal mines I would like to stress that labor condition should be improved. I have heard that when the Japanese police found that a criminal has escaped to the coal mines, they stop chasing after him

because no prison they could put him in, would be worse than the coal mines. There seems to be a point in that. I would perhaps advocate participation by labor representatives in the management and possible participation by technological experts. I would like to reserve that however, also, for the next meeting when I have more time to study the subject.

THE CHAIRMAN: Then, we will continue with this subject at the next meeting two weeks hence. Thank you very much, MR. REDAY.

The next subject under Official Matters is the Demobilization Board, proposed by the Soviet Member, who asks for rather comprehensive information on the various aspects of the matter. I should like to have this subject postponed until the next meeting in order to give the sections of General Headquarters who are interested in it, more time to prepare a general outline of the information to be used as a basis for this discussion.

LIEUTENANT GENERAL DEREVYANKO: I have no objection to the question being postponed to the next meeting, sir.

THE CHAIRMAN: Then, the third subject, the Progress of Destruction of Japanese Armaments and War Materials. Very comprehensive information is also requested on this subject. There have been a number of reports published and distributed in the past. There is some detailed information which is in the process of compilation and which will not be immediately available, but when the compilation is completed, it will be made available to all the directly concerned Allied Governments. As the general outline of information desired as the basis of discussion could not be collated or compiled by the various sections in the time since the subject was placed on the Agenda, I should also like to postpone this subject until the next meeting.

LIEUTENANT GENERAL DEREVYANKO: No objections, sir.

THE CHAIRMAN: Is there any further business before the meeting? If not, let us adjourn.

(Meeting adjourned at 1050 hours.)

Encl. No. 2 to
Tokyo's No. 598
September 12, 1946

14-904

COPY NO. 51RESTRICTED

VERBATIM MINUTES
of the
FOURTEENTH MEETING
ALLIED COUNCIL FOR JAPAN

Meiji Building, Tokyo, Wednesday, 4 September 1946 at 10:00 A. M.

MEMBERS PRESENT

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

His Excellency, Lieutenant General Chu Shih-Ming, Member for China

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

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

SECRETARY-GENERAL

Mr. Glenn Abbey

Office of the Secretariat
Allied Council for Japan
5 September 1946

THE CHAIRMAN: Gentlemen, shall we come to order? The Verbatim Minutes of the previous meeting have been circulated. In the absence of objection, they will be recorded as approved.

Under Procedural Matters we have the question of the revised rules of procedure to complete. Pursuant to the discussion of the last meeting, the Secretary-General went over the rules that had been adopted and grouped them under certain headings, rephrased some of them for the sake of preciseness and clarity. They were sent to the Members for comment. The British Commonwealth Member recommends a change in paragraph 1c. Paragraph 1c at present reads, "In case any Member desires that a draft directive of the Supreme Commander be discussed prior to a regular meeting of the Council, the Chairman will, at that Member's request, call within 24 hours a special meeting of the Council for this purpose." MR. BALL suggests that this be amended to express the following sense: "At the request of any Member, the Chairman may call a special meeting of the Council within 24 hours." Is that agreeable to you, GENERAL CHU?

LIFUTFNANT GENERAL CHU: I didn't quite catch what the change was.

THE CHAIRMAN: The rule, at least the wording, in the compilation attached to the Agenda is as follows: "In case any Member desires that a draft directive of the Supreme Commander be discussed prior to a regular meeting of the Council, the Chairman will, at that Member's request, call within 24 hours a special meeting of the Council for this purpose." My understanding is that MR. BALL would like to change the wording to read thus: "In case any Member desires that a draft directive of the Supreme Commander be discussed prior to a regular meeting of the Council, at the request of any Member the Chairman may call a special meeting of the Council within 24 hours." Is that correct?

MR. BALL: Yes. My intention, MR. CHAIRMAN, at the last meeting was to provide the opportunity for any Member to call a meeting

within 24 hours, on any kind of subject. I think we got a bit involved in our discussion, and I think that this is quite a faithful summary of what we said, but I was hoping that we might be able to alter this particular clause in order to bring it into line with my intention, which was that if the question, at whatever time, were to arise, not merely a draft directive, that a Member of the Council might be able to call a meeting within 24 hours. As it stands at present--as it stands at present, a Member of the Council can only call a meeting within 24 hours if it is to consider a draft directive at any such occasion. My feeling is that we should be able to call a meeting for any reason.

THE CHAIRMAN: This wording that you suggest, then, would comprise the entire rule.

MR. BALL: But we should be able--

THE CHAIRMAN: The wording you suggest would comprise the whole rule being as set forth, without reference to draft directives.

MR. BALL: That is right. I agree.

THE CHAIRMAN: Is that agreeable to you, GENERAL CHU?

LIFUTENANT GENERAL CHU: Yes, it is.

THE CHAIRMAN: Is that agreeable to the Soviet Member?

LIFUTENANT GENERAL DEREVYANKO: Yes, it is, and I have no comments to make.

THE CHAIRMAN: MR. BALL has a recommendation, also, in regard to paragraph 1d: "Meetings will be open to the press and general public." He suggests that the wording be changed to: "Official meetings will be open to the press and general public." All meetings are official.

MR. BALL: I beg your pardon.

THE CHAIRMAN: All meetings are official, are they not?

MR. BALL: Well, what I had in mind there, MR. CHAIRMAN, was that there might be some time in the future in which we might want to discuss some particular question in a hurry and it might

be more convenient to discuss that privately. I thought it would be a pity for us to adopt rules of procedure which would preclude forever the possibility of having an informal, quick, private meeting.

THE CHAIRMAN: I perceive no objection to the suggested change. Is the Soviet Member agreeable to MR. BALL's suggestion?

LIEUTENANT GENERAL DERFVYANKO: No objection, sir.

THE CHAIRMAN: GENERAL CHU?

LIEUTENANT GENERAL CHU: I agree, too.

THE CHAIRMAN: That change will be made.

With reference to paragraph 3b (2), now reading: "Any Member of the Council may raise at the end of the Agenda a question of substance and express his preliminary views on that question. Other Members of the Council shall have the privilege of requesting that discussion on such question be postponed until the next meeting. The question so raised shall, as a matter of course, be placed on the Agenda of the succeeding meeting upon receipt by the Secretary-General of a duly written notification from the Member concerned," MR. BALL suggests that the phrase, "as a matter of course," be deleted from the last sentence.

MR. BALL: That was purely a verbal amendment. There is no question of substance involved in it. I felt it redundant.

THE CHAIRMAN: Is that agreeable to you, GENERAL?

LIEUTENANT GENERAL DERFVYANKO: MR. CHAIRMAN, I made an amendment to item 2, paragraph b, section 3, and I would like to know whether this amendment was taken into consideration in the final wording.

THE CHAIRMAN: MR. SECRETARY-GENERAL, have you a copy of GENERAL DEREVYANKO's amendment?

SOVIET INTERPRETER: MR. CHAIRMAN, here it is.

(Soviet Interpreter hands paper to Chairman.)

THE CHAIRMAN: The Soviet Member suggests that paragraph 3b (2)

be worded as follows: "Any Member of the Council may raise at any meeting at the end of the Agenda a question of substance and express his preliminary views on that question. Other Members of the Council shall have the right to ask that a discussion at length of that question should be postponed until the next meeting, on the Agenda of which the question so raised shall, as a matter of course, be automatically placed." The essential difference between MR. BALL's proposal and GENERAL DEREVYANKO's proposal is, I think, that MR. BALL suggests omitting the phrase, "as a matter of course," and GENERAL DEREVYANKO suggests leaving it in and omitting the phrase, "upon receipt by the Secretary-General of duly written notification." It seems to me the written notification would be useful because with it the Member can outline the precise information that he desires and the nature of the subject matter which he wishes discussed.

MR. BALL: I am quite agreeable to GENERAL DEREVYANKO's proposal.

THE CHAIRMAN: I have no preference as between the two. GENERAL CHU, are you agreeable?

LIEUTENANT GENERAL CHU: I think we might as well leave it as it stands in original form.

SOVIET INTERPRETER: Would you mind speaking a little louder, sir?

LIEUTENANT GENERAL CHU: I just suggested no change. There might be some repetition there, but I think it certainly covers all points.

THE CHAIRMAN: I think the original covers all points. It is helpful to all the Members to have a copy of the written communication outlining the information desired and the scope of the subject matter for discussion. In order to have the rule come into effect we must have the agreement of all Members to the wording of it.

MR. BALL: May we have GENERAL DEREVYANKO's amendment again, MR. CHAIRMAN?

THE CHAIRMAN: "Any Member of the Council may raise at any meeting at the end of the Agenda a question of substance and express his preliminary views on that question. Other Members of the Council shall have the right to ask that a discussion at length of that question should be postponed until the next meeting, on the Agenda of which the question so raised shall, as a matter of course, be automatically placed."

Under the present wording, it shall "...as a matter of course be placed on the Agenda of the succeeding meeting upon receipt by the Secretary-General of a duly written notification of the Member concerned."

MR. BALL: I would be quite agreeable to GENERAL DEREVYANKO's proposal.

THE CHAIRMAN: You don't see any advantage in having written notification outlining the scope of information and the scope of the subject to be discussed?

MR. BALL: As I understand it, if the Member does not give written notification there would not be any discussion at the next meeting, would there?

THE CHAIRMAN: Not under the original wording.

MR. BALL: I mean, the Member might want to give some thoughts on the subject without wishing to have that developed at the next meeting, and I think that GENERAL DEREVYANKO's proposal does provide for that. I would support that, MR. CHAIRMAN.

THE CHAIRMAN: GENERAL CHU is in favor of the original wording. You and GENERAL DEREVYANKO are in favor of the Soviet-suggested amendment.

MR. BALL. You are in favor of the original wording--

THE CHAIRMAN: It is a more orderly way to proceed. It gives all the Members an opportunity to know more or less precisely what the scope of the subject matter will be, gives an opportunity to prepare to discuss it.

LIEUTENANT GENERAL CHU: I think there would be less chance of misunderstanding if we add to what we say orally with a written statement before the next meeting. I think it would be a good thing.

MR. BALL: Perhaps GENERAL DEREVYANKO could explain again the reason for his desire to change this wording.

LIEUTENANT GENERAL DEREVYANKO: I don't insist upon my amendment, but I made it in order to make the wording more precise and I thought that it was necessary.

THE CHAIRMAN: The essential difference is that the Soviet Member's suggestion is that we eliminate the provision that a Member raising a question at one meeting give the usual notice in writing in order to place it formally on the Agenda for the succeeding meeting.

LIEUTENANT GENERAL DEREVYANKO: Yes, sir.

THE CHAIRMAN: Then, GENERAL DEREVYANKO is agreeable to the original wording?

LIEUTENANT GENERAL DEREVYANKO: I made the amendment in written form, sir, and I have no other opinion on the subject.

THE CHAIRMAN: We seem to have reached a stalemate in the matter, and the rule can't go into effect without agreement by all the Members.

LIEUTENANT GENERAL CHU: Actually, I think that we all agree in substance. The only point at issue is whether we will put in another written notification, which appears to me not too much of a burden on any Member. If we consider that subject important enough to bring up in a previous meeting, we certainly could take the trouble to send in another written notification to the Secretary-General. I really don't think the point is very important.

MR. BALL: I feel in the light of indications here this morning it is better to leave it as you have it here.

THE CHAIRMAN: Is that agreeable to GENERAL DEREVYANKO?

LIEUTENANT GENERAL DEREVYANKO: I have given my point of view

and I have nothing new to add.

THE CHAIRMAN: That would seem to eliminate rule 3b(2).

MR. BALL: MR. CHAIRMAN, would it be worth while to ask GENERAL DEREVYANKO whether he is ready to agree to the point of view that has been expressed by GENERAL CHU and yourself and by me, even though it does not correspond exactly with his own point of view?

THE CHAIRMAN: I think I have asked him several times. I don't want to be too persistent.

Under Official Matters, the first item on the Agenda is the question of policy with regard to ownership of coal mines and subsidy financing of coal production. This subject has been proposed by the Supreme Commander who requests the comments of the Members of the Council. I would like to introduce MR. REDAY of our Economic and Scientific Section, who will be glad to endeavor to answer any detailed questions that the Members may have.

Attached to the Agenda form is a partial staff study on the problem, which has been distributed to all the Members, made public, distributed to the press. There would seem to be no need to read it at this time.

MR. BALL?

MR. BALL: Well, MR. CHAIRMAN, I fully realize the very great importance of increasing coal production. It appears that the shortage of coal is the most important single reason for the failure to rehabilitate Japanese industrial life. On the other hand, I am rather puzzled about exactly what kind of advice you desire from the Council today. I had noticed in a SCAP Public Relations release of 30 August that MR. REDAY gave a press conference in which he referred to a plan of the Japanese Government and asked for the support of the Japanese people for this plan. He said that it was important that the public, as well as the mine owners and miners, should support the new production plan for which

the Japanese Economic Stabilization Board had assumed the responsibility. Now, I personally am very anxious, and I think that the other Members of the Council will be, too, to give any kind of advice and help that we can on this question, but it would be difficult for us to put forward any concrete and specific plan without knowledge of the plan that has been put forward by the Japanese Government. We have no information about that plan. The Japanese Government has put forward a plan which has received SCAP's official approval, and it would be unfortunate if we were to put forth some other plan which might perhaps clash with this plan that has received SCAP's approval. In these circumstances, although we are very anxious to help, I feel that the first thing is for us to be given information about the Japanese Government's plan, and to be given some opportunity to know the minds of experts like MR. REDAY, and then in a fortnight's time, having received that information, we shall certainly do our best to give any advice we think might be helpful.

THE CHAIRMAN: You would like to postpone discussion, then, until two weeks hence and in the meantime receive additional information?

MR. BALL: Well, the main point I made, MR. CHAIRMAN--I have tried to make--is that we are asked for advice on how to rehabilitate the coal industry, but already some days ago a representative of SCAP explained to the Japanese press that the Japanese Government has got a plan for rehabilitating the coal industry. We have no information about that plan.

THE CHAIRMAN: I think the essential question here is whether the coal mines should be nationalized or whether the subsidy financing should be continued, but MR. REDAY may be able to enlighten you on the other aspects of the matter.

MR. REDAY: Perhaps I can enlighten you on one feature. The Japanese Government has a program rather than a plan. It is

being worked out now by the Japanese Government and the Economic Stabilization Board has assumed the responsibility for working it out, but so far it is merely a program which includes four or five major features which would be included in any program for increasing coal production. But there are no details yet evolved to form a concrete plan within that program, and the purpose of referring this question to the Council was this--that this program for which detailed plans are being developed by the Japanese Government involves operational and executive matters, as distinct from such important policy questions as ownership and financing of industries.

MR. BALL: But wouldn't MR. RFDAY feel, MR. CHAIRMAN, that it is not really the business of the Allied Council to work out a detailed plan by which the Japanese might rehabilitate their coal industry? It is surely for the Japanese to do that.

THE CHAIRMAN: There is no request before the Council to work out a detailed plan to increase coal production. The Supreme Commander has requested the advice of the Council on the question of whether the coal industry should be nationalized or whether the present system of subsidy financing should be continued. I think it would be possible to present to the Council the program of the Japanese if you wish to see it.

MR. BALL: Yes--

THE CHAIRMAN: We didn't want to overburden you with too much technical information.

MR. BALL: We certainly have not been overburdened, MR. CHAIRMAN. My feeling is that if the Japanese Government put forward a plan which is inconsistent with Allied Occupation policy, it would then--it would be wise and proper to ask the Allied Council to put forth comments and to ask them for their helpful and constructive criticism of this plan, but at the moment, my position is that

there is a plan, that that plan has received the approval of SCAP, and I feel that it would be very difficult and embarrassing for us to put up alternative proposals, to put up new proposals, without knowing the nature of the plan that has already been worked out by the Japanese Government.

THE CHAIRMAN: That plan can be presented to the Council. I'm quite agreeable to postponing the matter until the next meeting. GENERAL DEREVYANKO?

LIEUTENANT GENERAL DEREVYANKO: Yes, sir.

THE CHAIRMAN: GENERAL CHU?

LIEUTENANT GENERAL DEREVYANKO: I have some questions to ask.

THE CHAIRMAN: MR. BALL has suggested that the entire matter be postponed for discussion at the next meeting, two weeks hence.

LIEUTENANT GENERAL DEREVYANKO: I concur with MR. BALL's proposal, but before postponing the entire question, I would like to ask some questions connected with the problem.

THE CHAIRMAN: Surely.

LIEUTENANT GENERAL DEREVYANKO: What are the reasons for such low coal output during this year?

THE CHAIRMAN (To MR. REDAY): Can you answer that?

MR. REDAY: It is a pretty big question. There are very, very many reasons. One major reason would be the fact that the miners had been entirely Korean until the end of the war. They have been replaced by Japanese miners since that time, to whom coal mining is an entirely new profession, and the second major factor would be the fact that food has been very short in Japan for some months and the miners feel themselves forced to spend a great deal of time looking for food rather than mining for coal. The third factor would be the general run-down condition of the mines at the end of the war through lack of maintenance and lack of replacement machinery and so on and the difficulty of finding it now.

LIEUTENANT GENERAL DEREVYANKO: What measures are being taken by the Japanese Government to increase coal production?

THE CHAIRMAN: That would be outlined in the program which will be presented to the Council at the request of MR. BALL.

MR. REDAY: Yes.

LIEUTENANT GENERAL DEREVYANKO: What number of workers is now employed in the coal industry of Japan as compared with the average number of workers in this industry during the preceding years?

MR. REDAY: I can only answer in rough figures, in the neighborhood of 275,000 and 300,000 and it compares pretty closely with what has been employed in previous years.

LIEUTENANT GENERAL DEREVYANKO: The exact figures are not available, sir?

MR. REDAY: I will provide them in this outline which we present at the next meeting.

LIEUTENANT GENERAL DEREVYANKO: What are the reasons of numerous strikes in the coal industry of Japan?

MR. REDAY: I can advance an opinion. The general shortage of food makes labor restless. Probably the most important is the general fact that the shortage of food in the mine and the general poor conditions. Poor working conditions have made labor restless.

MR. BALL: Do you mean, MR. REDAY, a general shortage of food or a maldistribution of food?

MR. REDAY: Both. There has been a general shortage of food in the country for several months. Coal miners are not in an occupation which permits them to grow food on the side and to look around for food except at the expense of time being spent for coal. There are many other factors involved here.

LIEUTENANT GENERAL DEREVYANKO: What is the average productivity of one worker now as compared with that during the preceding years?

MR. REDAY: You mean the output per worker?

LIEUTENANT GENERAL DEREVYANKO: Yes.

MR. REDAY: Well, taking an average, we can say that productivity now is roughly a million and a half tons per month and it averaged possibly twice that in previous years. Relatively, the same number of workers. This is all a very rough answer, but for the moment it would be roughly half.

LIEUTENANT GENERAL DEREVYANKO: I would like to make my question clear and I will repeat it. What is the average productivity of one worker now as compared with that of preceding years. I do not mean in general, but the productivity of one worker.

MR. REDAY: Well, you would have to mean an average worker.

LIEUTENANT GENERAL DEREVYANKO: An average worker, yes.

MR. REDAY: Well, roughly, it is half of that during the war, and immediately prior to the war, in tons. Roughly, one and one-half million tons a month divided by 300,000 workers --you would get a very rough answer. I can provide more concise figures on that too.

LIEUTENANT GENERAL DEREVYANKO: What is the actual self-cost of output of one ton of coal and its cost to the consumer?

MR. REDAY: I can't answer that now. I would have to break down the figures from the various fields in the country. I can provide that in the information.

MR. BALL: I think it would be very interesting, MR. REDAY, if you could give us the output per worker now, in comparison with the output per worker in 1938 or 1939.

MR. REDAY: It is bound to be rough, though. They say you can never tell how many miners are mining coal. You can get the number of miners registered as miners, but at a given time how many are mining coal--it is pretty difficult. But I can provide a close estimate--and I can give you that later.

LIEUTENANT GENERAL DEREVYANKO: The last question. What is the value and the condition of installations and equipment of the coal industry at present?

MR. REDAY: I am preparing that figure. I had hoped to have it ready for this morning, but I don't. It will have to come later.

LIEUTENANT GENERAL DEREVYANKO: I would like to have answers to these questions before the Agenda of the next meeting has been sent to the Members of the Council.

THE CHAIRMAN: We will endeavor to provide the information requested. GENERAL CHU, do you have any comment?

LIEUTENANT GENERAL CHU: MR. CHAIRMAN, I share with MR. BALL the feeling that we don't have all the information we would like to have. However, I have formed certain opinions with the information available to me, and I would like to put them before the Council. I have no objections of taking up this subject again at the next meeting. This problem is of great interest to us. For years, the Japanese have depended on China for the supply of coking coal for metallurgical purposes. On the other hand, we are now suffering from a shortage of ordinary fuel coal, so we are using some of our high grade coking coal for fuel. So, if we could work out a program whereby we could supply Japan with all the coking coal they want, at the same time getting fuel coal from Japan at a reasonable cost, I think it would work to the mutual benefit of both countries. That is the first point I would like to place at the disposal of MR. REDAY. The policy of ownership was mentioned in your partial staff study. Our opinion on this point is that we would favor nationalization. Whether we should do that immediately or gradually, we will be able to express our opinion better after we have more information on the subject. On the question of management of these coal mines I would like to stress that labor condition should be improved. I have heard that when the Japanese police found that a criminal has escaped to the coal mines, they stop chasing after him

because no prison they could put him in, would be worse than the coal mines. There seems to be a point in that. I would perhaps advocate participation by labor representatives in the management and possible participation by technological experts. I would like to reserve that however, also, for the next meeting when I have more time to study the subject.

THE CHAIRMAN: Then, we will continue with this subject at the next meeting two weeks hence. Thank you very much, MR. REDAY.

The next subject under Official Matters is the Demobilization Board, proposed by the Soviet Member, who asks for rather comprehensive information on the various aspects of the matter. I should like to have this subject postponed until the next meeting in order to give the sections of General Headquarters who are interested in it, more time to prepare a general outline of the information to be used as a basis for this discussion.

LIEUTENANT GENERAL DEREVYANKO: I have no objection to the question being postponed to the next meeting, sir.

THE CHAIRMAN: Then, the third subject, the Progress of Destruction of Japanese Armaments and War Materials. Very comprehensive information is also requested on this subject. There have been a number of reports published and distributed in the past. There is some detailed information which is in the process of compilation and which will not be immediately available, but when the compilation is completed, it will be made available to all the directly concerned Allied Governments. As the general outline of information desired as the basis of discussion could not be collated or compiled by the various sections in the time since the subject was placed on the Agenda, I should also like to postpone this subject until the next meeting.

LIEUTENANT GENERAL DEREVYANKO: No objections, sir.

THE CHAIRMAN: Is there any further business before the meeting? If not, let us adjourn.

(Meeting adjourned at 1050 hours.)

Encl. No. 1 to
Tokyo's No. 598
September 12, 1946

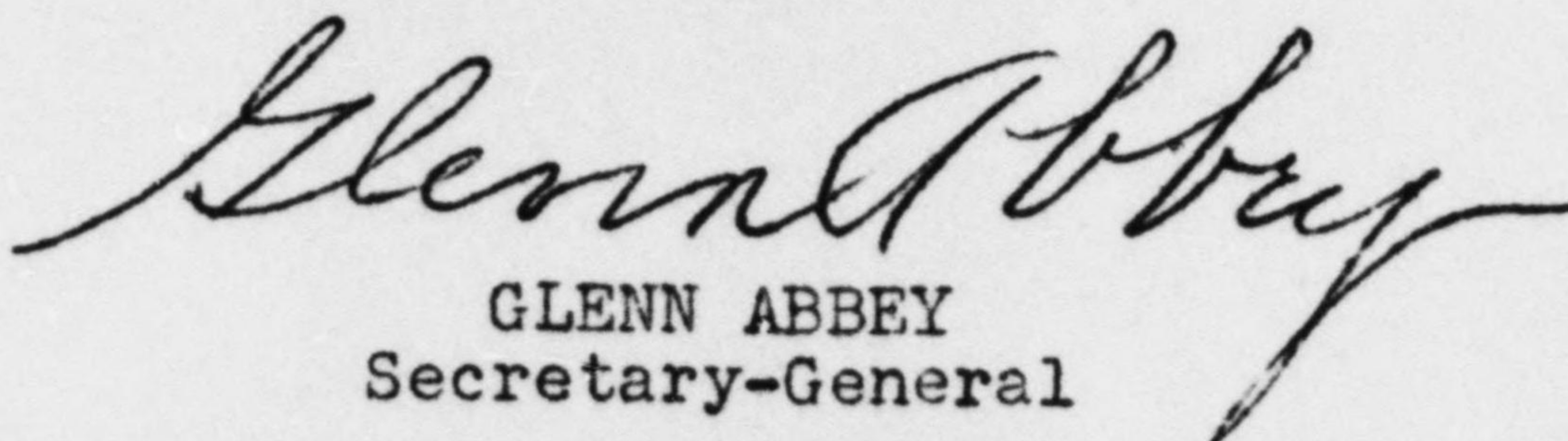
14-904

AGENDA
for the
FOURTEENTH MEETING
ALLIED COUNCIL FOR JAPAN

To be held in the Meiji Building, Tokyo
Wednesday, 4 September 1946 at 1000 Hours

- I APPROVAL OF THE VERBATIM MINUTES OF THE THIRTEENTH MEETING (One Session, Numbered 13-821).
- II PROCEDURAL MATTERS
1. Compilation of Procedural Rules (Inclosure #1).
- III OFFICIAL MATTERS
1. Policy with Regard to Ownership of Coal Mines and Subsidy Financing of Coal Production (Inclosure #2).
2. The Demobilization Board (Inclosure #3).
3. The Progress of Destruction of Japanese Armaments and War Materials (Inclosure #4).

By Direction of the Chairman:


GLENN ABBEY
Secretary-General

Incls:

1. Gen. Rules of Proc. for ACJ
2. Agenda Item, 14-904-1
3. Agenda Item, 14-904-2
4. Agenda Item, 14-904-3

30 August 1946

GENERAL RULES OF PROCEDURE FOR THE ALLIED COUNCIL FOR JAPAN

1. MEETINGS:

- a. Meetings will be held not less often than once every two weeks and at such other times as may be requested by any Member through due notification of the Chairman.
- b. Regular meetings will be held on alternate Wednesdays at 10:00 a.m.
- c. In case any Member desires that a draft directive of the Supreme Commander be discussed prior to a regular meeting of the Council, the Chairman will, at that Member's request, call within 24 hours a special meeting of the Council for this purpose.
- d. Meetings will be open to the press and general public.

2. RECORDS:

- a. Complete stenographic records will be made of all meetings and proceedings of the Council. These will be known as the "VERBATIM MINUTES." They will contain: identification symbols, date and place of meeting, Members present, and names and identification of those appearing before the Council.

Each Member's opinion or attitude as expressed by him regarding matters on the Agenda or raised in the course of the meetings will be recorded.

- b. The Secretary-General will prepare the Verbatim Minutes as expeditiously as possible and submit them to the individual Members prior to issuance in final form.
- c. A consolidation of recommendations made by Members will be prepared by the Secretary-General in order to facilitate their consideration by the Supreme Commander and the Members of the Council.
- d. The minutes and consolidated recommendations of the Council will be submitted to the Supreme Commander for his consideration and to all Members of the Council.

3. AGENDA:

- a. Subject matter for discussion at Council meetings will be without restriction on all phases of the Occupation.

- b. Subject matter for consideration at a regular meeting will be included in the Agenda for that meeting only if submitted not later than five (5) days before the meeting is scheduled, except that:

- (1) A Member wishing to propose a subject for discussion may so indicate in the meeting prior to that at which he wishes the subject discussed. The Secretariat shall, within the following five days, furnish such Member with such general information on the subject as may be available.

- (2) Any Member of the Council may raise at the end of